

**INTUC'S**  
**REPLIES TO THE QUESTIONNAIRE**  
**BY THE**  
**NATIONAL COMMISSION ON LABOUR**

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**BY  
INDIAN NATIONAL TRADE UNION CONGRESS  
17, JANPATH, NEW DELHI**

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## INTRODUCTION

The INTUC is an independent Trade Union National Centre. It was born in May 1947.

1.2. When India was on the threshold of attaining her independence, it became necessary to have a genuine democratic nationalist trade union centre to protect both the interests of the working class and of the young nation. The Textile Labour Association of Ahmedabad took the lead for this move through the Hindustan Mazdoor Sevak Sangh. Besides the Ahmedabad Union, there were several trade unions in the country not affiliated to any national centre. A number of unions already affiliated with the AITUC too were not satisfied with its policies and were thinking independently for the setting up of a genuine national trade union centre. Representatives of some 200 such unions accounting for over 5,75,000 membership met at New Delhi on 3rd May, 1947 under the auspices of the Hindustan Mazdoor Sevak Sangh and formed the Indian National Trade Union Congress known in short as INTUC.

### 1.3. *Objects :*

The objects of the INTUC are :

1. (i) to establish an order of society which is free from hindrance in the way of an all-round development of its individual members, which fosters the growth of human personality in all its aspects, and goes to the utmost limit in progressively eliminating social, political or economic exploitation and inequality, the profit motive in the economic activity and organisation of society and the anti-social concentration of power in any form ;
- (ii) to place industry under national ownership and control in suitable form in order to realise the aforesaid objective in the quickest time ;
- (iii) to organise society in such a manner as to ensure full employment and the best utilisation of its manpower and other resources
- (iv) to secure increasing association of the workers in the administration of industry and their full participation in its control ;
- (v) to promote generally the social, civic and political interests of the working class.
- II. (i) to secure an effective and complete organisation of all categories of workers, including agricultural labour ;
- (ii) to guide and coordinate the activities of the affiliated organisations ;
- (iii) to assist in the formation of trade unions.
- (iv) to promote the organisation of workers of each industry on a nation-wide basis.
- (v) to assist in the formation of Regional or Pradesh Branches or Federations.
- III. (i) to secure speedy improvement of conditions of work and life and of the status of the workers in Industry and Society.
- (ii) to obtain for the workers various measures of social security, including adequate provision in respect of accidents, maternity, sickness, old age and unemployment.
- (iii) to secure a living wage for every worker in normal employment and to bring about a progressive improvement in the workers' standard of living.
- (iv) to regulate hours and other conditions of work in keeping with the requirements of the workers in the matter of health, recreation and cultural development.
- (v) to secure suitable legislative enactments for ameliorating the conditions of the workers and to ensure the proper enforcement of legislation for the protection and uplift of labour.

- IV. (i) to establish just industrial relations :
- (ii) to secure redressal of grievances, without stoppage of work, by means of negotiations and conciliation and failing these by arbitration or adjudication ;
- (iii) to take recourse to other legitimate methods, including strikes or any suitable form of satyagraha where adjudication is not applied and settlement of disputes within a reasonable time by arbitration is not available for the redress of grievances ;
- (iv) to make necessary arrangements for the efficient conduct and satisfactory and speedy conclusion of authorised strikes or satyagraha.
- V. (i) to foster the spirit of solidarity, service, brotherhood, cooperation and mutual help among the workers ;
- (ii) to develop in the workers a sense of responsibility towards industry and the community.
- (iii) to raise the workers' standard of efficiency and discipline.

#### 1.4. Means :

The distinguishing feature of the INTUC is the constitutional provision regarding the means to be adopted for the attainment of its objectives. Clause V(b) of its constitution lays down :

"The means to be adopted for the furtherance of the objects mentioned in Clause 3 shall be peaceful and consistent with truth."

#### 1.5. Organisation :

The INTUC has, according to its latest report, a membership of 20,06,347, distributed over 2,049 unions. It has branches in all the States as well as in most of the centrally-administered areas. It has sponsored a number of National Industrial Federations to which are affiliated all the affiliates of the INTUC from the industry concerned.

1.6 The following are the National Industrial Federations sponsored by the INTUC :

1. Indian National Cement Workers' Federation, Mazdoor Karyalaya, Congress House, Bombay-4.
2. Indian National Chemical Workers' Federation, Gandhi Majoor Sevalaya, Bhadra, Ahmedabad.
3. Indian National Defence Workers' Federation, 25/19, Karachi Khana, Kanpur.
4. Indian National Electricity Workers' Federation, Chandpole, Near Post Office, Jaipur.
5. Indian National Engineering Workers' Federation, 177/B, Acharya Jagdish Bose Road, Calcutta-14.
6. Indian National Food & Drink Workers' Federation, C/o. Pradesh Congress Committee, Congress Bhavan, Quilon.
7. Indian National Iron & Steel Workers' Federation, 15, K. Road, Jamshedpur.
8. Indian National Mine Workers' Federation, 9, Elgin Road, Calcutta-20.
9. Indian National Port & Dock Workers' Federation, 10, Mohan Chand Road, Calcutta-23.
10. Indian National Paper Mills Workers' Federation, 6/B, L.I.G.H., Barkatpura, Hyderabad.
11. National Federation of Petroleum Workers, 27, Military Square Lane, Fort Bombay-1.
12. Indian National Plantation Workers' Federation, INTUC Office, P.O. Jorhat.
13. Indian National Press Workers' Federation, 10/425, Khalasi Lines, Kanpur.
14. Indian National Sugar Mills Workers' Federation, 19, Lajpat Rai Marg, Lucknow.
15. Indian National Textile Workers' Federation, Gandhi Majoor Sevalaya, Bhadra, Ahmedabad.
16. Indian National Transport Workers' Federation, Gandhi Majoor Sevalaya, Bhadra, Ahmedabad.
17. Indian National Commercial & Salaried Employees' Federation, Gandhi Majoor Sevalaya, Bhadra, Ahmedabad.
18. All India National Life Insurance Employees' Federation, 27, Military Square, Lane Fort Bombay-1.
19. National Federation of Indian Railwaymen, 17, Janpath, New Delhi.
20. All India Bank Employees' Federation, 26/104, Birhana Road, Kanpur.
21. All India Cantonment Board Employees' Federation, Qr. No. 3, Water Works, Sadar Bazaar, Ambala Cantt.

1.7. **Membership :**

The statewise distribution of membership is as follows :

S. No.	Name of Pradesh	No. of Unions.	Member-ship
1.	Andhra	165	90,862
2.	Assam	33	1,61,884
3.	Bengal	203	2,48,974
4.	Bihar	120	1,84,398
5.	Delhi	65	3,62,246
6.	Gujrat	144	1,69,297
7.	Haryana	83	24,851
8.	Himachal Pradesh	30	3,781
9.	Kerala	124	89,422
10.	Madhya Pradesh	106	97,176
11.	Maharashtra	195	2,24,428
12.	Mysore	69	48,335
13.	Orissa	17	45,463
14.	Punjab	97	28,961
15.	Rajasthan	141	35,229
16.	Tamilnad	194	90,261
17.	Uttar Pradesh	251	92,225
18.	Goa	5	6,658
19.	Chandigarh	6	947
20.	Jammu & Kashmir	1	249
<b>Total :</b>		<b>2,049</b>	<b>20,06,347</b>

The membership of the INTUC, classified according to the Government of India classification of Industrial groups as on 31st December 1966 is given below :

S. No.	Name of Industry	No. of Unions.	Member-ship.
1.	Textile	237	4,36,720
2.	Iron & Steel	28	84,743
3.	Metal Trades	49	28,876
4.	Engineering	207	79,354
5.	Electricity Gas, Steam & Power	88	31,838
6.	Transport	161	4,06,670
7.	Plantation	40	2,82,984
8.	Mining	55	1,80,426
9.	Quarrying	17	13,646
10.	Agriculture	47	14,568
11.	Sugar	123	69,161
12.	Cement	44	24,202
13.	Chemicals	101	31,008
14.	Building Civil Engineering & Public Works	61	39,020
15.	Food & Drinks	82	12,414
16.	Tobacco	37	34,872
17.	Leather & Tanneries	37	13,212
18.	Paper & Paper Products	23	13,504
19.	Printing & Publishing	60	13,098
20.	Local Bodies	173	32,633
21.	Glass & Potteries	37	10,069
22.	Petroleum	11	12,438
23.	Salaried Employees & P.W.	190	45,697
24.	Personnel Services	42	8,179
25.	Banks Employees	22	6,733
26.	Port, Docks & Maritime	26	63,561
27.	Coir	5	2,772
28.	Plywood	5	915
29.	Pencil Industry	—	—
30.	Rural Workers	—	—
31.	Miscellaneous	41	13,034
<b>Total :</b>		<b>2,049</b>	<b>20,06,347</b>

1.9. The comparative membership of the different All India Organisations as on 31st March 1963, as verified and accepted by the Government of India, is shown in the following table :

	No. of Unions affiliated.			
	1958	1959	1960	1963
INTUC	727	886	860	1219
AITUC	807	814	886	952
H.M.S.	151	185	190	253
UTUC.	182	172	229	241
<b>Total :</b>	<b>1867</b>	<b>2057</b>	<b>2165</b>	<b>2665</b>

	MEMBERSHIP			
	1958	1959	1960	1963
INTUC	9,10,221	10,23,371	10,53,386	12,68,339
AITUC	5,37,567	5,07,654	5,08,962	5,00,967
H.M.S.	1,92,948	2,41,636	2,86,202	3,29,931
UTUC	82,001	90,629	1,10,034	1,08,982
<b>Total :—</b>	<b>17,22,737</b>	<b>18,63,290</b>	<b>19,58,584</b>	<b>22,80,219</b>

[Source : 'India—1966' p. 383]

It will be seen from the above two tables that the INTUC has always been the largest organisation.

#### 1.10. Management

Every affiliated Union is entitled to elect a delegate for 500 of its membership or part thereof. The delegates so elected from each Industrial Group have the right to elect a member on the General Council for every 5,000 members or part thereof in excess of 1000 from that Industrial Group. The General Council is competent to elect the office-bearers of the organisation, as also members of the Working Committee, in all comprising of 35, out of whom the President is competent to nominate 9 members. The General Council can co-opt upto 10 persons as its members. The office-bearers are elected ordinarily once a year at the time of the Annual Conference. But the interval between two such Conferences may exceed twelve months under exceptional circumstances. The office-bearers of the INTUC consist of a President, five Vice Presidents, a General Secretary and a Treasurer. An Assistant Secretary and two Organising Secretaries are nominated by the President in consultation with the General Secretary. The State Branches and Industrial Federations too have their own elected set up.

#### 1.11. Conferences and Committees :

INTUC's nominees are serving on all tripartite bodies such as Indian Labour Conference, Standing Labour Committee, Industrial Committees, Central Advisory Council for Industries, besides such tripartite bodies as Bonus Commission, Wage Boards, etc. The INTUC's constructive approach to the various labour problems have been mainly responsible for the orderly progress of the working class and the middle class in the country.

1.12. Several affiliates of the INTUC have taken up such constructive activities as sponsoring and running Workers Co-operative Housing Societies, Co-operative Consumer Stores and Banks, Workers Education and cultural activities. The INTUC is publishing an English weekly, the *Indian Worker* from its National Headquarters at Delhi. Its Pradesh Branches and Industrial Federations and many important affiliates are also publishing their own periodicals in the regional languages.

#### 1.13. International

Right from 1948 the INTUC became the major organisation of the working class in the country and has been representing the Indian working class at the I.L.O. Its delegate has been almost continuously from its inception an elected member of the Governing Body of the I.L.O. The INTUC is also one of the founder-members of the International Confederation of Free Trade Unions (ICFTU) with its headquarters at Brussels (Belgium).

## II GENERAL

The Indian National Trade Union Congress welcomes the appointment of the National Commission on Labour. Although there have been several committees and study panels appointed from time to time to consider the different aspects of employer-employee relations, or particular problems occurring in specific industries, this is the first time since India attained freedom that a National Commission has been appointed to carry out a comprehensive study of the entire field, in all industries and services, including agricultural and other unorganised industries, and make suitable recommendations. The recommendations of the Commission may well provide the guidelines for patterning the labour policies of our country for perhaps the rest of this century. The INTUC, therefore, attaches great importance to the work of this Commission.

2.2 The previous Commission, known as the Royal Commission on Labour, was appointed in 1929 during the British regime. It must be said to the credit of that Commission that it did commendable work and its recommendations did form the basis for several progressive legislations subsequently. But it must be remembered that at the time the Royal Commission on Labour was appointed there was very little industrialisation in the country. Also the problems then were neither so many nor so complicated as now. Therefore the ground to be covered by the present Commission will indeed be considerable, complicated and even delicate.

2.3 Since independence, a large number of statutes governing labour and its welfare has been put on the statute book. Industrialisation has been considerable, if not adequate, during the last twenty years. Public-sector, which was negligible before independence, has now assumed a significant place in the economy of the country and is poised for further expansion. The co-operative sector, which in the past was limited mostly to rural credit, has since entered the industrial sphere also. Still our country is only among the under-developed countries of the world. We have a considerable distance to cover before we could catch up with the other advanced nations. The recommendations of this Commission will be very important in that they will have a great impact on the industrial and labour policies of the State in the decades ahead.

2.4 The 'terms of reference' to this Commission are wide enough to cover practically every aspect of labour, trade union, employers, industrial relations, social security, etc. The questionnaire issued by the Commission has necessarily to be large in order to be comprehensive and almost exhaustive. The INTUC is happy to find that the questionnaire starts with "recruitment and induction" and goes on by stages upto "retirement benefits."

2.5 Before answering these questions, however, the INTUC would like to make certain general observations, and requests that its answers to the various questions may be understood against the background of the general observations.

2.6 The War with Germany and Japan ended in 1945. Although these two countries suffered the heaviest damages materially during the War and the crushing humiliation of defeat at the end of the War, West Germany has since made marvellous progress in its industrial and economic activities. To-day it ranks as one of the world's industrially most advanced nations. The same applies to Japan in the East. The economic progress of Japan in the post-war years is indeed spectacular. A third country, Israel, which was created after the Second World War, practically out of desert land, has also progressed to such a great extent, that it is to-day offering help to backward nations as to how to improve their agriculture! Only India, which attained independence about the same time and which did not suffer the extent of damage during the War, or the humiliation of defeat at the end of the War, as the other two countries had, but started on a triumphant note of independence, had not been able to register progress comparable anywhere to those countries.

2.7 It is not that the Indian worker is in any way inferior to his compeer in those countries. The Indian worker, given a 1 opportunity and proper conditions, will compare favourably with his compeer anywhere in the world. If therefore we have failed to progress as extensively or as rapidly as the other countries, the blame cannot be laid on the doors of the working-class. It can only be due to the failure of leadership in the different departments of our national activities, including perhaps that of sections of trade union movement. It would be worthwhile for the Commission to go into this basic aspect as to why and how, the nation has failed to capitalise the initial favourable start it had twenty years back to achieve the progress that others were achieving before our very eyes, not so much by way of post-mortem but as an experience that could contra-indicate and guide our future policies and programmes.

2.8 Even after twenty years of independence, the volume of unemployment in our country shows no sign of decreasing. Out of those employed, there is considerable under-employment for many ; which,



of late, has increased further. Food for our people continues to be a problem although the Indian economy is still essentially agricultural. Not only that, even industrial raw materials based on agriculture continue to be in short supply. Our agricultural productivity is perhaps the lowest in the world. Under-employment in the rural sector is almost universal. Even in the urban sector there is no full utilisation of the installed capacity in many industries. The national debt has been swelling out of all proportion and the servicing of these debts is itself becoming a major burden which threatens almost to cripple our economy. Our currency has been twice devalued. Our exports are going down even in respect of traditional commodities in spite of the advantages held out as a result of devaluation of the rupee.

2.9 Although several of the factors mentioned above are not directly concerning labour, it cannot be denied that labour has been largely affected by them. They will therefore be well within the scope of the Commission's enquiry. Unless the basic factors are properly appreciated, the deep-seated maladies are properly diagnosed and the required remedies are boldly and promptly applied, the recommendations of the Commission, which will otherwise be merely dealing with the superstructure, will not be of much avail. It could not be that if only correct answers to the various questions posed in the Commission's questionnaire are made available, while the other conditions remain the same, a satisfactory set of recommendations can be made to improve the lot of labour, industry and the country. Such an approach would ignore the broad and basic pre-requisites. We may, therefore, be pardoned if we invite the Commission's attention at the outset to this fundamental aspect in our general observations.

2.10 It may be argued that multiplicity of trade unions operating in the country is a major cause for retarding the economic progress of the nation. It cannot be denied that a united trade union movement, conducted on sound lines, will certainly go a long way to improve the pace of the nation's economic progress. But in Japan too there are as many as nine central organisations (although only three or four of them are of any significance by size and influence) and still Japan was able to achieve tremendous progress and prosperity. Without, however, underestimating the evils arising out of multiplicity of unions, we would suggest that there must be other and important reasons too for our a slow pace of progress and it will be well worth the Commission's efforts to unravel all the factors that operate as stumbling blocks.

2.11 Having focussed this fundamental problem before the Commission and invited it to suggest the remedial measures, we feel it our duty also to place before the Commission the results of our own analysis in this regard. According to us the reasons for the slow progress of our nation are many and they include, among others :

1. Lack of national consciousness.
2. Lack of realisation at the grass roots that independence carries with it not merely rights but obligations as well.
3. Lack of realisation at most levels, particularly by the masses, that democracy means discipline, duties and responsibilities first.
4. Over-emphasis on rights.
5. Lack of proper attitude and approach to work by sections of labour and its leadership.
6. Emphasis on distribution rather than on production.
7. More talk and less work.
8. Being carried away by hero-worship than a healthy respect for principles.
9. Attempt to dwell in the past glory and allow the present to slip out.
10. Doctrinaire approach in respect of economic policies.
11. Certain amount of negative thinking.
12. Lack of proper appreciation of priorities.
13. Undemocratic and anti-national forces allowed to sabotage the present order by giving them free play in the name of democracy.
14. Communalism and parochialism.
15. Inefficiency in administration and widespread corruption.
16. Ignoring Gandhiji's advice that means also should be pure and resorting to 'some-how' methods for achievement of individual and collective aims.

2.12 There may be many more to be added to the list. We are by no means suggesting that the above list is exhaustive. We have only indicated some of the basic factors that struck us as glaringly responsible for our country's poor rate of progress.

2.13 We would at this stage like to place before the Commission certain statistical data in support of the statements made earlier.

2.14 *Employment :*

The average daily employment in Factories in 1964 was only 45,85,000. The distribution of these figures among the several factory Industries and the progress through the years since independence are indicated in the table below :

<i>Industry</i>	<i>.000 numbers</i>			
	1951	1956	1961	1964*
Process allied to agriculture	131	152	150	160
Sugar	95	104	124	126
Tea Factories	102	105	103	101
Cashewnut	56	61	82	90
Tobacco	143	181	174	181
Cotton Mills	685	822	826	866
Jute Mills	302	273	220	271
Silk Mills	54	65	74	81
Paper and Paper Products	28	31	42	54
Printing Publishing and Allied Industries	79	89	109	118
Leather and Leather Products	18	21	20	26
Rubber and Rubber Products	24	30	39	57
Chemicals and Chemical products	90	104	146	187
Cement	26	22	25	26
Basic Metal Industries	102	113	178	246
Manufactures of Metal products, machinery and transport equipment	408	540	795	1,018
Electricity, gas and steam	32	34	44	48
<b>Total (including others)**</b>	<b>2,914</b>	<b>3,433</b>	<b>3,928</b>	<b>4,585</b>

\* Provisional.

\*\* includes estimates for factories not submitting returns.

Employment in Mines was only 6,86,000 in 1964. In Plantations there has been an actual fall in the number of workers employed in 1964 as compared to 1951 and the figure stood at the lowest in 1964, as the following table will show :—

*Employment in Mines and Plantations. (Daily average)*

	<i>(.000 numbers)</i>			
	1951	1956	1961	1964
Employment in Mines :				
Coal	352.0	352.4	411.3	430.8
Iron Ore	20.0	37.3	54.5	51.9
Manganese Ore	55.5	110.0	46.9	42.2
Mica	52.2	34.0	29.6	20.1
Others	69.1	94.9	128.6	141.9
<b>Total</b>	<b>549.0</b>	<b>629.6</b>	<b>671.0</b>	<b>686.8</b>

\*Source : Table 2.2—Page 22. 'India Pocket Book of Economic Information—1966''

\*\*Table 2.3—Page 23—'India—Pocket Book of Economic Information—1966.'

<i>Employment in Plantations :</i>		(.000 numbers)			
<i>(Daily average)</i>		1951	1956	1961	1964
Tea		1,018	938	823	n.a.
Coffee		175	199	285	n.a.
Rubber		43	63	102	
<b>Total</b>		1,236	1,200	11,210	n.a.

*Employment in Public sector :*

Employment in public-sector at the end of the year 1964 was 87,89,000. The break-up of this figure by Central Government, State Government, Quasi-Government and Local Bodies, as also industry-wise is given below :

		(.000 numbers)***			
		<i>At the end of</i>			
		<i>March</i>	<i>March</i>	<i>December</i>	<i>December</i>
		1956	1961	1964	1964
<b>A. By Branch of the Public-Sector :</b>					
Central Government		1,858	2,089	2,527	2,613
State Governments		2,265	3,014	3,506	3,679
Quasi-Governments		368	773	1,178	1,304
Local Bodies		743	1,173	1,578	1,667
<b>Total</b>		5,234	7,049	8,789	9,263
<b>B. By Industrial classifications :</b>					
Agriculture, livestock, forestry and fishing :		14	180*	203	219
Mining and Quarrying		54	129	162	160
Manufacturing		205	369	621	662
Construction		416	602	704	772
Electricity, gas, water and sanitary services		77	224	281	305
Trade and Commerce		43	94	140	152
Transport, storage and communications		1,392	1,724	2,016	2,074
Services		3,033	3,727	4,662	4,919
<b>Total</b>		5,334	7,049	8,789	9,263

\*The bulk of increase is due to reclassification of certain categories from Services division to this head.

\*\*Table 2.3—page 23—“India Pocket Book of Economic Information—1966.

\*\*\*Table 2.1—page 21—“India Pocket Book of Economic Information—1966.

Thus the total figure of employment in 1964 was around 1,52,55,000.

#### TRADE UNION STATISTICS

	1950-51	1960-61	1961-62	1963-64*
Number of registered unions	3,766	11,312	11,614	11,868
Number of unions submitting returns	2,002	6,813	7,087	7,181
Membership of unions submitting returns (in .000)	1,757	4,013	3,977	3,920
*Provisional.				

Source : India Pocket Book of Economic Information—1966—p. 25.

## 2.15 Unionisation :

It will be found from the foregoing that out of a population of nearly 47 crores in 1964, persons employed in factories, mines, plantations and public-sector were only about a crore and a half, i.e., roughly 3%.

2.16 As against this 1,52,55,000 employed, only 39,20,000 were found to be members of trade unions representing only 25% of unionisation. The number of trade unions accounting for this membership was found to be 7,181. The table on page 10 would show the number of trade unions and their members in 1950-51 and 1963-64.

## 2.17 Shift to Urban Areas :

About 82% of the population of India still lives in the villages. In 1951, 82.7% of the total population lived in the villages and in 1961 the figure was 82%. During the ten-year period covered by the First and Second Five-Year Plans, the shift from rural to urban was not of any great significance.

## 2.18 Percentage Distribution of Workers by Industries :

The percentage distribution of workers by industrial categories shows that during the first sixty years of this century, there has not been any considerable change. While in 1901 about 67.6% of the total workers were employed in agriculture, both as cultivators and agricultural labourers, in 1961 the figure was 69.5%. This shows that the pressure on land has further increased. The percentage distribution of workers by industrial categories, including agriculture, from the turn of this century is given in the table below :

*Percentage distribution of workers by industrial categories.*

<i>Industrial categories</i>	1901	1911	1921	1931	1951	1961
<b>Agriculture :</b>						
Cultivators	50.6	49.7	54.4	45.0	50.1	52.8
Agricultural Labourers	17.0	20.6	17.5	24.7	19.7	16.7
Mining, Quarrying, Livestock, forestry, fishing, hunting and plantations, orchards and allied activities	4.3	4.8	4.5	5.1	3.1	2.8
<b>Manufacturing :</b>						
Household Industry	*	*	*	*	*	6.2
Manufacturing other than Household Industry	11.8	10.0	9.4	9.0	9.0	4.2
Construction	0.8	1.0	0.8	1.2	1.0	1.2
Trade and Commerce	6.0	5.4	5.8	5.5	5.1	4.0
Transport, Storage and communications :	1.1	1.0	0.8	1.0	1.5	1.6
Other services	8.4	7.5	6.8	8.5	10.5	10.5
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0

\*Included in 'mining, quarrying, livestock, forestry, fishing, hunting and plantations, orchards and allied activities and manufacturing other than household industry.'

Source : India Pocket Book of Economic Information—p. 18.

2.19 Seventy percent of the economically active population in the country is engaged in agriculture in India. Barring Pakistan, this is the highest percentage. The comparative position is as follows :—

<i>Countries</i>	<i>Proportion of active population engaged in agricultural operations.</i>	
	<i>Year</i>	<i>Percent</i>
Australia	1961	11
Canada	1962	11
France	1962	20
Germany—West	1963	12
INDIA	1961	70
Japan	1960	33
Pakistan	1961	75
Poland	1960	48
Switzerland	1960	11
U.K.	1951	5
U.S.A.	1962	7
Yugoslavia	1961	57

#### 2.20 *Wages of Organised Industrial Labour*

Employment opportunities in organised industries have also not grown as expected in these twenty years. Wages too have generally lagged behind. The per-capita income at current prices for 1964-65 was Rs. 421.50 and this will give a standard family of four members, Rs. 1,685 per annum i.e., Rs. 140.50 per month. It will be found that in several organised industries even, a large number of workers is getting below this national average. Thus not only the level of employment in organised industries is low and unsatisfactory. This is particularly glaring as this national average is arrived at from the national income, 50% of which is accounted for by agriculture, whose productivity is notoriously the lowest in our country.

#### 2.21 *Yield per Hectare*

The comparative average yield in 100 Kgs. per hectare of some of the major crops will also show that India's productivity in agriculture is very poor, being well below the world average. The following tables will illustrate this :

1963-64	
(100 Kgs. per hectare)	
RICE (PADDY)	
<i>Country</i>	<i>Yield</i>
INDIA	15.4
Japan	52.4
Pakistan	17.2
Indonesia	17.4
Thailand	15.9
Burma	15.6
Brazil	17.7
Spain (Highest)	62.3
World	20.5

## WHEAT

<i>Country</i>	<i>Yield</i>
INDIA	7.9
Australia	13.4
U.S.S.R.	10.5 (1962-63)
U.S.A.	17.0
Canada	17.6
France	26.6
Turkey	12.7
Italy	18.5
Netherlands (Highest)	42.0
World	12.0

## COTTON LINT

<i>Country</i>	<i>Yield</i>
INDIA	1.2
U.S.A.	5.8
U.S.S.R.	7.1
Brazil	1.8
Egypt (U.A.R.)	6.5
Mexico	5.8
Turkey	3.9
Pakistan	2.8
Israel (highest)	10.9
World	3.4

## GROUNDNUTS (IN SHELL)

<i>Country</i>	<i>Yield</i>
INDIA	7.8
China (mainland)	11.7
Senegal	8.0
U.S.A.	16.1
Burma	5.9
Argentina	9.7
Israel (Highest)	32.8
World	9.0

### 2.22 *Percentage of Irrigated Land*

One of the reasons for our low productivity in certain agricultural commodities is that hardly one-sixth of the total arable land in India is irrigated. This again compares poorly with other nations as will be seen from the table below :

<i>Country</i>	<i>Year</i>	<i>Area irrigated as per- cent of total arable land</i>
Ceylon	1963	24.6
Egypt (U.A.R.)	1963	100.0
INDIA	1961	15.2
Japan	1960	55.6
Pakistan	1958	43.4
Thailand	1962	17.1

The figure in the above table for India is, however, for 1961. Since then a number of projects have been brought into commission and that should have improved the percentage of irrigated land out of the total arable land in the country.

### 2.23 Low Consumption of Chemical Fertilizers

Our production and productivity in agriculture could not go up because of the extremely limited availability of chemical fertilisers. The following comparative statement showing consumption of chemical fertilisers in terms of Kgs., per hectare of agricultural land in the different countries of the world will show that India is miserably the lowest.

Country	Nitrogen (N)	Phosphates P <sub>2</sub> O <sub>5</sub>	Potash K <sub>2</sub> O	Total Kgs. per hectare
Belgium	89.7	69.6	139.5	298.8
Denmark	49.4	40.9	58.5	148.8
Egypt (U.A.R.) (1962)	78.8	16.7	0.5	96.0
France	22.7	35.7	28.3	86.7
Germany, West	52.7	53.4	79.5	185.6
INDIA	2.4	0.7	0.3	3.4
Japan	103.4	70.6	83.4	257.4
Netherlands	126.6	52.8	64.0	243.4
Norway	61.7	46.0	49.1	156.8
China (Taiwan)	132.5	34.9	40.8	208.2
U.K.	29.5	23.2	22.9	75.6
U.S.A.	9.1	6.8	5.8	21.7

2.24 We have attempted to give an idea in the foregoing pages of our poor progress, both in industry and agriculture, which in turn is reflected in the poor volume of employment and low level of wages.

### 2.25 Concentration of Wealth

While the lot of labour and the common man is thus unenviable, certain sections of society have profited out of all proportions from the national income. The Mahalanobis Committee was of the view that the phenomenon of economic concentration in Indian economy is to a large extent the result of unemployment and under-employment with the consequential low productivity per unit of labour, rather than mere structural inequalities of a distributional character. The Committee was also of the view that concentration of economic power was also brought about by deficiencies in tax compliance or tax evasion or tax avoidance rather than of an insufficiently progressive taxation system. That would again take us to responsibilities and discipline to which we have referred earlier in this Chapter. The economic power is concentrated in a few hands not only within one particular industry or group of industries such as Engineering, Steel, or Chemicals, but it even extends over a number of other industries wholly unconnected with each other. This has tended to create industrial empires. No wonder that the worker finds no contents in the oft-repeated slogan of Democratic Socialism held out as the nation's objective.

### 2.26 Wage Trends

A paper prepared by Dr. H.B. Shivamaggi of the Division of Planning and Special Studies of the Economic Department shows that increase in the rate of real wages was not the same as increase in the total income originating from labour. Another aspect of wage trends which deserves to be noted is that real wages of most factory workers have been fluctuating from year to year because money wages were not linked to the consumer price index. In 1958-59 wages were linked to consumer price index in the case of only 41% of the factory workers. Since then the percentage should have improved. But full neutralisation of the rise in the cost of living even to the worker on the minimum wage is rare. Even the recommendations of the D.A. Commission recently appointed by the Government of India have not recommended such full neutralisation.

2.27 Shri B.N. Datar in his article on "Wage Movements since Independence" has arrived at the following conclusions :

- (a) The share of organised industrial labour in national income has remained more or less constant, in spite of expanding wage-paid employment and greater share of factory establishment in the total output.
- (b) While average real earnings have gone up to some extent, they have not outstripped productivity ; and
- (v) Wages have not been a significant factor in price increases as is often made out.

(Source : 'Indian Worker'—15th August, 1961).

He has also observed in another article—'Industrial Wage Structures'—that the general wage level in India has lagged behind productivity and industrial income. Money earnings of workers in India between 1953 and 1958 had gone-up at an annual rate of 2.4% and earnings by 6%. The rate of increase in earnings during this period is less than the rate of increase in productivity. The same trend, more or less, would apply to the subsequent period also. Even the need-based minimum of the Fair Wage, calculated according to the accepted norms, remains a far cry, not to talk of the Fair Wage and Living Wage.

2.28 There are loose talks of freezing wages, prices, profits and dividends. It is patent Government has failed to hold the price-line. In fact almost every act of Government has resulted in a further increase in prices. Government has not shown what new weapon or method it has come by recently to hope to be able to freeze prices. In the name of freezing wages and prices, Government will only freeze wages, leaving prices still at large; and that will be nothing short of an open invitation for chaos. Government must therefore concentration in freezing prices.

2.29 The foregoing facts will show that not only there is a general need for increase in the tempo of industrialisation in the country but also to increase the level of earnings even at the existing level of productivity of workers already engaged in industries. Although we agree there is always room for a further improvement in our industrial productivity we would reiterate that there is great scope for even doubling our productivity in agriculture.

### 2.30 *Industrial Relations*

Industrial Relations in our country are none too happy. The existing machineries are often time-consuming and unsatisfactory. The projection of political interests in the trade union movement has generally been responsible for most of the mandays lost. Voluntary arrangements like the Code of Discipline in Industry have become one more instrument for quarreling. The institution of Tripartite Bodies like the I.L.C. and the S.L.C. are becoming more or less an annual routine. They are not effective. Their recommendations are not given the weight due to them generally by government and employers.

2.31 We will be dealing with the important subject 'Industrial Relations' in detail while answering the relevant questions. But we must refer here to a recent development in this sphere in certain parts of the country. Of late, industrial relation is becoming more and more a law and order problem. This started as particularly so in West Bengal and is now spreading slowly to other States as well. It cannot be quite accidental that with the coming into power of the present Government in West Bengal that there should have been so many 'gheraos'. The INTUC is of the opinion that 'gherao' cannot be a trade union weapon. It is not a civilised method either. There are attempts to make people believe that there could be legal 'gheraos'. A 'gherao' starts with wrongful confinement and there could, therefore, be nothing legal about it, even if it were peaceful. It is stated that 'gheraos' have succeeded in getting demands met by some employers. If that were true, it is even more dangerous; for, then 'gheraos' would become the normal or the preferred method of settlement of disputes, which will only lead to chaos and anarchy in industry and the country. If, on the other hand, 'gheraos' failed, then the tendency would be to look for a still more violent weapon, which also in turn will lead to chaos and anarchy. What is now needed is to make labour unlearn what has been taught to it by irresponsible leadership. The recent incidents, however, show that labour and trade union movement are fast becoming playthings in the hands of politicians to be exploited for purposes of party interests, which are always not the national interests also.

2.32 It is imperative that if healthy labour-management relations are to be protected and promoted, three basic prior conditions must be satisfied;

1. A responsible trade union movement.
2. Enlightened employers; and
3. Minimum state intervention.

It should be the Commission's endeavour to bring about these desirable features effectively operative in the field of industrial relations in the country.

### 2.33 *Labour Legislation*

A large number of statutes has been enacted since independence touching on wages, industrial relations, welfare, social security etc. The principal legislation is the 'Industrial Disputes Act of 1947',



designed to bring about settlement of industrial disputes and promote industrial harmony through various machineries. Although this legislation has been amended piecemeal from time to time, there is urgent need for a complete overhauling of this important legislation taking advantage of the experience gained during these twenty years. There are also different State legislations on the subject in force where the experience seems to be different, which also has to be taken into account while amending the central legislation.

Even common terms such as 'workmen' do not have a common definition in the several labour laws at present. There are also various other provisions in the different legislations requiring to be standardised. Besides there are several loopholes in these laws that have to be plugged up.

The INTUC feels that the Commission should pay special attention and give a close look at the different labour laws and recommend amendments necessary to improve the standard of working and living conditions of the workers and also to ensure better industrial relations. The Commission may also consider introducing a comprehensive Labour Code for the country.

2.34 The view that there is an economic recession in the country now should not in any manner affect the approach by the Commission to its various recommendations which are intended for the future. The economic situation in any one or two years should not form the basis of the Commission's recommendations, for such a situation would be of an exceptional nature. In fact, when the Royal Commission on Labour was drafting its recommendations, it too had to face depression of far greater magnitude almost world-wide. The Commission then observed :

"We are writing at a time when circumstances, both economic and political, are exceptional. In the economic sphere, India in common with many other countries is facing a period of stress. Indian Industry is involved in the general depression, and many of the Industries with which we are concerned are facing serious difficulties which, we hope, will soon be surmounted. With orderly progress in India, here Industry should have a great future. But the present position is one of anxiety for industrialists, for many workers and for all concerned in Government. We have considered the extent to which we should allow our recommendations to be influenced by the events of the last year, and have concluded that it would be wrong for us to give these any large influence. India has the right to expect from us, not a series of recommendations framed in the light of the existing crisis, but a considered programme for the development of labour policy."

The present Commission too should not allow itself to be influenced by any temporary depression in trade and economy of our country. The Commission's recommendations should have a forward look and provide the basis for shaping the policies of the Government, Industry and Labour for several years to come.

### 2.35 *Public Sector*

With the acceptance of democratic socialism as the nation's objective, it has become necessary that the public sector should expand. The INTUC is of opinion that the public sector and the private sector are not to be taken as two rival sectors, but as mutually complimentary. Although who owns a plant is not so important as to how the plant is run, the public sector industry has become inevitable if the nation is to progress quickly. The INTUC has been co-operating with the public sector to make it a success. However, its experience in the running of the public sector has not been quite happy. It is essentially because those who are in charge of the public sector undertakings have neither the business acumen nor are they wedded to socialist principles for the fulfilment of which this sector was set up.

### 2.36 *Unorganised Sector*

As has been pointed already, the percentage of unionisation in the organised sector is only around 25 percent. In the unorganised sector, naturally there is hardly any trade union movement. The main reasons are that the labour is so scattered and illiterate and the employers so weak and numerous, and public workers who have a bent for social service to organise them are so few, no wonder there has been very little progress in this direction. The progress of the Indian working class cannot be measured by the success achieved by the organised workers alone but it has to be measured by the progress achieved by the unorganised section of the working class. This section has to be brought up not only for its own sake but also to avoid its acting as a drag on the advanced sections of the working class. In order to solve this gigantic problem, it will not be adequate to leave it to voluntary efforts of individuals and private organisations. The State must effectively step in and help the organisation of this vast unorganised sector.

### 2.37 *White-Collared Labour*

The 25 per cent unionisation in the country, small as it is, is largely contributed by the blue collared workers. The percentage of unionisation among the white-collared labour is extremely poor. This is so throughout the world, and even more so in our country. The white-collared labour has much to gain by joining the main stream the trade union movement. When the shift is for developing internal leadership for running the movement, white-collared labour can provide the desired leadership. One redeeming feature of the white-collared labour is that unlike blue-collared, there is no need to convince them every now and then; one convinced they become permanent members. Of late, there, is a growing realisation of the need for joining the trade union movement among white-collared labour and it can be hoped that in the near future this section of the working class will also be adequately organised.

### 2.38 *Collective Bargaining*

Collective bargaining is indeed the best method of resolving industrial disputes, but if collective bargaining is to succeed there should be two preconditions, i.e. (1) a single bargaining agent for workers, and (2) enlightened employer on the other. Neither of them is available in abundance in our country today. While multiplicity of trade unions is the weakness on the one side, the litigation-mindedness of the employers is the weakness on the other side. Then the question still remains, if collective bargaining fails, what next? Normally, when the collective bargaining fails, the next step would be either a strike or lock-out. The question is whether the country at its present stage can allow the parties to indulge in a free fight to secure or resist the demands of the workers? We feel that collective bargaining should be encouraged and at the same time it is necessary to keep the wheels of production moving in view of the present state of our economy. Therefore, we suggest that a clause should be introduced in all collective bargaining agreements, whereby if the parties fail to reach an agreement on any issue, the dispute should be referred to arbitration, consisting of one representative each of the parties and an impartial third man as an umpire. This will reduce dislocation in production and create healthy industrial relations. We understand such arrangements are found in collective bargaining agreements even in advanced countries swear by collective bargaining.

### 2.39 *Outsiders*

Trade union movement owes its origin and growth in this country to the dedicated services of well-meaning outsiders. Very often it is stated that the outsiders have to be eliminated from the trade union movement. We think that this is a short-sighted view. The problem is really not of outsiders versus insiders. It is really a problem of good leadership versus bad leadership. A good outsider is any day better than a bad insider. Again, what should be attempted to be removed is not the outsiders as such, but the outside influence, which may still be possible even if the outsider is prevented from holding any office in the union.

It is also necessary to have a clear idea as to who are the outsiders. The simple view that any non-employee is an outsider is not completely correct, for any employee who takes an active part in the trade union once dismissed from employment becomes an outsider and would, therefore, be prevented from taking any active part in the trade union movement. This would mean that the employer is given not only the power to dismiss an employee but also to dismiss an officer of the union because automatically he becomes an outsider. Further, the insiders cannot do justice to run the trade union movement, since the trade union work has become highly technical and complex and requires whole-time workers. This specialisation will not be possible if the movement is to be given part-time services of the insiders. We have no hesitation in admitting that there are also undesirable elements in the outside leadership. Therefore, what would be desirable is not to tar all outsiders with the same brush, but to screen and permit the good ones and prohibit the not so good ones. Here again there should be some objective standards laid down for the quality test. We would submit that those who bring in extraneous considerations, whether they are outsiders or insiders, should be barred from having any control over the trade union movement. It would also be desirable that trade union executives may be barred from holding any political office. Although this is not complete solution of the problem, this may mitigate to some extent the evils from the not-so-good-outsiders, who are out to exploit the trade unions for their personal or party ends.

### 2.40 *Trade Union Unity*

It is often said that one union for one industry would be a desirable end for it would help effective collective bargaining. In the context of conditions prevailing in our country, it is a far cry to expect a single strong, healthy and well-conducted trade union for an industry in a centre. Very often political rivalries and disruptive influence of the not-so-good-outsiders are responsible for lack of unity among the trade unions. Apart from differences, both of ideology and methods adopt-

ed for the achievement of trade union aims, the projection of political interests into the trade union movement is also responsible for the fragmentation of the movement.

Government's policy both at the Centre and in the States is also responsible for keeping the trade union movement divided. Even when the Government is convinced as a result of its rigorous verification that a particular organisation enjoys an overwhelming majority of organised workers as its members, still that organisation is treated on par with other minor organisations, which have negligible membership thus perpetuating the division among labour. Real and abiding trade union unity can be achieved only if the labour becomes sufficiently educated so that it could discriminate between the spurious and genuine trade unions. It is a long term process, but a beginning has to be made. The INTUC, therefore, believes that consciousness for trade union unity should be cultivated amongst the rank and file and there should be positive steps taken in this direction. Employers too have a responsibility in this regard and their conduct must be such as to encourage responsible trade union movement. Government's role, as pointed out earlier, must be to recognise only the majority organisation. Thus, simultaneously a three-pronged effort will have to be made to ensure trade unity.

2.41 Before we conclude our general observations, we would like the Commission to direct its enquiry and orientate its recommendations towards evolving a progressive and dynamic industrial economy along with steadily improving living conditions for the workers in the country. From the latter point, we consider it necessary to draw pointed attention to the importance of aspects like housing. It is a serious problem and has been almost neglected in the past.

2.42 In this Chapter we have only dealt with some of the important aspects in general. It should not be taken that we have no general views on other important issues that may not have been touched upon in this Chapter. We will deal with all such subjects while dealing with the related questions in the questionnaire. For the sake of compactness we shall at this stage conclude our 'General Observations' and take up answering the questions in the questionnaire.

## Section I

1. THE INDIAN NATIONAL TRADE UNION CONGRESS, 17, JANPATH, NEW DELHI. We are ourselves a central organisation of workers to which are affiliated unions from various industries and services from all over the country.
3. The membership as on 31st December 1966 is 20,06,347 distributed over 2,049 Unions. The INTUC was formed on 3rd May 1947.
4. Not applicable to us.

### 1. RECRUITMENT AND INDUCTION

#### *Recruitment*

1. (a) How is labour recruited at present in industrial establishments? Is recruitment effected through (i) jobbers, (ii) contractors, (iii) advertisements, (iv) introduction by existing employees, (v) employment exchanges or (vi) any other method?

(b) How far are the present recruitment arrangements satisfactory for different types of employees and different levels of skill?

(a) There is no particular system of recruitment in industries. Recruitment through jobbers was an old practice and has now practically faded out. Recruitment through contractors also is not a general feature. But there is employment of labour through contractors in certain industries even in regular employment. In the mining industry a system of recruitment and employment of labour known as the Coal-field Recruiting Organisation (CRO), which is akin to slave labour still exists. Labour has been agitating for the abolition of such employment and there is already a tripartite agreement governing contract labour, which is now sought to be put on the Statute Book through suitable legislation.

Recruitment by advertisement is generally for skilled, technical, clerical and supervisory personnel. For unskilled and even semi-skilled workmen, resort to advertisement is not usual. Introduction by existing employees is limited, wherever it obtains, mostly to unskilled and semi-skilled workmen.

Recruitment through Employment Exchanges is resorted to mostly in the public sector. The private sector generally is reluctant to utilise this agency.

Largely the worker himself coming to know of the possibilities of employment takes the initiative and applies for a job which may result in his being recruited if there is need and the worker is found suitable.

Recruitment at all levels on recommendation of influential persons regardless of the need to the industry in order to satisfy pressures is also not unknown.

(b) Recruitment is generally done by Personnel Officer. Complaints of corruption and favouritism even at the time of recruitment are still persisting. A safe method would be that recruitment should be by a Selection/Appointment Committee nominated by the management, instead of leaving it to one man. Recruitment from outside should invariably be for the lowest category; vacancies in the higher categories being filled up as far as possible by promoting the insiders. Recruitment for higher categories from outside should be resorted to only when suitable insiders are not available.

2. In what categories of employment is labour in short supply? What steps should be taken to minimise the effects of such shortages?

There are occasional short supplies of skilled labour such as fitters, turners, welders, moulders, etc., and on the clerical side stenographers. But the shortage is not very acute. Any shortage of skilled workmen can be met by the plant itself by giving adequate training on the job to the insiders and promoting them.

3. Does lack of mobility affect supplies in different categories of labour? If so, what remedial measures would you suggest?

Ours is an economy of man-power surplus. Lack of mobility, if any, does not seriously affect the supply of labour. But where there is disinclination to move to a particular area, it is generally because of the lack of amenities in that area, the principal one being housing.

4. To what extent is industrial labour migratory in character? What problems does such labour pose in recruitment and retention?

Industrial labour to-day is not averse to migration to any part of the country, provided it is worthwhile. Labour naturally likes to be employed near about its native village or town. The next preference is generally to linguistic boundaries. Clerical, supervisory and other technical persons, however, are not averse to migration beyond the linguistic borders even. Even if labour is recruited for plants far away from their native village or town, or outside their linguistic areas, the tendency is always to seek some employment near about their village, town or within the linguistic area, and therefore retention becomes a problem in such cases.

5. How do the existing statutory provisions in regard to employment of women affect recruitment of women labour? Consistent with international conventions on conditions of work for women, what modifications would be necessary in the existing provisions for promoting employment of women?

It is true that the statutory ban on employment of women in the night shift as also on employment of women underground in mines has adversely affected the recruitment of women labour. The statutory provisions for maternity benefit as also for maintenance of creches in establishments where women are employed have also discouraged employers from recruiting women workers. Women, who are already working, should not be allowed to be thrown out of employment because of certain statutory obligations cast on the employer.

There are, besides, certain jobs which are eminently suited for women, such as lady doctors, nurses, matrons, creche attendants/creche nurses, ayahs, teachers, social workers, in plantations pluckers, and in mines wagon loaders.

6. What are the advantages and disadvantages of recruitment of casual labour? If employment of casual labour is a disadvantage, what steps should be taken to decasualise such labour?

The term 'casual labour' is often misunderstood and results in unfair practice by employers. Although casual labour is defined in the Standing Orders as 'labour employed on work of a casual nature', it is not unusual to find casual labour being employed even in regular employment. Casual labour, employed in this manner, is afraid of joining the union, lest they may lose their jobs. The work of a casual nature should not be of any large size in established industries and normally, therefore, casual labour should not present a problem, if the spirit of the Standing Orders is properly followed by the employers. Casual labour should not be kept as such for a long time. They should be absorbed in the regular category whenever opportunity arises. Where, however, as in the docks large casual labour force is a must, the decasualisation scheme already at work should be continued, with such modifications as may be felt necessary in the light of experience gained in the working of the scheme. In the mines where casual labour still exists a suitable scheme of decasualisation should be introduced.

7. In view of the present unemployment situation, what place should be given to the absorption of 'physically handicapped' in recruitment policy? Should there be a statutory provision for reserving a portion of the vacancies to physically handicapped persons?

It is a social obligation to provide suitable employment to the physically-handicapped persons. There should be special arrangements to protect the interests of this category of persons. Wherever possible, a percentage of vacancies may be set apart for them; but there should be no hard and fast rule. Wherever possible a percentage of vacancies may be set apart for them.

8. In establishments within your knowledge, is there any discrimination in the matter of recruitment on grounds of caste, community, region, language, etc? Under what circumstances is such discrimination justified?

There will be nothing in writing in any establishment favouring recruitment of persons belonging to particular caste, community, region, language, etc. But in actual practice, preference is given to people, who belong to the employers' or even personnel officers' community, region or language, although as a point of fact, there should be no discrimination of any kind in the matter of recruitment and employment of workers. But such favoured treatment is on the decrease. Preference on linguistic consideration based on the linguistic area where a plant is situated is usual. In principle, therefore, there is still need for merit alone to be the consideration for recruitment, regardless of caste, community, region language etc. We do not think that discrimination could be justified on these grounds.

### *Induction*

9. Are the existing programmes for 'on-the-job' training of workers adequate? What are the directions in which improvement should be sought?

In most establishments there is need for 'on-the-job-training' of workers. Every establishment should be required to evolve a systematic 'on-the-job-training scheme' for its workers. It will be desirable to have such a scheme with the concurrence of the trade unions concerned.

10. What steps should be taken to encourage an employee to avail of the facilities outside the place of work for improving his skill? Is there any system of granting study leave to the employees in your establishment? If yes, please give details.

Most establishments do not have any system of granting study leave to employees for availing the facilities for improving their skill outside the place of work. It will be desirable if employees are encouraged by employers to improve their skill outside the place of work, if the employer himself is unable to provide such facilities.

11. (a) What should be the outline of a rational promotion policy? What place would you assign in this policy to seniority, merit and trade test?

(b) Should recruitment to positions at higher levels be made from among the existing employees only? If so, upto what level?

(a) Promotion forms one of the major sources of heart-burning among employees. Although the usual criterion of seniority is a question of fact, merit falls in the realm of opinion, and is capable of being abused and misunderstood. There are several instances when an employee is considered suddenly as not satisfying the requirements of merit, just on the eve of his chance to get promoted. There should be regular and continuous merit-rating of every employee so that an employee knows where he stands with reference to his chances of promotion.

Alternatively any person who has not been recorded in his service-sheet as inefficient should be considered to satisfy the requirements of merit. Trade-tests, if conducted in a bonafide manner by an officer commanding the confidence of the workmen, will be acceptable. But men with known partialities and prejudices conducting a trade test will not be able to satisfy the workmen who may have been disqualified in the trade test as having been justly disqualified. Those who have been given repeatedly acting chances on higher positions should not be denied promotions on a permanent basis to that post on the ground that he could not qualify in the trade test or he lacks the required merit. The avenue of promotion for every job should be pre-indicated.

(b) Recruitment should normally be at the lowest level, and vacancies in higher positions should be filled up by promoting suitable insiders. There cannot be a hard and fast rule as to the level upto which such promotion to insiders should be given. It depends upon individual circumstances. But generally speaking it should be upto the highest level possible in the circumstances of a given case.

## II CONDITIONS OF WORK

### *Working conditions*

12. (a) Conditions of work in factories, mines and plantations, etc., are presently regulated by the Factories Act, 1948, the Plantations Labour Act, 1951 and the Mines Act, 1952 etc. The main provisions of such acts *inter alia* relate to (i) safety and welfare, (ii) hours of work, rest interval, weekly off, etc., (iii) employment of young persons and women, (iv) annual leave with wages, (v)

occupational diseases and (vi) overtime payment. What changes are necessary in these provisions? How should the implementation of these acts be improved? (See also Q. 19).

(b) What other steps are needed to ensure proper working conditions?

(a) The provisions of the Factories Act, Plantations Labour Act and Mines Act in themselves are intended to protect the workmen. But the essence of these legislations lies in their implementation. The implementation machinery is not as effective and adequate as it should be. In order to strengthen the implementation machinery, we suggest that trade union representatives should be associated with the inspection services; and they should have the right to launch prosecutions against employers, who violate the provisions of these laws without Government having to sanction such prosecutions.

The working-hours should be reduced to eight-hour day and five-day week, and overtime payments must be beyond eight hours a day or forty four hours a week for factory, mines and plantation employees. The working-hours of employees in the commercial offices should be six hours a day and five day week. Overtime being calculated at four hours of work in excess of the said normal working hours.

Employment of young persons below the age of 16 should be prohibited. This is necessary as in most States education upto the S.S.L.C. standard is being made available free. Normally a boy or a girl can complete the S.S.L.C. studies by the age of 16; and in order to encourage them to take advantage of free education upto this standard, prohibition of young persons who have not completed 16 years of age should be enforced by law.

Annual leave with wages should be at the rate of one day for every 15 days of work instead of at 20 days as at present. There should be no 240 days in a year qualifying limit; for already the incentive to work is built in the proportional leave with pay. The insistence on 240 days limit lends itself to abuse as certain employers manipulate that some class of workers do not fulfil this requirement.

With regard to occupational diseases the present position is very unsatisfactory in all the aspects i.e. prevention, detection, curative, compensation and rehabilitation. We strongly urge that an adequate Industrial Health Service be established, to begin with in selected industries like mining and chemicals.

In regard to safety and welfare of the employees, there should be a continuous and telling propaganda to make them safety-conscious, and factory-wise safety councils should be set up with a view to make the employers provide all the necessary safety devices and the employees to follow all the safety regulations.

As regards welfare, there should be a statutory provision for housing of labour. The statutory housing provided for already under the Plantations Labour Act has not been properly implemented. It should be the responsibility of the employer not merely to house his machines but also to house his men, both of whom are jointly responsible for production. Many of the public-sector undertakings have already recognised this principle and have spent substantial sum on workers' housing. The record of the private sector in this regard is not at all satisfactory. Mere persuasion and provision of incentives by way of subsidies and loans to employers have not resulted in their coming forward to embark on any large-scale industrial housing. Time has now come when they should be statutorily required to provide housing for their employees.

There should be also statutory provision requiring the employers to run subsidised Fair Price Shops to their employees to supply the essential articles at subsidised prices. This matter is already the subject of tripartite agreements.

Although the ESI Scheme covers the period of sickness of the employees, every establishment must be required to maintain a small dispensary to provide simple remedies, so that workmen may not have to go to the ESI hospital for minor ailments and thus increase absenteeism.

(b) Proper working conditions are an indispensable prerequisite, if productivity of labour has to go up. But then what may appear as proper working conditions to the management may not appear to be so to the workers. Although it will be difficult to prescribe precisely what are proper working conditions in respect of each establishment engaged on different lines, it will be desirable to indicate some general features, leaving the other matters of detail to be discussed and settled between the management and the union at the plant level; and if there is a difference of opinion in respect of those details, the matter should be referred to be decided by an independent expert whose decision should be treated as final and binding on both the parties. The broad general features indicating proper working conditions should include.

1. Temperature in the working room.
2. Humidity in the work room.
3. Extent of lighting.
4. Working-hours.
5. The shift system.
6. Rest pauses and intervals.
7. Noise and dust factor etc.
8. Speed of the machines.
9. Maintenance of machinery.
10. Standardised raw material.
11. Standardised finished products.
12. Safety appliances.

13. In the matter of national and festival holidays, what is the extent of difference in the total number of holidays from region to region? Is this difference justified? If not, is it possible to bring about uniformity in the total number of holidays in different regions?

The National holidays are generally three. They are Independence Day, Republic Day and Gandhi Jayanti Day. They are generally paid holidays. As regards festival holidays they generally vary from region to region and even in the same region from unit to unit. Festival holidays must necessarily vary from region and region but not between unit and unit in the same region. At present the festival holidays are from 7 to 21 days per year in the country. It would be difficult to introduce uniformity except in the total number of paid festival holidays.

14. What changes are necessary in the existing arrangements for regulating conditions of work in employments other than in factories, mines and plantations?

Employment other than in factories, mines and plantations, generally mean employment in shops and commercial establishments. At present conditions of work in these establishments are regulated by the Shops and Establishments Act of various State Governments. Here too there is no uniformity in the several provisions among the several State legislations. A Central legislation on this subject might be helpful in introducing an element of uniformity. Such uniformity will be workable if only it is achieved by taking the best in every State legislation and making it an all India legislation.

15. What, in your knowledge, is the extent of prevalence of employment of child labour? In what industries/activities is employment of child labour relatively high? Are you satisfied with the existing statutory provisions about employment of child labour and their implementation?

Employment of child labour is prevalent in small-scale and other unorganised industries, such as hotels and beedi-making. We have already suggested that any person who has not completed the age of 16 should not be employed in any industry. Even the present minimum age restriction is not being observed because of the laxity in the inspection services and certifying authorities. The implementation machinery therefore should be tightened.

16. How have the existing arrangements regarding regulation of conditions of work of contract labour and labour employed by contractors worked? In what directions are improvements necessary? (See also Q. 209).

At present there is no statute regulating the conditions of work of contract labour. Labour has been demanding the abolition of employment of labour through contractors, for in many cases the contractor is a bogus person. He may, perhaps, be a senior worker and is only a contractor in name. This device is resorted to in order to deny the benefits that accrue to a regular employee of the principal employer. As a result of tripartite agreement, Government of India has agreed to legislate, not for abolishing contract labour, as for regulating the employment of contract labour. The legislation nevertheless seeks to prohibit employment of contract labour in work of a perennial nature connected with the regular work of the establishment. Even in the public sector, particularly the Railways are employing large number of contract labour. Although the proposed legislation, in our opinion, falls short of the requirements, it may in the first instance be enacted and implemented, and strengthened further as early as possible. Meanwhile labour employed through contractors must be statutorily made eligible for all the benefits which a regular employee under the principal employer is getting, which can be achieved by amending the definition of terms 'employers' and 'workmen' in the I.D. Act.

17. What are the statutory benefits/provisions, in the implementation of which trade unions and employers' organisations can jointly play a useful role? How should such arrangements be made effective at the plant level? Should there be any standing arrangements for this purpose?

Trade unions and employers' organisations can jointly play a useful role provided the necessary climate is made available. The provisions or benefits by law referred to in this question obviously relate



to working conditions. All the statutory benefits like P.F. and E.S.I. are already governed by tripartite bodies at the central and regional levels. There are not many statutory benefits which require at bipartite Committee of trade unions and employers to deal with them. The only Committees so required are the Works Committees and the Canteen Committees, neither of which is effective. Other statutory benefits or provisions like provisions of drinking water, medical facilities, sanitary arrangements etc., be better ensured by associating trade union representatives with the Inspection Services. The rest of the working conditions can be better dealt with under industrial relations, where bipartite efforts of trade unions and employers' organisations, both at the regional, central and unit level, would be more purposeful.

### *Safety and Health*

18. Is the existing rate of accidents high in establishments within your knowledge? What have been the main causes of such accidents?

Generally there has been a trend of increasing accidents. This is more in construction industry as well as in the newly started industries without proper organisation. The incidence of accidents was generally due to non-provision of safety appliances by managements and negligence or indifference on the part of the workmen to follow the safety rules.

19. What steps should be taken to establish training programmes with special emphasis on safety for the benefit of new entrants to industrial establishments? Are any refresher courses necessary for those who are already in employment? How should such courses be organised?

Every new entrant to an industrial establishment who has to operate on machines under environments foreign to him should be given instructions on the dangers and hazards in working on the machines in his new environments, and they should be trained in the use of safety devices and observance of safety rules should be insisted upon. Refresher courses may be necessary also for those who are already in employment, if the rate of accidents did not show any sign of reduction or whenever new and dangerous machines are installed. Safety courses should be sponsored by the union and the management jointly.

20. Safety standards in some industries have been evolved by bipartite agreements. How have these agreements worked in practice? How can this bipartite approach be extended to other industries? How should the agreed arrangements be made effective at the plant level?

It is in very rare cases that safety standards have been evolved by bipartite agreements. There are complaints that suggestions from unions in respect of safety measures are not heeded to by managements. It will be a good idea to evolve bipartite agreements regarding safety measures also. The matter can also be discussed by the Works Committee wherever they can be made to function effectively. Agreements reached regarding safety standards should be treated as settlements under the Industrial Disputes Act.

21. In view of the anticipated growth of new industries like machine building, chemicals, fertilisers, petro-chemicals, etc., requiring stricter safety standards, what steps should be taken to arouse safety consciousness among workers and employers?

There should be Regional Safety Councils for the major industries where accidents and hazards are high, such as for Construction, Machine Building, Chemicals and Fertilizers, Petro-Chemicals Mining, Docks etc., where industry-wise safety councils could evolve safety standards as models for being adopted by the individual units in the industry subject to such improvements as may be necessary to suit the peculiarities of the unit based on bipartite agreements.

22. Against the background of expanding industry and advancing technology involving a faster tempo of production, how should provisions concerning industrial safety (Appendix I) in the Factories Act, 1948, the Mines Act, 1952 etc., be amended?

It appears to us that existing provisions in the Factories Act, Boilers Act, and Mines Act are more or less adequate. An amendment making overtime work exceptional will also help to reduce accidents. The inspection services should be strengthened and deterrent punishments should be given wherever employers are found to be negligent or indifferent in discharging faithfully the obligations cast on them by the legislation.

23. (a) What are the difficulties experienced in procuring safety equipment for installation in industrial establishments?

(b) Is the supply of safety equipment to workers for their personal use adequate? Is there any reluctance on the part of workers to use such equipment? If so, what measures would you suggest to overcome this reluctance?

(a) We do not see that there could be any special difficulty in procuring safety equipment. If the difficulties are there, they cannot be an excuse for not providing the equipment. The difficulties must be surmounted.

(b) The safety equipment supplied to the workers such as masks should be given free to each worker for his own use. Workers generally have a tendency to dislike the use of the masks worn by others. The standard devices to be used by workmen should be such that they should not encumber their movements or inconvenience them otherwise. Often some old and useless equipments are kept in the store to show to the Inspecting officials that the workers do not like using the safety equipment. If they are clean, good, simple, one for each worker, then workers will not be reluctant to use them.

24. What should be the elements of an 'Industrial Health Service' for introduction in India? How should the introduction of such a service be phased?

The basic principles behind the Industrial Health Services must be of a preventive nature. They should aim at providing hygienic working conditions, restrooms, lavatory and bath rooms, lockers and clean canteen services. They should also be required to ensure that adequate lighting, ventilation and proper atmospheric temperature are ensured. They should also identify the occupational diseases and prescribe the necessary preventive steps.

25. As a corollary to replies to the above, do the provisions for workmen's compensation require to be amended? If so, in what manner?

The protection offered by the Workmen's Compensation Act is gradually being taken over by the E.S.I. Scheme. However the Workmen's Compensation Act, where it applies should be amended to make compensation substantial, so that it will have a deterrent effect on the employer. The employer should also be legally required to employ persons who are victims of accidents, but who can still work on some lighter jobs.

### III. TRADE UNIONS AND EMPLOYERS' ORGANISATIONS

#### *Federations of Employers' and Workers' Organisations*

26. What are the factors which have influenced the development and organisational pattern of trade unions/employers' organisations since Independence?

The development and organisational pattern of trade union organisations in our country has been mainly influenced by party politics. Almost every political party has its own trade union central organisation. To some extent, it will be true to say it is more for the requirements of political parties than the actual requirements of the workers themselves that is patterning the development of trade union organisations. There are very few employers' organisations registered as trade unions.

27. What has been the effect of legislative provisions on the growth of trade unions/employers' organisations? (See also Q. 58).

The existing provision in the Indian Trade Unions Act that any seven persons can form a trade union has resulted in multiplicity of trade union centres in the country and unit organisations at the plant level. It is worth considering whether a union should be required to show a minimum percentage of membership of the total employed in an establishment or in an industry in centre before the union could be registered under the Act. Also provision should be made that election disputes in any registered trade union should be decided by Labour Courts or Industrial Tribunals.

28. Do you think that the *modus operandi* of trade unions/employers' organisations have changed during the last decade? If so, what are characteristics of this change?

A section of the trade union movement has developed a tendency to function outside the law and incite the workers to resort to strikes on matters unconnected with the terms of employment or non-employment. Some of them are even turning out violent as evidenced by the recent spate of 'gheraos' in West Bengal. The employers' organisations have not still developed any healthy respect for the trade unions of employees. They are considered more as a nuisance than as a helpful force. The tendency is to resort to writs and appeals and keep disputes pending unduly long.

29. Do you think that the attitudes of trade unions and employers' organisations towards (a) each other and (b) Government have undergone any change during the last decade? If so, state the direction of this change.

Relationship between trade unions and employers' organisations depends upon the character and past record of the union, and the attitude of the employer enlightened or otherwise. The relationship also fluctuates, depending on the fortunes of the industrial dispute that may be under process at any given time.

Generally speaking, the hostility towards trade unions on the part of employers' and their organisations has been considerably reduced during the last decade in established industries; and most employers have realised that trade unions have come to stay. Even so the relationship between trade unions and employers' organisations have not improved to the extent required. Except where, as in the Bombay and Ahmedabad textile industry, there is a single bargaining agent recognised by Statute, the relationship elsewhere is not quite happy. There are increasing number of complaints about employers and their organisations refusing to recognise genuine trade unions and negotiate with them. The reference of disputes to adjudication has made them both as plaintiffs and respondents, or as complainant and opponent. The direction of the change is towards becoming almost perpetual litigants before Tribunals, High Courts and Supreme Courts.

30. The traditional role of trade unions/employers' organisations has been to secure protection to advance the interests of their members. In view of the national objectives of establishing a socialist society and achieving planned economic development: (a) What should be the changes in the nature and scope of activities of the trade unions/employers' organisations? (b) What are the changes needed in their organisational pattern and attitudes? (c) What are the fields of activity in which they have an independent role to play? (d) In what others should they function in cooperation (i) between themselves and (ii) jointly with Government? (See also Q. 75).

The traditional role of trade unions has been to protect and promote the interests of their members, and this is generally confined to wages, bonus, working conditions and standard of living. However it is necessary for trade unions to embark on an extended service to their membership so as to cater to the many-sided requirements of the worker as a responsible citizen in a civilised society. It should not be that the union could be active only when there is a dispute, and membership in a trade union is limited to the purpose of raising disputes and waging struggles. Trade unions must plan for sustaining the interests of their membership during normal times too, by organising intellectual, social, cultural and recreational activities, apart from organisation of Consumer Co-operatives, Co-operative Credit and Co-operative Housing Societies. The traditional agitational role of trade unions should gradually be transformed into one of understanding participation in the affairs of the industry including its management as co-partners in industry. They should become eligible for co-determination of the affairs of the industry. The employers' organisations, for their part, should give up their traditional concept of labour as a sort of wage earner. They must get reconciled to accepting labour as a partner in their enterprise and treat it with dignity and respect. They must learn to share with labour and its organisations all information about the industry, so that there could be intelligent participation by labour in the management of industries. Employers' organisations too must be registered as trade unions so that any agreement with an employers' organisation will automatically be binding on all the member units, without their having to authorise the association or its representatives specially every time they have to negotiate and sign some settlement. The attitude of employers' organisations and trade unions should change towards increasing acceptance of the principle of arbitration and practising the same for resolving all industrial disputes. Both should co-operate in settling disputes fairly, finally and promptly. There should be minimum intervention of Government.

31. How have trade unions/employers' organisations helped in the evolution of a better society? How do they represent their views and discuss their affairs with Government and other public authorities and agencies? Does this system of communication need improvement? If so, in what direction? (See also Q. 124 & 227).

Responsible trade unions have greatly helped in the evolution of a better society not merely by improving the wages and service conditions of the workmen, but also by inculcating in their minds a sense of discipline and efficiency, as also respect for constitutional methods. But for this, there would have been chaos and anarchy. Responsible employers' organisations too have co-operated without which at least part of the improvements enjoyed by labour in their living standards would not have been possible. But the section of such responsible and enlightened employers is very small and their number will have to increase rapidly.

Trade unions generally represent their views to government by letters, followed by personal interviews with the authorities concerned, as well as through the press. But some State Governments are either

not prompt or are indifferent in replying letters addressed by trade unions or even their central organisations and where replies are received they are generally unhelpful. There must be an effective two-way channel of communication not only between employers and labour, but also between labour and Government and employers and government ; and in this direction the channel of communication requires to be activated.

**32. How can trade unions/employers' organisations contribute towards maintaining a high level of employment ? Or is this solely the concern of Government ?**

Maintenance of a high level of employment should primarily be the duty of Government and result of plans and policies. Trade unions and employers' organisations can co-operate to maintain the existing level of employment in any particular establishment, only if there are no schemes of rationalisation arbitrarily introduced.

**33. Bipartite consultations being one of the effective means of reducing the areas of conflict between employers and their employees, what steps should trade unions/employers' organisations take for promoting such consultations ?**

Bipartite consultation is no doubt one of the effective means to minimise conflict. But such bipartite discussions must be backed by mutual confidence and mutual respect. Bipartite consultations become difficult when there is more than one union at the plant level, or several national centres at the national level. However, even now bipartite consultations do take place between management and recognised union at the plant level, and informal consultations with the employers' associations at the State and the Central levels. While there has been some degree of achievement at the plant level, the bipartite discussions at the regional and central level have not produced any substantial results in most industries and centres. Tripartite discussions at the regional and central level will succeed if only there is one recognised central organisation for the working class in the country. Towards this end there should be a simultaneous tripartite effort. To begin with Government may lay down that central organisations of labour which commands less than 10% membership of the total labour force in the organised industries in the country will not be recognised by Government. This would create internal compulsions within the movement, and the minor national centres will choose one or the other of the major organisations and merge with them.

So far as the employers' organisations are concerned they will have to encourage in the beginning informal bipartite discussions with such unions or national centres as may believe in mutual co-operation.

**34. What are the existing arrangements for communication between the central organisations of employers and workers and their constituents ? How should these arrangements be improved ?**

The existing arrangement for communication between central organisation of workers and their constituents are elaborate. The State Branches of the INTUC keep almost direct, intimate and continuous contact with the affiliates on the one hand, and the national centre on the other. There are also Industrial Federations sponsored by the INTUC to which are affiliated unions from the particular industrial group. These too have their own State Branches and they deal with problems relating to the workmen in the particular industry in the country, as well as the States. The Industrial Federations too keep continuous and close contact with the national centre.

The National centre for its part keeps the State Branches and Industrial Federations, and, where necessary, the individual affiliates directly informed of important developments and policy decisions by circulars. Officers of the Central Organisations also tour the different States and establish direct personal contacts with the affiliates. There is always room for improvement of the channel of communication in order to make the contacts more frequent and fruitful, but the main difficulty in the way is finance both for the affiliates and the national centre.

**35. Are there occasions when central organisations of employers and workers refuse to affiliate employing units/unions at the plant level ? If so, on what grounds ?**

There have been occasions when the INTUC has refused to affiliate certain unions at the plant level, and the main reasons are :

1. the union, being not registered under the Trade Unions Act ;
2. the union being a rival to a union already affiliated from the plant ;
3. the union being craft-wise, instead of being unit wise and industry-wise ;

4. the union being a plant level union, while an industrial union for the industry in the area is already affiliated ;
5. if it is felt the union will not really subscribe to the objectives, means and methods of the INTUC.

36. To what extent are the obligations undertaken by the organisations of employers and workers at the national level implemented by their constituents ? Are there any effective sanctions for non-compliance with these obligations ? How far have they been used in recent years ? How could these sanctions be made more effective ?

The obligations undertaken by the INTUC at the national level are accepted and implemented by its State Branches and affiliates at the plant level. Cases of non-compliance are very rare. But the INTUC will not hesitate to disaffiliate a union, if it will not honour the obligations cast on it by the central organisation.

37. Do difficulties arise in reconciling the actions of the unions/employers at the plant level with national policies evolved jointly by trade unions/employers' organisations ? Could you cite instances of such difficulties ? How are such difficulties resolved ?

The difficulties envisaged in this question are mostly experienced by the employers, where tripartite agreement at the national level accepting arbitration for resolving industrial disputes is not implemented by its constituents. Allegation of violation of Code of Discipline in Industry is another issue on which there may be difficulties between central organisations and the affiliates. But even in this respect there are not many cases of this kind in the INTUC.

38. What should be the responsibility of all-India organisations of employers and workers towards (i) promoting the interest of their constituents in all matters affecting industrial relations, (ii) implementation of laws, voluntary agreements, etc., (iii) training of management personnel, (iv) providing guidance to constituent units, (v) settling of industrial disputes in constituent units and (vi) improving the efficiency of industry ? (See also Q. 166) How should they be equipped for discharging these responsibilities?

The responsibility of all-India organisations of employers' and workers should be towards :—

1. preventing industrial disputes by timely advice and mediation, wherever necessary and possible ;
2. lifting dispute to a higher level of discussion where an objective approach by both would be possible ;
3. promoting the interests of their constituents in all matters affecting industrial relations ;
4. promoting 'arbitration-consciousness' among the parties so that they may get their disputes settled fairly, finally and promptly through that machinery ;
5. helping the constituents with legal assistance in Tribunals and Courts ;
6. intervening and assisting in implementation of awards, agreements etc., making representations to Government where Governmental assistance in resolving disputes is desirable ;
7. creating public opinion on the real issue involved, in case the unresolved dispute results in a strike or lock-out.

In regard to training of management personnel, should be the sole responsibility of employers' organisations. However, responsible labour leaders may be invited to address them to stimulate correct line of thinking and to understand the other side of the picture. The correct approach on both sides should be to respect duty-based rights. The central organisations of labour and employers should, therefore, impress upon their respective constituents becoming duty-conscious.

#### *Trade Unions, Constitution and Finance*

39. How are trade unions constituted at the plant level ? What are the different forms of constitution ? Are there any common objectives mentioned under the rules of different trade unions ? What are these common objectives ?

Wherever there are a number of units in the same industry in the same centre, the attempt is generally to form an industrial union for the centre. But there are unions also organised plant-wise. Thus both these methods are found in common. For instance, in the textile industry, if there are a number of units in the same centre, a single union is formed for all the units in that centre. But in engineering industry, we find that there are several plant-wise union. Wherever there is an industrial union, the constitution of the union provides for the setting up and functioning of branches, and in such unions the

General Body will not be of the primary members. The primary members elect a representative (pratinidhi) for every 100 or 200 of primary membership, and it is those elected representatives, who form the General Body. In plant-wise unions, however, the primary membership is normally the General Body. The objectives in the model Constitution for trade unions prescribed by the Registrar of Trade Unions are generally adopted by unions at the time of registration, and suitable additions are made in course of time. Most of the major unions affiliated to the INTUC have adopted the same objectives as of the INTUC. The objectives of the INTUC have been detailed in the 'Introduction Chapter'.

40. How are the officers who man the trade unions appointed? How many of them are paid?

The officers of all unions such as President, Vice-President, Secretary, Treasurer, etc., are generally elected by the General Body. Except for one or two office-bearers the rest of them are from the workes themselves and are honorary part-timers. In small unions, no officers will be paid by the union. They may be all part-time honorary workers. It is only in major unions, where the finances permit, there will be atleast one full-time paid officer, who is invariably the Secretary of the union. Where, however, funds permit, a number of full-time workers are appointed by the Secretary and/or the President, or the Executive Committee. Such paid full-timers are only employers of the union. Their number varies depending upon the capacity and needs of the unions.

41. How does a trade union get new members? Are all membership applications accepted? If not, by what criteria are applicants accepted or rejected? In what ways do unions compete for membership?

Every Union has a membership admission form which is generally given free. But there are also cases where a nominal charge is made for the form to cover the cost of printing. Whenever the worker wants to join a union, he fills up the form and pays nominal entrance fee, and first month's subscription along with it. Normally all membership applications are accepted, except where the person is known to possess views totally opposed to the union, or is suspected of seeking membership to sabotage the union's activities. Wherever there are rival unions, the unions compete for membership of workers through public appeals, gate meetings, and through individual workers who are already members.

42. What steps do trade unions take to encourage members to interest themselves in the conduct of unions' affairs? How effective are such steps?

Our unions naturally want the members to take active interest in the conduct of the union affairs. They insist that the relationship between the members and the union should not be limited to mere payment of subscription, but should also be one of active participation in the union management. The Executive Committee is generally compact and therefore the unions generally hold active workers' meetings to discuss problems and get broad-based guidance from the workers. These active workers' meetings, unlike gate meetings, provide a two-way channel of communication. After the union office-bearer explains the problem, the active workers are encouraged to ask questions and thus the membership is helped to take active interest in participating in the working of the union.

43. How are the activities of a trade union conducted? How is the policy decided? Who is responsible for implementing the policy once it is decided? To what extent does the rank and file influence the formulation of the policy?

The policy of a union is normally decided by the General Body of its members, and the Executive Committee executes those policies. Generally such policies are in conformity with the policies of the national centre, with which it is affiliated. The day-to-day conduct of the trade union is generally left in the hands of the Secretary, who is an elected office-bearer.

44. What in your opinion is the extent of prevalence of the system of 'closed shop' or 'union shop'? State its merits and demerits in Indian conditions.

To our knowledge there is no system of 'closed shop'\* or 'union shop'† prevalent on any scale in our country. In Indian conditions, 'closed shop' or 'union shop' might be unconstitutional in that if a worker does not want to be a member of a particular union or any union, he cannot be compelled to be a member against his will. He has a right and freedom to join any union of his choice or refuse to be a member of any union. Such a right to form or join an association gives him also a right not to join any association. Therefore the 'union shop' and 'closed shop' might come in conflict with the Constitution of our country. Apart from the constitutional difficulties, 'union shop' or 'closed shop' might also lead to the opening up a second source of exploitation. Trade union movement is a voluntary move-

\*'Closed shop' is an establishment where only members of a union in good standing are hired or retained as employees.

†'Union shop' is an establishment in which the employer has agreed to keep only union men on pray-oll and in which non-union men may be hired on a stipulation that they join the union within a specified time.

ment and there should be no compulsion about joining it. The INTUC would however wish that every worker must be a member of a union.

45. Do trade unions have enough income to fulfil their role in promoting members' interests? If not what steps should unions take for augmenting their resources? Is any statutory provision needed for enlarging trade union finances?

46. What reasons, if any, are there against increasing members' subscription so as to provide an adequate income for trade unions?

47. Is the introduction of 'check off'\* system advisable in Indian conditions? If it is, should the privilege of the system be given to recognised unions only or to all registered unions?

Most trade unions do not have sufficient income to fulfil effectively their role in promoting members' interests. The rates of subscription in many unions are still as low as 25P a month, and even that is collected once a year at the time of bonus payment. This shows that trade union consciousness among the working class is not adequate. The payment to the union at the time of bonus payment, is more like 'bakshis' than as a regular subscription to the union, based on the conviction that a union provides the best guarantee to the security of employment and for protecting and promoting the interests of the workers.

The Trade Unions Act should be amended so as to revise the rate of subscription to a minimum of 50P or even one rupee per month per member and the trade union subscription and dues may be recognised as one of the permissible items of deduction from the workers' wages under the Payment of Wages Act. The reason for low-rates of subscription is that the rival unions are charging very low rates sometimes even nothing. A statutory provision for a higher minimum subscription would enable unions to get over this difficulty.

48. In what ways do trade unions help members/dependents of members in their personal difficulties like unemployment, sickness, and personal injuries? How are dependents helped in case of member's death?

There is very little of a systematic programme for trade unions to help members or their dependents in their personal difficulties, such as unemployment, sickness and personal injuries. The first reason is poor-finances of the unions, and the other reason is that most of the union's time is taken up by one litigation after another, or by one struggle after another, and they have hardly any time to think about such constructive activities. This, however, is not to be taken that there is no union in the country which is the helping dependents of employees and members, who become victims of personal injuries, sickness, unemployment etc. There are some unions who extend these services, such as the Textile Labour Association, Ahmedabad, the Rashtriya Mill Mazdoor Sangh, Bombay, etc., but their number is very small.

#### *Trade Unions—Leadership and Multiplicity.*

49. What has been the impact of political parties on the pattern of trade union development in India?

Most of the trade unions in India have their roots in political parties, and with the emergence of increasing number of political parties, there are also increasing number of rival trade union organisations. Almost every political party of any consequence is having its own trade union wing, and if a political party splits, then it is also reflected by a split in the trade unions they control. It will be eminently desirable to lift trade unions from the hold of party politics.

50. Reference is often made to the influence of outsiders in trade unions. Please define the term 'outsider' and state what the influence of outsiders has been on trade unions.

51. How should internal leadership in a union be built up and strengthened?

In the current context of conditions of poor literacy, labour indifference to trade union movement, and lack of appreciation of the proper use of trade union movement, outsiders have to provide leadership for the movement. But among these outsiders, there are two categories:

1. those whose first and last love is labour; and
2. those who utilise labour for either their personal or political party ends, that is, those who bring extraneous considerations in their work in the labour movement.

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\*Check off' is the practice in which employer deducts union dues from pay and hands over these deductions to the union.

But such of the outsiders who have dedicated their lives in the cause of labour have, in fact, identified themselves more than insiders with the industry and its labour.

One reason for outside leadership is the attitude of some employers. These employers do not like to sit across the table with their employees on an equal footing. They feel that it is below their dignity to ask their own employees to sit with them across the table as equals. But if an outsider represents the workers, they have no such difficulty. Then there is also the fear of victimisation. Further trade union work has now become highly technical and complex. It requires full-time experts to manage the unions. That cannot be supplied by a worker still working in the plant, who can only give part-time attention.

The trade union movement in India owes its growth to outsiders. Some of the weaknesses of the trade union movement in India are also due to outsiders. So the question should not be outsiders versus insiders, but good leadership versus bad leadership. Even so, the ultimate aim of the movement should be to develop the workers' capacity so that they may be able to take charge of the movement themselves. The process has already started, and the number of outsiders in most unions is limited to one or two only, although the Act permits a larger number.

The internal leadership can be developed, provided the outside leadership not only permits it, but actively encourages it, and the employer, for his part, also treats his own employees with respect.

52. Does the existing legislation encourage multiplicity of trade unions? If so, what are the remedial measures?

The existing legislations—both the Trade Unions Act and the Industrial Disputes Act—do not discourage multiplicity of trade unions. The Bombay Industrial Relations Act and other State legislations patterned after it, discourage multiplicity of trade unions. A similar legislation for the whole country may be useful.

It is often said that one union for one industry would be an ideal state of affairs. But the aim should really be not one union for one industry, but one *good union* for one industry. Of course the contents of the term 'good' should be capable of objective assessment. We suggest that a good union should satisfy the following requirements:

1. It should believe in and practice peaceful and constitutional methods.
2. It should be a genuine voluntary organisation.
3. It should believe in and practice genuine democracy.
4. It should eschew violence, coercive and intimidatory tactics.
5. It must accept arbitration for settlement of disputes.
6. Strike must be accepted as the last weapon and should not be resorted to before exhausting other methods of settlement of disputes.
7. It should harmonise the sectional interests of labour with the larger interests of the community.
8. It should aim at developing the human personality of worker and cater to his many-sided requirements and develop him into a full MAN.

53. How far has the Inter-union Code of Conduct (Appendix II) adopted by the four central labour organisations in 1958 been effective in regulating inter-union relations and avoiding inter-union rivalries? How could the Code be made more effective?

The Inter-union Code of Conduct has not at all been effective in regulating inter-union relations, or avoiding inter-union rivalries. In fact, the Code assumes that there would be multiplicity of trade unions and rival national centres for all times. The Code has been evolved obviously in desperation, i.e., giving up the hope for ever of a united trade union movement and trying to adjust their mutual relations, where it has failed.

#### *Trade Union Recognition :*

54. What are the advantages and disadvantages of a union registration? Are there any aspects in which the powers of the Registrar of Trade Unions could be altered or enlarged with advantage?

55. Has there been a change in the attitude of employers towards trade unions, particularly in the matter of recognition of unions? If yes, what have been the contributory factors?



56. Has the Code of Discipline in Industry (Appendix III) contributed towards securing recognition for trade unions ?

57. Do the existing provisions under the Code of Discipline in regard to recognition of unions provide a satisfactory arrangement in this regard ? Specifically, are the provisions regarding (i) the procedure for verification, (ii) the procedure for grant and withdrawal of recognition, (iii) the period of recognition and (iv) the rights of the recognised unions (Appendix IV) satisfactory ? If not, what improvements would you suggest in them ? (See also Q. 111)

The registration of a trade union under the Indian Trade Unions Act permits collective action by workers, which would otherwise be treated as conspiracy. It provides continuity and a legal right to hold property and administer it in the interests of the workers.

The Registrar of Trade Unions at present has no powers to say whether the Annual returns submitted are correct. He seems to be only a filing authority. It may be desirable to provide for the Registrar of Trade Unions satisfying himself that the annual returns have been correctly furnished.

Disputes regarding election of office-bearers of trade unions have become frequent since recently, and the Trade Unions Act should be amended to provide that all such disputes shall be either submitted for arbitration to the Central Body to which the union is affiliated, or to the decision of a Labour Court having jurisdiction in that area.

Employers generally are not very enthusiastic about recognising trade unions. In fact, one of the major complaints against the Code of Discipline is that employers are evading their obligations to recognise a representative union under the Code of Discipline. There are cases where the employers and their organisations recognise all the unions that have been registered even though this is against the Code, or they recognise none. The public-sector too is no exception. They are also unwilling to grant recognition to a representative union ; and even after recognising one, they are not extending to it the usual rights ; and recognition is only nominal.

Recognition is provided for under the Code of Discipline. But in the Central law regarding industrial disputes, there is no provision in it for recognition of any trade union. Thus over the terms of an agreement with a recognised union, an unrecognised union can raise an industrial dispute, and even force the Government to refer it to adjudication or bring about a strike. The conflicting provision of the Code and the law is one of the factors which makes recognition pointless. Lack of recognition in spirit is another factor.

The present procedure for verification of membership claims for purposes of recognition is evolved out of agreement between the parties. There is a move to substitute membership by secret ballot to ascertain which of the contesting unions has a majority following. The INTUC is convinced that verified membership is the only basis for ascertaining the true strength of a trade union. Voting by secret ballot may not give the real strength of a trade union. Any contesting union may whip up an agitation on the eve of the elections and sway the electorate for a moment. The subscription paid by a member month after month is the best and solid vote ; and a continuous payment of subscription over a year is the sustained vote to that organisation. Further if the representative union is to be decided by ballot, it will lead to endless trouble. There may be an allegation that membership verification has not properly been done by the defeated unions. But that cannot make the membership basis defective. For that matter even election by secret ballot may be questioned by the defeated union as not having been fair. These allegations by the defeated party will always be there and that therefore should not be the reason to give up the membership basis. As to who would be the electorate will also create complications.

58. Would you suggest giving effect to the provisions of the Indian Trade Unions Amendment Act 1947 in the matter of recognition of unions ? Or, should provisions similar to the Bombay Industrial Relations Act, 1946 or similar Acts elsewhere in India for recognition of unions (Appendix V) be written into the Indian Trade Unions Act, 1926 ? Are there any other suggestions in this regard ? (See also Q. 27)

We would like the provisions similar to the Bombay Industrial Relations Act, 1946, to be extended for the whole country in stages, whether by industries or by local areas.

59. What are the advantages of industrywise unions ? What will be the difficulties in their recognition ? How should the subjects to be dealt with by unions at the plant level and by the industry union be demarcated ? (See also Q. 86)

Industry-wise unions have many advantages. They will help to standardise conditions of work, wages, D.A. and other amenities. Such standardisation will help to reduce industrial disputes at the

plant level. It will also help the industry by eliminating chances of unfair competition by any unfair gains in labour cost between one unit and another. Industrial unions will normally be larger unions with greater financial strength, and will therefore be able to provide many advantages to the workmen, which small plant-wise unions with meagre funds will never be able to do. But in the matter of recognition of an industry-wise union, there may be difficulties in certain units where the industrial union may not have an absolute majority. Even so it should be laid down that an industrial union which has a majority in the industry in the region alone should be entitled to negotiate regarding terms of employment, all the units.

**60. What are the advantages and disadvantages of naming a union as the sole bargaining agent in an industrial unit ?**

The advantages of having one union as the sole bargaining agent in an industrial unit mainly consist of :

1. prevention of disputes by keeping the channel of communication open and effective ;
2. speedy settlement of disputes by negotiations or arbitration ; and
3. maintaining cordial relations and peace in the unit which will help the employer plan ahead his production and improve productivity.

The disadvantage in having one such union in the context of the existence of multiplicity of unions will be that all the other unions will join together to overthrow the recognised union, and out of sheer inter-union rivalry, will create problems where none existed, and may even bring the industry to a standstill.

**61. For determining the representative character of a trade union for purposes of grant of recognition, should the method of election by secret ballot be adopted ? If so, explain the details of the method and the administrative arrangements necessary for the purpose. (See also Q. 86)**

We do not favour election by secret ballot for the grant of recognition for reasons already stated (see our answer to question No. 57).

**62. If a union is elected as the sole bargaining agent in an establishment, what should be the rights and responsibilities of other unions in the establishment ?**

The question assumes that a union is elected as a bargaining agent. As stated earlier, we are against election of a bargaining agent. The bargaining agent should be chosen on the membership basis. A bargaining agent so chosen, i.e., on the basis of membership, should have the right to deal with all matters affecting the employees in the plant in general. The other unions in the establishment should have no right whatsoever. It will be a contradiction in terms to talk of rights of unrecognised unions.

**63. Considering that category-wise unions, particularly of technicians, are assuming greater importance how should their rights and obligations be defined in relation to (a) the employer and (b) unions of other categories of employees ?**

Category-wise unions are normally to be discouraged. Even so certain unions like the unions of technicians cannot be avoided. It is also necessary to organise technicians properly. Their position would be unique and difficult as they occupy a middle position with the employer on the one hand and the labour on the other. As to the question what should be their rights and obligations towards the employer, it could not admit of two answers. The rights and obligations to employers should be the same as of any responsible trade union. The rights and obligations of technicians' unions towards unions of other categories of employees should be to support them in all their just demands and peaceful and constitutional action to secure those demands.

**64. What facilities should an employer extend at the work-place for the activities of unions ?**

The facilities an employer should extend at the workplace for recognised unions have been already listed and agreed to in the Indian Labour Conference. To begin with the facilities that are in that list may be extended wholeheartedly. The list is reproduced below for ready reference.

- (i) to raise issues and enter into collective agreements with employers on general questions concerning the terms of employment and conditions of service of workers in an establishment or, in the case of a Representative Union, in an industry in a local area ;
- (ii) to collect membership fees, subscriptions payable by members to the union within the premises of the undertaking ;

- (iii) to put up or cause to put up a notice board on the premises of the undertaking in which its members are employed, and affix or cause to be affixed thereon notices relating to meetings, statement of accounts of its income and expenditure, and other announcements which are not abusive, indecent, or inflammatory, or subversive of discipline or otherwise contrary to the Code ;
- (iv) for the purpose of prevention or settlement of an industrial dispute ;
  - (a) to hold discussions with the employees who are members of the union at a suitable place within the premises of office, factory or establishment as mutually agreed upon;
  - (b) to meet and discuss with an employer or any person appointed by him for the purpose the grievances of its members employed in the undertaking ;
  - (c) to inspect, by prior arrangement, in an undertaking, any place where any member of the union is employed.
- (v) to nominate its representatives on the Grievance Committee constituted under the Grievance Procedure in an establishment ;
- (vi) to nominate its representatives on Joint Management Council ; and
- (vii) to nominate its representatives on non-statutory bi-partite committees, e.g., production committees, welfare committees, canteen committees, canteen committees, house allotment committees etc., set up by managements.

**65. What has been the attitude of the Government as employer towards trade unions ?**

The attitude of Government as employer towards trade unions has been generally reactionary. Government in fact is yet to become an ideal employer. Government too does not like trade unions. They do not understand the attitude and conduct of a responsible trade union movement. Although they do not like trade unions generally, they invariably yield to pressure tactics or show of force. Such attitude of the Government has affected adversely the sober and responsible section of trade union movement in the country.

#### IV—INDUSTRIAL RELATIONS

##### *Introductory*

**66. What should be the criteria for determining the effectiveness or otherwise of Government's industrial relations policy ? In terms of these criteria, give your assessment of the working of the policy since Independence, with special reference to the legislative and other arrangements for prevention and settlement of industrial disputes ?**

The criteria for determining the effectiveness or otherwise of Government's Industrial Relations Policy should be :

1. *Negatively*, the number of man-days lost ; and
2. *Positively*, understanding co-operation between labour and management for improving discipline, efficiency and consequently productivity.

In terms of these criteria, the working of the Industrial Relations Policy since Independence has not succeeded to the extent required. There is very little effective arrangement for prevention of disputes. The machinery for settlement of disputes is cumbersome and dilatory. The principle of voluntary arbitration is seldom accepted by employers, and the number of man-days lost has been on the increase, except for a brief period when the patriotic sentiments of the working-class were roused on account of Chinese and Pakistani aggressions.

<i>Year</i>	<i>No. of man-days lost</i>
1947	1,65,62,666
1948	78,37,173
1949	66,00,395
1950	1,25,06,704
1951	38,18,928
1952	33,36,961
1953	33,82,608
1954	33,72,630
1955	56,97,848
1956	69,92,040
1957	64,29,319
1958	77,97,585
1959	56,33,517
1960	65,36,517
1961	49,18,755
1962	76,20,576
1963	32,68,524
1964	77,24,694
1965	61,73,935

67. Are the patterns of industrial conflicts changing since Independence? In particular, how have the social, economic and political factors affected the intensity of industrial conflict?

Since Independence, almost every political party has sponsored its own trade union movement, with the result the economic grievances of the workmen are sought to be exploited by the political parties, and the industrial conflict is often pushed to the political plane, clouding the issue and making the working-class suffer in consequence. Thus political conflict very often wears the cloak of industrial conflict. There are also instances of craft unions acting as a bottleneck, holding the whole plant or establishment at a standstill.

68. Is it possible to pick out some significant factors in units within your knowledge which in recent years have helped in improving industrial relations at the plant level? Will these factors continue to be of significance in future?

We have experience in several units where the following factors were responsible for improving industrial relations at the plant level:—

1. mutual trust between union and management ;
2. mutual respect for each other's rights ;
3. realisation of its obligations to the other party ;
4. management sharing information with the union ;
5. desire to avoid litigation ;
6. good personal relations between the union executive and the plant executive ; and
7. long-term agreements in regard to major issues :

We believe all these factors will continue to be of significance in the future also, provided the unhealthy atmosphere outside does not infect these plants too.

69. What have been the causes of industrial unrest since Independence? Have there been any special circumstances which have contributed to industrial unrest? How could their effect be minimised in future?

The main causes of industrial unrest since Independence include, among others, the following :

1. Raising of great expectations in the minds of labour and equally great shortfall in their realisation,
2. Steep rise in prices and consequent fall in real wages ;
3. Denial of full neutralisation of the rise in the cost of living ;
4. Complications in respect of Profit-sharing bonus ;
5. Delay in settlement of industrial disputes through constitutional methods ;
6. Unhelpful attitude of employers ;

7. Absence of proper human relations
8. Inter-union rivalry, and
9. Defective Planning.

**70. What has been the impact of inter-union rivalry on industrial relations ?**

The impact of inter-union rivalry on industrial relations has naturally been unhappy. Inter union rivalry is mostly the result of importing party politics into the trade-union movement, apart from the broad ideological conflict inherent in the two types of trade-union movement represented by the WFTU and the ICFTU. Also some employers are interested in dividing labour and playing one against the other for their own ends. Because of the existence of more than one union at the plant level and bitter rivalry among them, collective bargaining becomes difficult and more disputes, which could be settled across the table, have to go before an adjudicator and thus embark on a tortuous and painful process of almost endless litigation.

**71. What improvements are necessary in the present arrangements for prevention of industrial disputes ? What would be the role of mediation service in the prevention of disputes ?**

There is at present no effective arrangement for prevention of industrial disputes. The first prerequisite is an atmosphere of understanding co-operation between labour and management. In many cases this is not present. On the other hand, there is an atmosphere of bitterness, hatred, fear and suspicion. If there is an effective two-way channel of communication between the management and the union, a number of disputes could be prevented. If only each side would make an honest effort to look at the problem from the other man's point of view, half the trouble would be over. Even such forums like the Works Committees have proved to be a failure as they function in an atmosphere lacking such confidence.

There is at present no mediation service worth the name. The whole statutory machinery begins to move only after the dispute assumes strike proportions. If the mediation service has to be effective it should be not only manned by high calibre men, but also by men of integrity and independence, who could command the confidence of both the parties. It will be desirable to prepare a panel of such persons in the country and make their mediation services available to the parties as and when required.

**72. What is the role of fact-finding enquiries in improving industrial relations ?**

The appointment of 'Fact-finding Committees' have not helped to improve industrial relations. In fact, no fact-finding committee stops with merely finding the facts, but often succumbs to the temptation to make recommendations. Very often the results of fact-finding committees provide ammunition to both parties to fight even more bitterly. The future holds greater promise for mediation services, than for fact-finding committees.

**73. How is the state of industrial relations in a unit affected by the existence of trade unions ? What difference, if any, exists in the climate of industrial relations where the relevant trade union organisation is (a) strong, (b) weak, and (c) non-existent ?**

The existence of trade-unions is largely responsible for the orderly formulation of demands, the precise presentation of the same, expert negotiation and if that fails, to process it through conciliation, adjudication or arbitration, or by strikes. In the absence of trade-unions, the grievances of the workers would find no proper channel to be given expression to ; and this would result in frequent explosive outbursts.

Where there is a strong and well-conducted trade union, it is generally capable of taking a responsible stand and play a constructive role. Where the trade union is weak, it acts erratic and easily takes to extremist methods. Where there is no union in existence, either the workers are completely driven like slaves, or their grievances, as stated already, find expression in periodic explosive outbursts.

**74. What has been the contribution of factors like (a) recognition of union, (see also Q. 54 to 65) (b) arrangements for dealing with individual and collective grievances, and (c) strengthening bipartite consultative arrangements, in promoting industrial harmony ?**

(a) Recognition of union is accorded either by Statute as in the case of Bombay Industrial Relations Act and other similar State Acts, or under the Code of Discipline in Industry. In the former case of recognition, viz., by Statute, there has been comparatively greater industrial peace, and workers have progressed through peaceful methods. Where the recognition is under the Code of Discipline there is no legal sanction behind it and the unrecognised unions always attempt to upset agreements with the recognised unions by invoking the law itself and make recognition meaningless.

(b) Arrangements for dealing with individual and collective grievances patterned after the 'Model Grievance Procedure' have not been effective in redressing the grievances. Only the elaborate procedure laid down under the system is followed, but no substantial justice is received. A grievance procedure only ensures the procedural part, but does not guarantee the justice part. This is so because more often than not the superior officer is inclined to agree with the subordinate, making the right of appeal to him meaningless.

(c) Strengthening of bi-partite consultative arrangements is indeed the ultimate hope. But it must be remembered that it is only the ultimate; for the immediate, the existence of multiplicity of unions will make bi-partite consultative arrangements difficult to succeed.

75. In maintaining and promoting harmonious employer-employee relationship, what should be the respective obligations of (i) Central organisations of employers and workers, (ii) local management, (iii) local union and (iv) the Government—Central or State? (See also Q. 30).

(i) If the central organisations of employers and workers instil a sense of discipline among their own constituents, and make them conform to agreed norms of behaviour in processing industrial disputes, it would go a long way to promote and harmonise employer-employee relationship at the regional and plant levels.

(ii) & (iii) Local managements and local unions should learn to respect the commitments of their respective Central organisations. While the union must be guided by a true assessment of not only the needs of the worker, but also of the capacity of the industry to pay, management must not have two standards of compliance—one if the matter would rest with the negotiation table and the other if it were to be settled at the point of a strike, actual or threatened. Whenever, the management feels it can give a certain benefit upto a certain extent it should do so, and should not wait for agitation to build up and then yield. The union, for its part, should not give false hopes to the workers, knowing that the Industry concerned will not be able to meet the demand.

(iv) Government's interference should be limited to the minimum. Normally it should not intervene, unless the interests of the community are threatened.

76. What role have labour/personnel officers played in preventing disputes and maintaining harmonious employer-employee relationship? How far have they been effective? Suggest measures to improve their effectiveness.

The role of labour/personnel officers in preventing disputes and maintaining harmonious employer-employee relations depends upon several factors, including:

1. The progressive nature or otherwise of the employer himself.
2. The mental make-up of the labour/or personnel officer himself.
3. How far he is able to act fearlessly and advise the employer correctly even at the cost of losing his job.
4. His success in enlisting the confidence and respect of labour.

In practice we find labour officers are appointed only to carry out the desire of the management and yet be within the confines of the law. Some of them are hated more by labour than the employer himself. They have been rarely successful in preventing disputes. They cannot maintain harmonious employer-employee relationship, since generally they lack the confidence of labour and sometimes of even management. The role of labour officer, therefore, is extremely a difficult, delicate and dissatisfying one. Sometimes even charges of corruption while recruiting personnel are also heard.

If the labour/personnel officers are to be effective, they must succeed in securing the confidence of both the management and workers. They must have the courage to advise the management when it goes wrong. They must have the capacity to convince labour as to what is right. They must not appear to take sides. They should not attend conciliation and Court proceedings, as representing management, and opposing workers. Labour and personnel officers are generally recruited from lawyers. Instead they should be recruited from people with a bent of social service and they should understand the pattern of human behaviour and labour psychology, a part from the necessary training and/or qualification for running the personnel department, they should be easy of access to workmen, and they should learn to move with workers as one among them.

77. What should be the arrangements for proper communication between workers and management at the plant level ?

The proper channel of communication between management and workers at the plant level should be a voluntary Joint Consultative Committee, which may meet once a week—or oftener if necessary—sometimes even without an agenda. Just to meet and talk even in a general way, when there is no problem, would go a long way to create the necessary understanding and climate.

78. To whom do managements delegate their authority in dealing with employees ? To what extent do managements include specialists for dealing with personnel matters ?

Management generally delegate limited authority in dealing with employees, either to labour officer or personnel officer or to a manager. Invariably these officers do not have much independence or discretion to decide. They take their orders from above. The practice of enlisting the services of specialists for dealing with personnel matters is rather rare.

79. To what extent are the standing orders subject to agreement between employees and managements ? In how many cases are they drawn up by management alone ?

Draft Standing Orders are generally drawn by management and sent to the Certifying Officer, with a copy to the union. Although the union objects to the several provisions in the Standing Orders, the Certifying officer is mostly guided by whether the provisions are in conformity with the Model Standing Orders. The workers, of course, have a right of appeal against the terms of the Standing Orders, or they can raise an industrial dispute too if they are so advised. But nevertheless Standing Orders are considered by workmen as a unilateral imposition by the management.

80. To what extent do the Employment Standing Orders Act 1946 and the Model Standing Orders formulated under that Act serve the purpose for which the Act was framed ?

The object of the Industrial Employment Standing Orders Act of 1946 and the Model Standing Orders thereunder is to require the employer to make known the conditions of employment to the workmen. It has only achieved that limited purpose.

81. What are the disciplinary rules imposed by managements ? Do the procedures prescribed under the Model Standing Orders in dealing with disciplinary cases require modification, and if so, on what lines ?

The procedure prescribed under Model Standing Orders in disciplinary matters generally requires the serving of a charge-sheet, and the holding of an enquiry. But the range of punishment for even the same act of misconduct varies from four days suspension to dismissal, which is a capital punishment. Whatever modifications may be made in the Standing orders to deal with disciplinary proceedings, the fact remains that the management is the prosecutor ; and in the enquiry under the Standing Orders he also becomes the judge. The combination of the functions of a prosecutor and a judge can never satisfy the requirements of natural justice. Therefore in any disciplinary proceedings against the workman, with both the Management and the workman as parties to the dispute, they must submit their respective cases before an arbitrator already chosen, and provision for this must be made in the Standing Orders.

82. Has the Model Grievance Procedure (Appendix VI) evolved under the Code of Discipline served its purpose ? If not, is there need for statutory provision for the formulation of an effective grievance procedure ? What should be the main elements of such a provision ? How would it affect existing bipartite arrangements ?

The 'Model Grievance Procedure' only kicks the workers from pillar to post. As already stated, unless the attitude of officers change, and the higher officer is prepared to differ from his subordinate where necessary, the grievance procedure and the right of appeal has no meaning to the worker. It is not the machinery that is so important but it is the mental make-up of the persons who work under the Scheme that is very important. Even if a statutory provision for the formulation of a grievance procedure is made, it is not going to alter the picture.

83. What is the attitude of trade unions and employers' organisations to the introduction, either by voluntary agreement or statutorily, of a system of grievance arbitration ? Would such a system help in improving labour-management relations ?

Most employers are unwilling to the introduction of a system of grievance arbitration. Even if the employers agree in principle to the arbitration, it is proving somewhat difficult to find an impartial arbitrator. But if the management is willing for grievance arbitration and if an impartial person, mutually acceptable is chosen before hand and, is available to act as an arbitrator, then the system would help to improve labour-management relations.

84. What are the existing facilities for training management and trade union personnel in industrial relations? To what extent are they used?

There is not much of facilities worth mentioning for training management and trade-union personnel in Industrial Relations. Personnel officers and Industrial Relations Officers appointed by the management have generally a law degree, and in addition have some diploma in social science in some cases. But this is wholly inadequate to meet the requirements of the situation. Industrial Relations has become such an important and complex subject that it will be desirable to introduce it as an optional subject for study in universities. While this is so with the management personnel, there is very little of systematic training in Industrial Relations for trade union officials, except in a rare few cases like in the Textile Labour Association of Ahmedabad.

### COLLECTIVE BARGAINING

85. What is the extent of prevalence of the system of collective bargaining in this country? How far has it succeeded? What has been the effect of legislation on the growth of collective bargaining? (See also Q. 193)

86. If collective bargaining has to be encouraged at the industry level, how should the representative character of the bargaining agent for workers be determined? (See also Q. 59 and 61)

87. Do you agree with the statement that (a) collective bargaining has its uses when unions have sufficiently built up their strength and even for strengthening unions and (b) adjudication system provides an arrangement by which satisfaction can be given to parties without open industrial conflicts as also for protecting the weaker party?

88. What should be the role of (a) collective bargaining and (b) adjudication as methods for safeguarding industrial peace in the years to come?

Collective bargaining has not always succeeded even where there is one well-organised and recognised union. But where there is no recognised union collective bargaining becomes very difficult. The main obstacles encountered in the way of collective bargaining are unwillingness to discuss on the one hand, as also lack of art of negotiation on the other the multiplicity of trade unions on the other.

Even so, there have been some settlements by collective bargaining here and there. The effect of the Industrial Disputes Legislation providing for conciliation and adjudication has to some extent helped in cases where the employer was unwilling to negotiate or where collective bargaining became difficult because of plurality of unions. Indeed the progress of labour during the first ten years of independence was mainly due to industrial adjudication, which compulsorily brought the parties to submit to the decision of an adjudicator.

It is always said that if compulsory adjudication was removed from the statute book, and the alternative for collective bargaining were a strike, the method of collective bargaining would have received greater impetus. On the contrary, in a planned economy, to leave both labour and management indulge in a free fight would upset planned development and retard progress. While collective bargaining has to be encouraged, even if necessary, by statute, it has to be borne in mind, that there would not be frequent dislocation in production in a developing economy, as abolition of adjudication might lead to.

If collective bargaining is to succeed, it is obvious that there should be a single bargaining agent for labour which should believe in a negotiated settlement and failing which in arbitration and far whom strike shall be the last weapon. Such a bargaining agent should be the representative union. The representative character of the union should be determined on the basis of the largest paying membership. We are against determination of the representative character of a union by secret ballot. It is possible to sway the emotional feelings of the workers by playing upon their feelings over some momentary issue, and secure the vote. The workers are most likely to repent for having voted in a particular manner the moment after they had voted. The problem of who should be the electorate will also become complicated. Should it be the members of all trade unions? Or should it be all workers employed in the plant? If it were members of all trade unions, it is possible that, taken together, they may not represent even the majority of workmen employed in the plant. If it is by all workers, i.e., including non-members, the position will become illogical, in that workers who never cared for any union will be given the right to choose which of the unions should represent them. And always the defeated union will complain of unfair elections and keep the pot boiling. If secret ballot is to determine the representative union, no worker will pay union dues and trade union movement will be further weakened.



The best way to clear out of all these difficulties therefore is to decide the majority union on the basis of regular paying membership. *Paid membership is the best and sustained vote* : and, therefore, this should not be considered in any way a less efficacious or less democratic method. We are therefore, of the firm conviction that the bargaining agent should be recognised on the basis of paying membership. Already an elaborate procedure has been agreed upon as to how to verify the membership of trade unions. If still there are any difficulties about verification of membership, the remedy lies in making the system as fool-proof as possible.

89. In disputes arising over a charter of demands, is it feasible to separate areas of difference between the employer and the union into those where collective bargaining could exclusively operate and others which could be left to adjudication ?

90. What should be the limits of collective bargaining under conditions imposed by planned development ? (See also Q. 193)

We do not think that it will be feasible to divide industrial disputes as coming exclusively within the domain of collective bargaining and adjudication. Assuming that certain issues are earmarked only for collective bargaining, what prevents the workers going on strike or the employer declaring a lock-out, if there is no settlement through collective bargaining ? Collective bargaining is a method for preserving industrial peace based on arrangements arrived at to the mutual satisfaction of the parties, and when satisfaction is denied, it is possible the dispute results in a strike or lockout. The main aim should be to reduce the number of man-days lost by strikes and lock-outs ; and therefore the method should not be either collective bargaining or arbitration. It should be by both of them as they are complimentary in that where collective bargaining fails, arbitration should take it up, instead of allowing the matter to be settled by trial of strength, resulting in dislocation of production particularly in essential industries and services which the country can ill-afford for many more years to come.

#### *Joint Consultation*

91. Do trade unions, through collective bargaining and joint consultation, provide an effective form of democracy within the enterprise ?

Wherever there is genuine Joint Consultation between management and trade union, it will minimise the tendency on the part of the management or union to take unilateral action. This will thus democratise the inter-relations. But it must be pointed out here that a mere agreement to bargain and to constitute a Joint Consultative Machinery will not achieve the purpose, unless there is a sincere desire to understand, respect and accommodate as far as practicable the other point of view.

92. The Industrial Disputes Act 1947, provides for the setting up of works committees "to promote measures for securing and preserving amity and good relations between the employer and the workmen." Have they been functioning satisfactorily wherever they have been set up ? If not, what factors have militated against their setting up and proper functioning ?

The Works Committees set up under the Industrial Disputes Act, 1947 have not been successful. The main reasons are :

1. Employers do not take the Committees seriously.
2. Even unanimous recommendations made by the Committees are not implemented by Management.
3. The top management personnel are not represented on the Works Committees.
4. Unions sometimes suspect in the Works Committee a potential rival to them, and
5. Little appreciation of the exact jurisdiction of the Works Committees.

93. To meet the criticism that works committees have been languishing for want of definition of their specific functions, an illustrative list of functions (Appendix VII) of works committees was evolved by the Indian Labour Conference. Assuming that there can be a clash of functions between the trade union and works committee, can this list be the basis for demarcation/definition of works committees' functions ?

If the list of functions agreed to in the Indian Labour Conference were faithfully accepted by Works Committees, there is no doubt they could be made to work to that extent. But again it is more the approach of the two parties to the institution of the works Committee that is important.

In order to avoid a possible clash between trade union and the Works Committee, it will be desirable that wherever there is a recognised union, that union must be invited to nominate Worker-members on

the Committee, so that there would be no fear of the Works Committee proving a potential rival to the recognised union.

94. Suggest measures for improving the utility of the works committees with particular reference to their composition and functions.

We suggest the following measures for improving the utility of Works Committees :

1. Workmen-representatives should be nominated by the recognised Union.
3. Top management personnel who could take decisions on the spot should represent the management on the Committee.
3. There should be specific dates fixed in advance for the meetings of the Committee, whether there is any agenda or not, such as the 15th of every month, or the first or second Friday of every month, etc.
4. The list of subjects that could be dealt with by the Works Committee should be reduced to writing.
5. All decisions and suggestions of the Works Committee should be promptly implemented.

95. Have Joint management councils and emergency production committees been successful in achieving the objective of better industrial relations and increasing production/productivity? Have they created a climate of mutual trust between employers and employees? (See Appendix VIII for functions of Joint Management Councils).

Emergency production committees had never functioned effectively. We think they were mostly still-born. As for Joint Management Councils, they have been set up in very few establishments and they function in still fewer. They have not been able to substantially change the climate of industrial relations. Their functioning has not been responsible for creating mutual trust between employers and employees. In fact, these Joint Management Councils should be set up, where already a climate of mutual trust between employers and employees existed over a number of years. The functions of Joint Management Councils are still very confused. There does not seem to be any great enthusiasm for these Joint Management Councils among the employers. As for the workers, they too are yet to understand the full implications and the advantages that would accrue to them on a proper working of the Scheme. Unless the Joint Management Councils become the natural outcome of the acceptance of the Philosophy of Co-Trusteeship, merely creating them in physical form will not advance the objectives. The same difficulties as for the functioning of the Works Committees would also apply to the setting up of the Joint Management Councils. Unless the employer is willing to accept his workers as partners in the Industry, the future of the Joint Management Councils cannot be very bright.

96. What effects do profit-sharing and copartnership schemes have on relations between management and employees?

The so-called profit-sharing Schemes are not accepted by workmen as really profit-sharing. Indeed the question of profit cannot arise, so long as the workers are not getting even the need-based minimum wage. The workers therefore understand that whatever be the name given to payments made to them, such as profit-sharing, etc., they really partake the character of deferred wages.

As for co-partnership mentioned in this question, we are not aware whether co-partnership Scheme exists anywhere in industries, as between management and employees. Indeed the attitude of management is still to treat the workers as wage-serfs, and this applies to all sectors including the public sector.

97. (a) Is it feasible to introduce a scheme of workers' participation in management by making the workers shareholders?

(b) If it is considered feasible, what steps should be taken to facilitate the introduction of such a scheme?

(c) Does such shareholding give adequate voice to workers in running of the establishment?

(d) Are there any other methods by which workers can participate in management?

(a): We do not think it feasible to introduce the scheme of workers' participation in management by making the workers shareholders. The question assumes that the existing shareholders are participating in management. They are not; and therefore even if the workers are given some shares in the Company they will not be able to have any effective voice or participation in the management of the concern.

Workers are already partners by virtue of their contributing their labour. There is no need to call upon the workers to make any financial investment in a concern ; for even without it, he is already a partner. The participation in Management should be based on the appreciation of the principle that both labour and management are mutually employers and employees ; for if capital employs labour, labour too employs capital. In the ultimate analysis, it is the community which employs both Labour and capital, and, therefore, both capital and labour should function as co-servants of the community, rather as co-trustees, in whose joint hands the welfare of the community is entrusted. It is by virtue of this fact that labour and capital should jointly manage Industries as co-partners. Joint Management Councils will succeed only if they are preceded by an acceptance of the above principles.

It is arising out of this principle, workers get a right to participate in the management of industries. The assumption that workers' right to participate in the management of industries should be justified by asking the workers to take shares in the management will not be correct.

(b) Does not arise in view of our answer to question 97(a).

(c) No.

(d) See answer to question 97(a).

### *Conciliation*

98. To what extent has the conciliation machinery given satisfaction to the parties to a dispute ?

99. Statistics of settlement of industrial disputes show that conciliation machinery has played a pivotal role in maintaining industrial peace. At the same time, many major disputes may not be amenable to settlement through conciliation machinery. Do you agree with this assessment of the functioning and utility of the machinery ?

100. What changes in the organisation and staffing of the machinery and powers of conciliation officers would you advocate ? Please indicate the specific changes/improvements which will make for a more expeditious and effective disposal of conciliation work ?

Conciliation machinery as at present functioning is not satisfactory. It is often time-consuming and ineffective. The statistical information showing that conciliation machinery has a good record of settlement of disputes is misleading. We cannot go by mere numbers, for very often settlement of trivial disputes by conciliation might add up to a respectable figure. They will not provide an index as to the utility of the Conciliation machinery for preserving and promoting industrial peace. Most of the major issues are not settled by conciliation machinery, and even in smaller issues, the inordinate delay suffered at the hands of the machinery makes the parties weary and agree to anything.

The foregoing, however, should not be taken to mean that we are against the conciliation machinery. Our observations are only against the conciliation machinery as at present constituted and as at present functioning. With improvements this machinery can be made to be more useful. We would suggest the following to improve the efficacy and utility of this machinery ;

1. Conciliation officers should be of a higher status and calibre.
2. Employers should send to the Conciliation table top personnel who would be able to take decisions on the spot.
3. Conciliation officers should complete their job within the legal time-limit of fourteen days for settlement of all disputes. The present system of dragging the conciliation for six months and more should be done away with.
4. Conciliation officers should have power to summon production of all such documents he may consider necessary, and give inspection of the same to the other side.
5. No dispute should remain pending before a Conciliation officer for more than two weeks since he receives the request for conciliation.
6. The present provision in the I.D. Act saying that issuing a strike notice results in automatic commencement of conciliation should be deleted, for this acts as invitation for giving strike notice.

101. Should conciliators be named arbitrators in disputes handled by their colleagues ?

Conciliation officers should not be named as arbitrators in formal arbitration proceedings. They can, however, act as informal arbitrators, if the parties agree.

### *Adjudication.*

102. What are the criteria for assessing the suitability or otherwise of the present system of adjudication? Do you think the system has played an important role in maintaining industrial peace? Should the system be retained?

The system of adjudication has played an important role in maintaining industrial peace in the first decade of our independence. Since then, adjudication is becoming time-consuming and costly and is creating an impression that it is outliving its utility. We however, feel the system has to be retained with certain improvements. We suggest the following improvements.

1. Judges on Industrial Tribunals should not be below the rank of High Court Judges or eligible for appointment as High Court Judges.  
They should be appointed preferably from among existing High Court Judges, or persons qualified to be appointed as High Court Judges.
2. The possibility of making the Tribunal Tripartite should also be explored.
3. There should be no provision for Writs or appeals against the decision of Industrial Tribunals, and necessary amendment to the Constitution should be made.
4. It should be accepted, that in essence industrial adjudication is industrial arbitration.
5. A definite time-limit say six months should be set within which disputes once referred to a Tribunal should be finally settled by its award.
6. Awards should be pronounced in open court and should become immediately enforceable, without waiting for 30 days of publication in the Official Gazette.
7. Legal practitioners should be barred from appearing before Tribunals.
8. There should be a summary procedure for recovering the monies due under awards. This work can be entrusted to the same Tribunal or Labour Courts.

103. In case adjudication machinery is to be retained, what powers should it have in industrial disputes relating to discharge and dismissals?

In all cases relating to dismissals and discharge of workmen, the adjudicating machinery should have unfettered powers to modify or cancel a punishment imposed by the employers. It should have right to collect evidence and decide on the basis of evidence on its record. It should have the power to go into the propriety of the action taken by the employers, as well as the legality and the quantum of punishment.

104. Are the existing arrangements for reference of disputes to adjudication satisfactory? If not, how can the arrangements be improved?

The existing arrangements for reference of disputes for adjudication are unsatisfactory. It should be open to a registered Union to directly refer the dispute for adjudication, once conciliation has failed. It is not necessary that Government should be required to refer every case for adjudication. The parties themselves must have the right along with the Government.

105. Should the authority for appointment of industrial tribunals be vested in the Labour Departments? If not, where should it lie?

The authority for the appointment of Industrial Tribunals should be in consultation with the High Court and National Tribunal in consultation with the Supreme Court.

106. There is a section of opinion that the existing procedures and practices involving different stages like conciliation, adjudication, etc., in settlement of disputes take an unduly long time, What measures would you advocate for expeditious settlement of disputes?

As stated earlier in our reply to question No. 102, the delays inherent in the present constitutional methods of settling the disputes should be reduced to the minimum of fourteen days for conciliation, and three months for adjudication.

107. Do you think the revival of the Labour Appellate Tribunal would help in the expeditious settlement of disputes?

We are against any appellate forum to decide appeals against awards of Industrial adjudication machinery. We have suggested even an amendment to the Constitution to take away the appellate jurisdiction of the Supreme Court, and the Writ Jurisdiction of the High Courts and Supreme Court.

108. How should the cost of adjudication to the parties be reduced ?

If the delay in adjudication proceedings is reduced to a maximum of three months, the cost of adjudication would be reduced considerably. As the present provision empowering the adjudication machinery to decide the costs to be given to the Union is not adequately utilised, the adjudication machinery should be encouraged to award costs to the unions adequately, irrespective of the results of the adjudication, as the other party is already spending from the revenue of the industry, irrespective of the results of adjudication.

109. What measures should be taken to ensure full and speedy implementation of tribunal awards and agreements ?

Industrial Tribunals and/or Labour Courts should also be given powers to execute the awards as well as agreements between parties and settlement by conciliation officers.

#### *Code of Discipline*

110. Has the Code of Discipline served its purpose ?

111. Which provisions, if any, of the Code of Discipline should be given a legal shape ? (See also Q. 57)

The Code of Discipline in Industry has not succeeded to the extent it should. In fact, it has become one more source of mutual complaint and recrimination. While the main requirement of voluntary arbitration under the Code is not acceptable to the employers, complaints about denial of recognition persists from the Union side. But recognition under the Code of Discipline being voluntary, nothing more could be done about it against an unwilling employer. Even where an employer recognises a Union, the present law does not prevent an unrecognised union raising an industrial dispute and forcing it upto adjudication or bringing about a strike. The provisions of the Code of Discipline should be made to harmonise with the statutory provisions, in which case the Code will cease to exist, and a law providing for recognition will have to be enacted. Even there the doubt will still persist, whether that will help industrial peace, for a recognised Union may enter into an agreement which is statutorily binding, but an unrecognised union can always whip up an agitation against the very terms of the agreement and even bring about a strike in the Industry. The only answer therefore lies in a unified trade union movement run on truly trade union lines.

#### *Voluntary Arbitration*

112. What is the role of voluntary arbitration in the achievement of good industrial relations ? In what way can the Central Organisations of employers and workers promote voluntary arbitration ? Should a provision for voluntary arbitration be incorporated in all collective agreements ?

Voluntary arbitration is the best method of resolving fairly, finally and promptly all such industrial disputes that could not be settled either by negotiation, or by conciliation. It has a great future. The Central Organisations of Employers and Workers must work for persuading their respective constituents to accept voluntary arbitration as the best method of solving industrial disputes. It would be a desirable direction to include voluntary arbitration in all collective agreements. But there is also the difficulty in practising voluntary arbitration about the availability of suitable arbitrators who would be acceptable to both parties. There has been an attempt by Government to prepare a list of persons who are available to act as arbitrators. But the list consisted mostly of retired Tribunals. The panel of arbitrators acceptable to both parties, should also be agreed to in advance and provided for in the collective agreement itself so that at the time of reference of a dispute to arbitration the choice of the arbitrator does not act as an impediment.

113. Please indicate the areas of industrial disputes where voluntary arbitration could be preferred to adjudication.

We are of the view that all industrial disputes that are at present being referred for adjudication could easily be referred to voluntary arbitration.

114. Are you in favour of setting up standing arbitration boards ? If so, indicate (a) their composition, (b) procedure for setting up of such boards and (c) subjects to be referred to them.

We are in favour of setting up Standing Arbitration Boards at Central and State levels, as well as for each of the main industries. Their composition should be tripartite—one representative of labour, one representative of employer and the third, an independent person, who can function as Chairman or umpire. The setting up of such Boards should be covered by collective agreements. The nominees of the Boards as well as the name of the umpire should also be spelt out in the agreement itself if possible.

115. What professional group provides the best arbitrators? Civil servants? Lawyers? Academics? Businessmen? Trade unionists? Technicians? Others?

The choice of the arbitrator in different disputes will depend upon the nature of the dispute. For instance in a dispute relating to the assessment of proper working conditions, independent technicians would be the best arbitrator.

In regard to other matters, a tripartite Board of the nature we had suggested in our answer to the previous question would be the best and the Chairman/Umpire of the Board should be above all a man of high integrity, known for his fair-mindedness and practical approach.

116. What should be the arrangements for meeting the expenses of arbitration?

The expenses of arbitration of both the parties should be borne by the Industry itself.

### *Strikes and Lockouts*

117. Do you consider that the existing restrictions on workers' right to strike and the employers' right to declare a lockout need to be modified in any way? If so, please indicate these modifications together with reasons in support of these modifications?

The right to strike by the workers and the right to lock-out by the employer are basic rights. These rights should not be denied to them. But in the larger interest of the community, these rights will have to be subjected to reasonable restrictions. Strike and lock-outs should be accepted as the means of the last resort. They should not be resorted to before exhausting other methods. At the same time the other methods should not be time-consuming; for then the temptation to bypass them and resort to strike and lockouts straightaway will be irresistible. We suggest that so long as arbitration is available, the workmen should not go on strike, or the employers should not declare a lock-out. But if arbitration is deferred or delayed or if the arbitration award is not implemented, then it should be open to the workers to call out a strike, and the employers to declare lock-out. Even after commencement of the strike if the party who earlier refused arbitration accepts arbitration, the strike or lock-out must be called off immediately.

118. Do union rules provide for a procedure to be gone through before giving a call for strike? If so, to what extent is this procedure observed in practice?

Most of the unions' rules provide for a strike ballot to assess the sense of the membership before a strike call is given. The voting on a strike proposal shall be by secret ballot.

119. If a strike is called/lockout is declared, is prior notice always given to the other party? In what cases, if any, no such notice is given?

It is always the practice to give notice to the other party in the case of a strike or lock-out, even if the law does not require any such notice. Some Standing Orders also provide for such notice to be given. There are, however, lightning strikes as an act of immediate reaction to certain provocative acts by management. But these strikes are few and they are generally shortlived and compromised quickly.

120. In how many cases within your knowledge have workers been able to secure wages for the strike period when the strike is declared legal? Are there cases where strike pay is given when the strike is illegal?

There are seldom cases where a strike is declared legal; may be they are not declared illegal. But even in all such cases the workmen have not been given wages. There are however, a few cases where wages for strike periods have been given by awards of Tribunals. Where, the strike was illegal, no strike pay is given, for in theory nothing which is illegal can be justified.

121. In what ways do trade unions seek to prevent victimisation of their members? To what extent do they succeed?

Trade unions are very keen to prevent victimisation, of their members by the employers. Victimisation need not always be by dismissal or discharge. There may be several subtle ways of victimising the workmen, including denial of promotion, superseding by juniors and transfers. It is not always transfer easy to prove victimisation, though trade unions have succeeded here and there to establish acts of victimisation through circumstantial evidence. No employer will put it on record that he is thereby victimising a workman. Victimisation can only be inferred from given set of facts. In the case of dismissal and discharge the victim is always loaded with several charges against him. In the case of denial of promotion, employers take shelter under merit. The problem of victimisation will vanish only when employers adopt

a fair attitude towards trade unions and accept the other man's right to criticise, even as he has the right to criticise them.

122. Are there instances of workers going on strike without sanction of the union ?

There are very few instances of workers going on strike without the sanction of the union and where they do so it is often of a lightning character and for a few hours only.

123. In what way in practice do trade unions and managements keep in touch with each other during a strike in order to facilitate a settlement ? What is the role of Government machinery in such cases ? Should Government intervene in cases where a strike is (i) legal, (ii) illegal ?

Even during strikes responsible trade unions and progressive management are able to keep the channel of communication open between them with a view to continue to explore the possibilities of a settlement. It is the duty of the Government to intervene in all cases of strikes, whether legal or illegal, with a view to bring it to a speedy and satisfactory end.

#### *General*

124. What has been the role of tripartite committees like the Indian Labour Conference, Standing Labour Committee, Industrial Committees, etc., in evolving through mutual discussions and agreements acceptable arrangements in the various fields of labour relations ? (See also Q. 31)

The Indian Labour Conference, Standing Labour Committee and Industrial Committees have been useful forums for exchange of ideas and experiences. They have also reached certain broad conclusions and agreements in the course of years. But the record of implementation of those conclusions and agreements is not very happy. We desire that conclusions of Tripartite Bodies must have the force of law or at least adopted as conventions and respected by all the three parties.

125. Are you in favour of Central Government being made responsible for industrial relations in public sector undertakings under the control of the Central Government ?

We are in favour of Central Government being made the appropriate Government in respect of industrial disputes in public sector undertakings under the control of the Central Government. With several public sector undertakings having branches in more than one State, if the State Government were to be made responsible for industrial relations in those public sector undertakings falling within their state, then it would not conduce to standardisation of conditions of employment and for evolving uniform norms for adoption in public sector undertakings.

126. How should public utilities be defined in the context of a planned economy ? Should there be any special provisions for avoiding work stoppages in public utilities ?

Classifying an Industry as coming under public utility under the Industrial Disputes Act is only for the limited purpose of requiring fourteen days notice to be given before going on strike or effecting a lock-out. Such notices are necessary for all Industries, and, therefore the requirement of prior notice for strikes and lock-out may be made common, and no special distinction need be made only for public utility services.

Any legal provision banning work stoppages in public utility services would remain a dead letter in the absence of an effective alternative remedial machinery, and once such an effective machinery is provided, then strikes will become superfluous. The emphasis should therefore be that in public utility services, the machinery for resolving industrial disputes should work with greater speed and satisfaction.

127. What steps should be taken to minimise industrial conflicts in (a) the public sector, (b) the cooperative sector ?

128. For the purpose of labour-management relations, is there a case for treating the public/cooperative sector differently from the private sector ?

The law relating to settlement of industrial disputes applicable to the private sector should be equally applicable to the public sector and the co-operative sector. There should be no special protection either to public sector or the co-operative sector. In so far as co-operative sector is concerned, there is nothing co-operative about it, in so far as the workmen are concerned. The co-operative society is just as good or as bad an employer as any other employer. Whether one share has one vote or one shareholder has one vote is immaterial so far as the worker is concerned. All he is concerned about is whether his employer is a good employer or a bad employer. The same test would apply to the public-sector too. Therefore both the co-operative and public sector should be treated alike with the private sector in respect of all obligations of an employer to his employees.

129. Has collective bargaining been possible in the small-scale sector? To what extent this sector makes use of the industrial relations machinery?

There should be a common definition of the term 'small-scale sector', before we can attempt to answer this question. Generally speaking the weaker the employer, the more difficult it is to deal with him. If by small scale sector is meant industries employing less than 100 workmen, the I.D. Act will still apply to them and their problems can be taken care of by Labour Courts. A large number of Industrial disputes in such sector has to go for adjudication as the employer is not willing to recognise any union and negotiate with it. Sometimes the employer in the small scale sector is so very obstinate that he does not hesitate to go to the Supreme Court more often than his bigger brothers.

## V. WAGES

### *Introductory*

130. How does the current availability of unskilled labour affect the level of wages?

The plentiful availability of unskilled labour has naturally a depressing effect on the level of wages. This is particularly so in new concerns, as also in the unorganised sector where trade unions are yet to be formed. The wages paid by such employers have often no relation to even the subsistence level of wages.

131. What has been the relationship between wages in agriculture and other unorganised sectors and wages in industry?

Wages in organised Industries have always been higher than wages in agriculture and other unorganised sectors of industry. But agricultural wages sometimes are even higher than the minimum wages paid in some organised sectors of Industry, because the demand for agricultural labour is sudden and seasonal, and the supply is limited. On other days agricultural labour may be paid lesser wage and, perhaps, the labourer may not be even able to get work. In the case of other unorganised sectors of the Industry, wages are low throughout the year.

132. Should wages in agriculture and unorganised industries be allowed to influence wages in industry?

The wages prevailing in agriculture and un-organised Industries should not be allowed to influence wages in organised industries. On the other hand, the wage level in organised Industries has been influencing the wage levels in agriculture and unorganised industries. Organised Industries, with better paying capacity, should always be made to lead.

133. To what extent is the existing level of wages a result of the traditional mode of wage settlement, collective bargaining, awards etc.?

The existing levels of wages in organised Industries are largely the result of bi-partite settlements or awards of arbitrators or Industrial Tribunals, or based on recommendations of the Wage Boards. In the case of unorganised sector of Industries, where there is considerable sweated labour, the existing level of wages is as notified under the Minimum Wages Act or as unilaterally fixed by the employer.

### *Minimum Wage*

134. As set forth in the report of the Committee on Fair Wages, "The minimum wage must provide not merely for the bare sustenance of life, but for the preservation of the health and efficiency of the worker. For this purpose, the minimum wage must also provide for some measure of education, medical requirements and amenities." Should this concept of minimum wage be modified in any way?

The Minimum wage should be the need-based wage. The need-based wage has been quantified by the 15th Session of the Indian Labour Conference. The concept of minimum wage as recommended by the Fair Wages Committee should be equated to the need-based minimum of the fair wage, accepted by the 15th Tripartite.

135. The 15th Session of the Indian Labour Conference accepted certain norms (Appendix IX) in regard to the size of the worker's family and minimum requirements of the family relating to food, clothing, housing and other items of expenditure. Attempts made by some wage fixing authorities to quantify this minimum wage have brought out the difficulties in implementing the formula. In what respects do the standards require reconsideration?



136. If it is not feasible to provide the minimum wage referred to above to the working class, is it possible to suggest a phased programme for implementing the need-based minimum as recommended by the Indian Labour Conference ?

The standards laid down by the 15th Session of the Indian Labour Conference in regard to the size of the workers' family, the minimum requirements relating to food, clothing, housing and other items of expenditure do not require any modification for purposes of minimum wage fixation. The difficulty experienced by wage-fixing authorities in awarding even this need-based wage is a fact. But the effort should be to get over those difficulties in a phased manner where necessary and ensure the workers at least this need-based minimum wage if not immediately, in as short a time as possible. Any attempt to tamper with the agreed norms for the fixing of the need-based minimum wage, just because the wage-fixing authorities are not able to grant such a wage, will be a reactionary step. The norms must remain unchanged, wages must improve over a period of years, if not immediately.

137. The Committee on Fair Wages made its recommendations about minimum wage against the background of conditions in the industrial sector. Do these ideas require modification if they are to be relevant to non-industrial workers who predominate in the economy ?

The minimum wage contemplated by the Fair Wages Committee must be equated to the need-based wage, accepted by the 15th Tripartite, as already stated. The need-based wage in respect of non-industrial workers, such as clerical and supervisory personnel, will be different, and in the absence of agreed norms to quantify their need-based wage, it would be desirable to add a certain percentage to the need-based wage of the industrial workers to arrive at the need-based wage for clerical and supervisory personnel, who constitute the non-industrial workers. The First Pay Commission recommended that it may be 80% more than that of the manual workers.

138. If the idea of fixing a National Minimum Wage is to be accepted taking into account the replies to questions 134 to 137 above, how is it to be worked out in practice ?

A national minimum wage will be desirable so that no employer is allowed to pay at rates lesser than the national minimum wage. While fixing the national minimum wage, care should be taken to see that it does not become a maximum wage at a certain level, so much so that even employers who could afford to pay a higher wage will insist on paying only that minimum wage.

The per capita income at current prices was estimated to be at Rs. 421.5 in 1964-65\*. On this basis, an average family of four, (which is equivalent to three consumption units) will have to earn Rs. 421.5 x 4, i.e., Rs. 1686/- per year, which will give an income of about Rs. 140/- per month. The national wage minimum should not be very much less than this average figure based on 1964-65 prices.

139. As between different regions in the country it is not only that prices of consumption goods vary, but the content of the minimum needs themselves can be different. How are these variations to be provided for in arriving at the National Minimum ?

The assumption that in different regions in the country the prices of different commodities will vary is not altogether correct. Most of the articles of consumption are selling more or less at the same prices in the different regions in the country. Only vegetable, milk and house rent might vary from region to region ; and even there the variations are not very wide in so far as the working class requirements are concerned. Therefore the national minimum need not go to such fineness as to take into account these minor variations. If there are certain advantages arising out of certain local conditions, those advantages should certainly go to the worker and this may to some extent help decentralisation of the location of industries as workers will be able to enjoy a better standard on the same amount of wages and therefore give better productivity. This will also help to standardise wage costs in industries.

140. Would you favour any change in the definition of 'minimum', 'fair' and 'living' wage given by the Committee on Fair Wages ? What in your opinion could have been the concept of 'living wage' referred to in the Constitution ? (Appendix X)

We feel the definition given by the Committee on Fair Wages is itself not exhaustive, nor can it be rigid. Indeed as pointed out by the Supreme Court (1961—I L.L.J.—Page 227)

"It would be difficult and also inexpedient to attempt the task of giving an adequate precision to these concepts (Minimum Wage, Fair Wage and Living Wage). What is a subsistence wage in one country may appear to be much below the subsistence level in another ; the same is true about a fair wage and living wage ; What is a fair wage in one country may be treated as living wage in another, whereas what may be regarded as living wage in one country may be no more than a fair

\*India Pocket Book of Economic Information—1966 Page 26.

wage in another. Several attempts have nevertheless been made to describe generally the contents of these respective concepts from time to time.....

“These concepts are elastic and they are bound to vary from time to time and from country to country. Sometimes the minimum wage, fair wage and living wage are equated to the poverty level, subsistence level, the comfort or decency level.”

We are of the view that the minimum wage should be the need-based wage as already stated. Fair wage will naturally be above the minimum wage, but below the living wage. Living wage is beyond the fair wage.

Again as stated by the Supreme Court in the above citation :

“It is obvious that the concept of a living wage is not a static concept. It is expanding and the number of its constituents and their respective contents are bound to expand and widen with the development and growth of national economy. That is why it would be impossible to attempt the task of determining the extent of the requirements of the said concept in the conditions of to-day in terms of actual rupees.

The Constitution of India refers to ‘living wage’ in Article 43 : viz.

“The State shall endeavour to secure by suitable legislation, or economic organisation, or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of living and full enjoyment of leisure and social and cultural opportunities, etc.

We believe the living wage referred to in Article 43 of the Constitution refers to the living wage which is beyond the fair wage representing the comfort or decency level. This Article is under the Chapter of ‘Directive principles of State Policy’ which though not enforceable by any court is nevertheless fundamental in the governance of the country.

#### *Dearness Allowance*

141. Considering the need for protecting real wage, how should one provide for revision of wages/wage rates for changes in price level? Should this be by revision of the wage itself or by a provision of a separate component to absorb price changes?

The Wage Policy of our country should be dynamic and progressive. In any case, we should not allow the real wage to suffer; for, in that event, the wage levels will start moving downward. In order to protect the real wage from any erosion, it is necessary that there should be a separate component in the wage structure in the shape of D.A., which will neutralise fully the rise in the cost of living, or will make good the depreciation suffered by the real wage. It will not be possible to revise the wage itself every now and then. Therefore the practice of a separate component of D.A., which is linked to the consumer price index so as to neutralise fully the rise in the cost of living is necessary.

142. In view of the prevalence of several methods to provide or the payment of a separate allowance to meet changes in cost of living, is it feasible to apply any one system on a uniform basis? Which system would be most appropriate?

We consider there should be one system uniformly practised as part of the National Wage Policy in the matter of neutralisation of the rise in the cost of living and maintaining the real wages intact. Such uniform system should be point by point, month by month computation of D.A., and it should aim at full neutralisation of the rise in the cost of living to the worker on average pay, and not to the worker on the minimum pay to begin with and thereafter to the workers on higher pay.

143. If a system in which dearness allowance adjusted to changes in cost of living is favoured :

(a) Which index number viz., (i) All India (ii) regional, or (iii) local should be preferred?

(b) What should be frequency at which revision should be made—monthly/quarterly/half-yearly, etc.?

(c) What should be extent of change in the index which should warrant such revision in dearness allowance—each point/slab of 5 points/slab of 10 points, etc.? Give reasons.

If a National Wage policy is to be adopted naturally the All-India Consumer Price index would be the guiding factor. But if the wages are meant to be fixed on industry-cum-region basis, the price index of the important centre in the region should cover all the centres in that region. This is being practised in Madras State in the case of textile industry, where the Madras City cost of living index

number is taken as basis for computing the D.A. to workers in all the textile mills in the State, and they are paid the same rates as workers in Madras City. The frequency of revision should be month by month and point by point. This has worked in practice satisfactorily in the case of the cotton Textile Industry.

144. In determining the quantum of dearness allowance, what should be the principles governing the rate of neutralisation of price rise ?

In determining the quantum of D.A., the principle should be that neutralisation of the rise in prices should be 100% as already stated. It is sometimes assumed that granting full neutralisation is a big concession to labour. This is not so. If, assuming on 1939 basis, a worker to-day is given 100% neutralisation by way of D.A. of the rise in the cost of living, it only means he is enabled to lead the same standard of life as he was having in 1939 viz., 30 years back.

We would prefer the merger of a substantial part of D.A. with basic pay. This can be achieved in two ways :

1. by merging 75% of the D.A. with basic pay and linking the remaining 25% of the D.A. with the remaining 25% of the index number eligible for D.A.
2. Alternatively, we would like to work out the cost of living of a standard family on the basis of agreed norms for computing the minimum of the fair wage and link the total wage to the current cost of living index Number with 1960 base.

We would prefer the second alternative and only we would like to add that the base year may be shifted once every ten years.

145. Considering that payment of a cost of living allowance is meant to ensure that real wage of employees is not eroded by price increases, should the capacity to pay of an industry/unit be a relevant consideration in fixing the rate of dearness allowance ?

For retaining intact the real wages of the employees the capacity of the industry to pay cannot be a relevant consideration because there is no additional sacrifice demanded from the employer nor an additional gain sought for the worker. He is only required to pay the same real wages as he was paying in the base year. Otherwise, if in the name of lack of capacity of Industry to pay, the worker is to be asked to accept something less than 100% neutralisation, there is a wage cut surreptitiously brought in and this will not be fair to the workers.

146. In areas/activities where part of the wage is in kind, what adjustments should be made in fixing the quantum of dearness allowance ?

Where part of the wages was paid in kind which goes to reduce the expenditure on his family budget, the D.A. may be suitably adjusted as that part of the payment in kind remains the same.

#### *Fringe Benefits*

147. How should fringe benefits be defined ? What should be their scope and content? To what extent do such benefits affect production costs?

In our view, fringe benefits should be defined as those benefits voluntarily given by the employer which may or may not be covered by the items in the family budget. We are of the opinion that any statutory benefit which the employer is required to give should not be treated as fringe benefits. The fringe benefits are intended to have the effect of improving the health, peace of mind and consequential efficiency of the employee. Although the employer may have to second little more on account of fringe benefits, the advantage that he will get by way of better discipline and increased efficiency will more than offset any increase in production costs.

148. How far can the fringe benefits be a substitute for higher money earnings?

Fringe benefits cannot be substituted for higher money earnings. In our country when most industries are paying the unskilled worker less than the need-based minimum of the fair wage, and the whole wage structure is built on such a floor, the wage structure will not represent a fair wage structure and there can therefore be no question of higher money earnings. Fringe benefits should always be in addition to higher money earnings and should not act as a substitute.

### *Wage Differentials :*

149. Do the existing wage differentials in the plants within your knowledge appropriately reflect the considerations mentioned in the report of the Committee on Fair Wages, viz., degree of skill, strain of work, length of work, training requirement, responsibility undertaken, mental and physical strain, disagreeableness of the task, hazards of work and fatigue ?

The wage differentials obtaining in most establishments could be justified mostly on historical grounds only. Generally they have not been scientifically planned. The different factors mentioned in the Fair Wages Committee's Report to evaluate wage differentials have generally been not taken into account. While there should be proper differentials between various categories of workmen depending upon their degree of skill, strain of work etc., involved in their occupations, care must also be taken to see that there are no unfair disparities. We feel that the question of wage differentials in principle should apply to the highest paid in the Industry also. Nobody in any Industry shall be paid more than ten times the lowest paid. This narrowing down of the differential has to be achieved both by pushing up the floor and by bringing down the ceiling.

150. What has been the affect of the existing systems of dearness allowance on wage differentials? What steps would you suggest to rationalise present arrangements?

In Industries, such as Cotton textiles, the D.A. is generally much higher than the basic pay. It is an ill-balanced wage-structure. The recommendations of the first Wage Board to merge a part of the D.A. with basic pay has not yet been implemented by the Industry although those recommendations are to-day seven years old. Since wage differentials are meant to be reflected only on basic pay and the D.A. itself, which is a bigger component of the total wages, is the same for the different categories of workmen, the wage differentials have not been given effect to adequately. We would suggest merger of a substantial part of D.A. with the basic pay, and with the basic pay so merged, to build up a wage structure providing adequately for the differentials for the various occupations.

### *Methods of Wage Fixation :*

151. As between different methods of wage fixation obtaining at present, namely, statutory wage fixation, wage fixation through collective bargaining, fixation through wage boards, and wage fixation resulting from adjudication, etc, which method or methods would be more suitable for adoption in future ? If one or the other arrangement is needed for different sectors, indicate sector-wise the arrangement needed.

We are of the opinion that the present method of fixation of wages by statute should continue for all sweated industries where the degree of unionisation is poor. Encouragement should also be given to achieve wage fixation through collective bargaining, wherever the unions are well-established and enjoy recognition by management. Fixation of wages by some Wage Boards has not proved to be satisfactory. Firstly they take too long a time and nextly they give only ad-hoc increases, and that generally tends to be on the lower side. Since the recommendations of Wage Boards have no binding effect on the parties, they have to be processed further through adjudication, resulting in a further dose of delay. However if the Wage Boards could be made statutory and if they are required to give their awards within six months of their appointment, the continuation of wage Boards as a useful instrument can be considered. Further we feel there should be standing Wage Boards for each major Industry to consider wage claims as also to properly fix occupational differentials as well as wage claims arising out of equitable sharing of the gains of rationalisation. Wage fixation through adjudication also has of late become a victim of considerable delay. As already suggested, we would like adjudication machinery to be tripartite and there should be no appeals against awards of Tribunals. The job of fixing wages in establishments operating in more than one state should be referred to a National Tribunal.

152. In collective bargaining for wage fixation, should the principal emphasis be laid on national agreements? If so, what adjustments should be made to meet local needs?

Wherever collective bargaining is depended upon for wage fixation, it could be on the industry-cum region basis. It will be difficult to secure any national agreement on wages through collective bargaining except, perhaps, in the case of Central Government employees, as also in Banks, Insurance and the Railways etc. In some cases any special allowance such as to meet the peculiar conditions obtaining in their places of work, such as hill allowance, should be provided for. The existing practice of fixing allowances on the basis of population of centres is not necessary now, since practically the cost of living is the same in all the States and centres throughout the country, except in respect of a few items such as House rent, Milk and Vegetables.

153. Tripartite wage boards came in vogue because it was felt that an arrangement by which parties themselves can have a hand in shaping the wage structure in an industry could be more

enduring than the one where an award is handed down by a third party. Has this expectation been fulfilled ?

Tripartite Wage Boards have been useful to some extent. It is becoming increasingly difficult to secure unanimity in these tripartite bodies. The interim recommendations of the Engineering Wage Board is an instance in concrete.

154. (a) In what respects should the operation of wage boards be modified to improve their working ?

(b) Should wage board recommendations have legal sanction?

(a) Almost every Wage Board is taking upon itself to issue a very elaborate questionnaire. The first three months are taken in drafting the questions, and perhaps another three months in printing the questionnaire. The parties generally take another three months for answering the questions. The first nine months of the Wage Board are thus taken up in this preliminary work. The delay in this respect could be considerably reduced. Since the parties themselves are on the Wage Board, they are supposed to know most of the aspects of industry and labour. Therefore the questionnaire, if at all any is required, should be short, like a one-page questionnaire, and the Wage Board should be able to start its hearing within three months of its appointment and complete its hearing in the next three months and the recommendation should be made, whether unanimous or by majority, in the seventh month. If this could be achieved, much of the complaint against the delay by Wage Boards can be overcome. The Chairmen of Wage Boards should not be retired people. It must be manned by sitting High Court Judges or even Judges of the Supreme Court or senior Industrial Tribunals.

(b) If the Wage-Board's recommendations are given legal sanction, then it should be on condition that those recommendations shall not be called in question by any Court, either by Writ Petitions before High Courts or by appeals to Supreme Court. Otherwise the time saved in expediting the work of the Wage Board will be more than lost in litigation in the High Court and Supreme Court.

#### *Wage Policy*

155. (a) How could the criteria of fairness to labour, development of industry, capital formation, return to entrepreneur, etc., be taken into account in wage fixation ?

(b) It is said that in the balance between fair wages to workers, fair profits to entrepreneurs and fair returns to treasury, the consumers are often left behind. How far is this criticism valid? How best can the situation be remedied ?

(a) A fair wage to labour is an item of cost. Therefore the needs for the development of Industry, for capital formation and return to entrepreneur, cannot come in for any prior consideration over fair wages to labour, just as those considerations will not come in before payment of the full price for raw materials, stores, electric power, etc.

(b) It is not true to say that in the balance between fair wages to workers, fair profits to entrepreneurs, and fair returns to the treasury, the consumers are left behind. The real position is that fair wage to labour is yet to be paid, for it is admitted on all hands that labour is not being paid even its need-based minimum of the fair wage. It is also true that consumers' interests are not sufficiently protected, while the shareholders have been getting fantastic rates of dividends in many years and in many case more than the amount of paid-up capital would have been already returned to them. As for the returns to the treasury, the treasury is atleast able to collect its taxes based on the published figures. We are not referring to unaccounted money and the unpaid taxes on that account. We only want to correct an impression that labour is getting a fair wage and only the consumers are left behind. Labour is also left far behind. So far as consumers are concerned, labour has agreed to the proposition that any gains of rationalisation should be equitably distributed among labour, employer and the consumers. But although labour has accepted rationalisation and carried out the same in a number of cases, there has been no reduction in prices to the consumer or a better quality product for the same price. Therefore we suggest that in every rationalisation agreement, management must be required to spell out how the consumers' share of the gains of rationalisation is to be made available to them; and if it is to be by price reduction, to state the reduced prices.

156. In the context of planned development, the question of taking an integrated view of policy in regard to wages, incomes and prices is often emphasised. What should be the objective and scope of such a policy ? Indicate the guidelines for such a policy in the light of the perspective for the growth of the economy. Changes in the existing institutional arrangements for implementation of such a policy may also be indicated.

It is true that, in the context of a planned economy, an integrated view of wages, incomes and price policies should be taken. But then our planning has been proved to be defective and implementation

poor, with the result that after 17 years of existence under a planned economy, we find that unemployment is growing, under-employment is unchecked, installed capacity of industrial units is not fully utilised, prices are soaring and tax evasion is on the increase. Even food continues to be a problem. Agriculture-based industrial raw materials too are in short supply, and recently there have been more closures, lay-off and retrenchment. In short, there seems to be nothing right about our plan and our economy. What is needed is a thorough re-thinking of the entire. Plan, unfettered by any dogmas or doctrinaire approach.

There is need for ceiling on urban holdings and on urban incomes. There is need at the same time to protect the real wages, even if we do not give any increase in real wages. There is need for holding the prices through suitable credit policy, and equitable distribution machinery and drastic action against hoarders and profiteers. The institution of Managing Agents should be abolished forthwith. Monopolistic tendencies and restrictive practices in Industries should be done away with. There should be increasing association of workers as partners in the management of Industries in all sectors.

157. Do you suggest a policy of 'wage freeze'? If so, how can it be implemented under the existing system? What are the implications of this policy for other incomes?

We are against any policy, even remotely suggesting wage freeze. Wage freeze is both unfair and impracticable. It is unfair because, as has been repeatedly stated, wage levels obtaining in our country are much below the need-based wage and, therefore, to freeze wages at that level would be unfair to labour. It will be impracticable because Government has proved itself incapable of freezing prices, and even if labour, to put it crudely, is taken as a commodity, why its price alone should be frozen while the prices of other commodities are still at large? Government must first concentrate on freezing prices, and if they succeed in freezing prices, since in a large number of cases D.A. is linked to prices, with price stabilisation there will be an automatic freeze in D.A. If, therefore, Government wants to freeze wages, meaning to keep intact the real wages, it can only be by keeping intact the price levels.

As for the suggestion that there should be simultaneously a profit freeze and dividend freeze, we feel that in many Industries this is going to be only of academic interest. It is obvious that for another year or two most of the Industries in the country may not be making such fat profits as before or declaring such fantastic dividends as in the past, to come within the operation of the proposed freeze.

158. Is there a need for sectoral balance in wage structure between the public and private sectors? If there is, how should it be achieved?

There should be no difference in the wage structure between Public and Private Sector. In fact, both should be the same. We can, however, agree to a difference in the public sector, which should admittedly function as an ideal employer and which should therefore be able to give slightly higher rates of pay than in the private sector.

#### *Mode of Wage Payment*

159. What are the existing practices in regard to payment of wages in kind? Would you suggest its extension to units where it is not obtaining at present?

The payment of wages in kind is not generally found in Industries. In some Industries, more so in the public sector, cash payments are made towards H.R.A. or C.C.A. Payment of wages in kind do not obtain in Industries. It may obtain in agriculture, in Hotel industry where wages are paid in kind. There was a tripartite agreement that employers should be asked to run Fair Price Shops and supply at concessional prices rice, wheat, sugar, edible oil, kerosene and standard type of clothing. The amount represented by such supply may be deducted from wages and the balance paid in cash. But such Fair Price Shops have not so far been opened on any scale. There are some Consumer Co-operatives sponsored by some progressive managements, where the workers are able to buy their requirement on credit, which is recovered at the end of the month from their pay, and the balance paid to the workers in cash. But here again, there is no holding of the price line and the object of paying part of the wages in kind is to give him a certain quantity of essential items at a particular price. But that is not obtaining in the Consumer Co-operative Stores.

160. To what extent is the method of paying unskilled workers on time scale of pay common? Would you favour its extension?

Unskilled workers are given time-scale of pay generally in Engineering Industries. We would like its extension to all other Industries.

161. Do you favour the suggestion that the total wage packet should consist of three components, namely, the basic wage, the other depending on the price changes and the third which takes into account productivity changes? If so, how should this suggestion be made operative?

We agree with the suggestion that the occupational wage of every occupation should constitute the basic wage, which should be the larger component of the total wage; and the other smaller part the D.A., linked to consumer price index, so as to provide full neutralisation of the rise in the cost of living. We are also agreeable to a third component i.e. the Incentive wage. over and above this, to provide incentive for increased productivity. The occupational wage should be the fall-back wage and for any increase in production over the norm to be mutually settled in each case, additional wage should be paid for at a suitable rate so as to provide adequate incentive.

#### General

162. How far can the administration of the Minimum Wages Act, 1948 be considered to be satisfactory? Outline in detail the difficulties experienced in its implementation. Offer suggestions against each difficulty on how best it could be overcome. (See also Q. 210)

The wages fixed under the Minimum Wages Act of 1948 have actually proved to be maximum wages in several establishments covered by the Act. The employer feels that he is not bound to pay a higher wage than the notified minimum even if he can. It is proving difficult to get such cases referred to adjudication for compelling the employer to pay a fair wage in view of his higher capacity. The Minimum wages fixed in certain areas for agricultural workers are not implemented for the reason that there is no effective organisation for agricultural labour. The Act must provide for inspectors who themselves would go and enquire as to the extent of the implementation of the wages fixed under the Act in regard to those workers. He must be empowered to lodge claims on behalf of the workmen and collect it and pay it to them.

163. Is the scheme for payment of annual bonus embodied in the Payment of Bonus Act, 1965, satisfactory? If not, what are your suggestions? How does the latest decision of the Supreme Court affect the Scheme of the Act?

The provision for payment of minimum bonus under the Payment of Bonus Act of 1965 is the only satisfactory provision in the Act, so far as the workmen are concerned. The formula of prior charges embodied in the Act is heavily weighted against the workers. Under the formula provided in the Act the worker will get comparatively a lesser bonus than what he was getting under the old L.A.T. formula. It was because of this that Government came forward to assure the workmen that they will not permit the provisions of the Act to operate to the detriment of the workmen, who were already getting a higher bonus under the old arrangement, whether by agreement, award or settlement. But the Supreme Court has struck down the relevant Sections by 3 to 2, as discriminatory and *ultra vires*. Nevertheless, it is necessary to give effect to the assurance of the Government to protect the workers' basis of past right to bonus, if that basis gave him a higher bonus by some other fool-proof method. The employers do not want a different formula to be applicable to the single problem of bonus. We therefore suggest that the main features of the old L.A.T. be retained without the prior charge of 'Rehabilitation', and the surplus so arrived at distributed 50:50 between labour and management, with the benefit of tax rebate accruing to the employer taken into account, or alternatively the tax rebate on bonus payable under the Act should go to the workmen in addition to the bonus payable under the Act and not to the management. Either of these alternatives might mitigate the adverse effect of the Act on higher bonus, wherever received in the past.

164. What should be the place of bonus payments in the future system of remuneration?

Bonus has come to stay. It cannot be substituted by any other payment, nor abolished by being merged with the total remuneration. It should continue to be paid as a separate payment. It has now generally been recognised that this payment helps the workers to meet their annual obligations occurring at certain times like Gnam, Pongal, Deepavali, Christmas etc. and therefore has to continue.

#### VI. INCENTIVE SCHEMES AND PRODUCTIVITY

165. What steps should be taken to introduce a system of payment by results in industries/activities where this system would be appropriate?

165. Payment by results cannot be extended to cover all occupations in all Industries. Such of those occupations as might be amenable to this form of treatment are already covered by suitable piece-rate or task-rate systems. These systems would be appropriate only where labour is the most important factor. Production is the result of several inputs of which labour is one. If the other quality and quantity of the inputs are not kept in order and their impact on productivity and production is not kept un-

changed, it would not be fair to introduce payment by results in such cases. For in such cases even if the worker puts in his best efforts, still production may not be commensurate owing to the adverse influence of other inputs. Where payment by result is introduced, workers must have a say in the quality of raw material, the maintenance of machinery, the speeds of the machines, other working conditions which go to affect production and standardisation of finished products.

166. Please state your views on the following guiding principles for introduction of incentive schemes.

(a) Employers and workers should formulate a simple incentive system at the unit level and implement it on some agreed basis through collective bargaining. In every case, introduction of incentive schemes should be preceded by an agreement with trade union.

(b) In evolving wage incentive schemes, it should be ensured that these do not lead to rate cutting. The worker's normal wages should be protected where it is not possible for him for circumstances beyond his control to earn an incentive.

(c) Individual or group incentives can be framed to cover both direct and indirect groups of workers.

(d) An incentive scheme cannot be evolved without a work study undertaken with the co-operation of workers. Nevertheless, it should always be open to employers and workers to evolve a scheme by agreement or any other acceptable basis.

(e) Efforts should be made to reduce time-rated categories to the minimum. This will ensure that all employees have an equal chance to increase their earnings with increase in productivity.

(f) Wage incentives should generally provide extra earnings only after a mutually agreed level of efficiency has been achieved.

(g) To ensure quality of production, incentive payments should be generally allowed only if the output has been approved on inspection by the management.

(h) Incentive earnings should not fluctuate very much. This requires a certain degree of planning so that material delays, machine-breakdowns etc., are controlled.

(i) The scheme should itself safeguard adequately the interests of the worker if he is forced to remain idle due to circumstances entirely beyond his control such as non-supply of raw materials, machine breakdowns, etc.

(j) Apart from financial incentives, non-financial incentives like better security of employment, job satisfaction, job status, etc., have also a place in increasing productivity.

(a) We agree with the view that employers and workers should jointly formulate a simple, easily understandable incentive scheme at the unit level. Such incentive schemes could be the result of collective bargaining. It must be remembered that no incentive scheme can succeed, if it is introduced unilaterally. It must have the willing consent and understanding co-operation of labour.

(b) It is very necessary that if an Incentive Scheme should succeed, it should not lead to rate-cutting consequent on the increased productivity of the worker. Such rate-cutting will result in the workers' earnings not going up sufficiently to act as an incentive. It is also necessary to protect the worker against the vagaries of the Incentive System by protecting his normal or occupational wages.

(c) Individual and/or Group Incentive Schemes can be introduced to cover both direct and indirect groups of workers. Very often productivity of the individual worker depends upon the quality of work at the back-stage, and the continuous supply from the preparatory sections. Therefore an individual worker's productivity depends to a large extent upon the efficiency of the group as a whole. We therefore, recommend that both Individual and Group Incentive Schemes should be framed wherever possible.

(d) It is not necessary that to evolve an Incentive Scheme there should be a work-study as a condition precedent. Very often workers do not have confidence in the so-called expert, who is deputed by the management to carry out the work-study, and his recommendations are viewed with great suspicion. The practical method of evolving an Incentive Scheme therefore is for the workers and the management to sit across the table and negotiate a scheme based on actual experience.

(e) We do not agree that efforts should be made to reduce time-rated categories to the minimum. There are certain occupations where piece-rates will not be suitable. In an effort to reduce the number of time-rated occupations, we should not extend the piece-rates to such of the occupations as are not easily amenable to that system.



(f) Incentive wages should become payable for production beyond a certain norm mutually agreed upon. The agreement should also lay down norms for other working conditions as stated already in our answer to 166(a) as fixing the norm for only one of the many factors will be irrational.

(g) We agree there is no point in producing more if such production will suffer qualitatively. But quality again is not depending purely upon the workers' efforts. If the raw materials is defective or of poor quality, or if the working conditions do not come upto the mark, or if the maintenance of the machinery is unsatisfactory, it will be unfair to reduce the incentive wages of the workers on the ground that the quality of the product is poor.

(h) Incentive Wages should not fluctuate very much. At the same time, if the additional earnings on account of incentives are to register only minor variations, then the element of incentive inherent in such schemes would not be adequate. A golden mean will have to be established depending upon the facts in each case.

(i) We agree that the Scheme should contain features to safeguard adequately the interest of the worker, if he is forced to remain idle due to circumstances, entirely beyond his control.

(j) It is true that such non-financial incentives like better security of employment, job satisfaction, job status, etc., also contribute to increased productivity.

167. What should be the respective roles of labour, management and Government in raising productivity ?

(a) The role of labour in raising the productivity is to work with discipline and efficiency and eliminate waste. Labour should identify itself with the interest of the plant.

(b) The role of management in improving productivity consists in ensuring :

1. Standardised quality of raw materials.
2. Proper working conditions, such as lighting, ventilation, or air-conditioning, etc.,
3. Proper maintenance of the machinery.
4. Correct speeds of machinery.
5. Necessary safety appliances.
6. Proper planning and standardisation of the lines of production.
7. Proper treatment to workmen.
8. Reduction in overheads.
9. Functioning as leader of the team of workmen, rather than as an employer or a boss.
10. Sharing knowledge and information about production, its bottleneck and inviting suggestions for improvement.
11. Sharing all financial information with workmen.
12. Predictable attitude of the management in regard to disciplinary matters.
13. Arbitration whenever disputes could not be settled across the table, etc.
14. Fair deal to Labour.

(c) Governments' role in raising productivity lies in :

1. Encouraging collective bargaining.
2. Providing effective Industrial Relations Machinery.
3. Providing effective mediation service.
4. Providing impartial experts to decide disputes regarding working conditions.
5. Encouraging voluntary arbitration.
6. Providing sustained and stable power supply, and
7. Running Research Institutes, etc.

168. How should the gains of productivity be measured ? Can they be allocated to different factors of production ? How should the gains be shared ?

The gains of productivity should be shared equitably among labour, industry and the community. So long as labour is below the living wage, to which it is undoubtedly entitled, the major share of the gains of productivity must go to labour. If labour will not be helped to reach as near the living wage standard as possible, out of the introduction of productivity techniques, there will then be no incentive to labour to work those incentive schemes. One of the main objects of the Productivity Schemes should be to raise the standard of living of labour. Therefore the bulk of the gains must go to labour. The Industry should also get a share of the gains of productivity, if it is as a result of additional investment. The community too must have its share of the gains of productivity by means of better quality products and at a cheaper price.

169. Have increases in productivity matched with wage increases in the years since Independence ? Please give supporting statistics.

The increase in productivity is more than the increase in wages since independence. (Please see our observations in Chapter II in this regard.)

170. Has any undertaking within your knowledge experimented, in recent years, with productivity techniques ? How did the employees react to these experiments ? Did this result in increasing workload ? If so how was this situation met ?

The productivity techniques appear to be a new name for the old rationalisation schemes, the contents remaining the same. It was all along labour's complaint that whenever the word 'rationalisation' was mentioned, employers understood it to be a means of increasing the workload of the workers by asking one man to do the work of two and retrench the other fellow. Labour was, therefore, opposing those schemes, firstly because of the steep increase in workloads, secondly because of the resulting shrinkage in employment, and thirdly because of poor financial compensation for the additional workload.

In the so-called productivity techniques too, the workload of the workers is going up, and whenever labour wanted a share in the gains accruing to the employer, mainly on account of the savings in wages of the man who is no more working on that machine, it was often the basic wage that was shared, the entire D.A. going to the employer in addition to his share in the basic wage. Generally the D.A. component of the wage is a bigger one, and, therefore, the employer gets a lion's share of the gains of productivity techniques, resulting from labour savings. The real position should be the other way about. The lion's share should have gone to the workmen.

171. What place would you assign to suggestion schemes and institution of awards for outstanding work to improve productivity ?

Suggestion Schemes and institution of awards for outstanding work to improve productivity must be given more importance than now. Even if an ordinary suggestion comes from the workman, it should not be pooh-poohed. The worker should be talked to and encouraged to think on what new suggestions he can make. At present there is very little enthusiasm to the workers to launch upon creative thinking. That should be encouraged and very often it is not done. It should be the attitude of the management to infuse an atmosphere for creative thinking.

172. What are the factors contributing to labour turnover and absenteeism ? How do they affect improvement in productivity ? (See also Q 183)

Generally speaking, labour turn-over and absenteeism are on the decrease in all established Industries. Labour turnover will be found to be somewhat high in seasonal industries and in certain seasons, in non-seasonal but not so well-organised industries. An increased labour turnover and absenteeism will naturally affect productivity adversely. The remedy against high labour turnover and high percentage of absenteeism is to ensure to the workmen a fair wage and satisfactory working conditions, so that he will identify himself with the industry and his stakes in the industry will be higher than what is now.

173. What is the place of the motivation of worker for improving his standard of living in the successful working of incentive scheme ?

If the Incentive Scheme is only nominally so, but is really not so, then there will be no real motivation on the part of the worker to utilise the scheme for improving his standard of living as it will not be worth the while.

174. What is the effect of (a) 'go-slow', (b) 'work to rule' and (c) "unions' ban on overtime" on creating a climate for improving productivity ?

(a) It is obvious that go-slow can never help to improve productivity. But go-slow itself is not generally the cause. It is the effect of some of the actions taken by the employer, which the workers want to protest against, and instead of a total strike, they resort to the method of go-slow.

INTUC however does not support go-slow. The existence of go-slow is one of the symptoms of unhealthy labour-management relations and where unhealthy labour management relations prevail, productivity is bound to suffer.

(b) : '*Work to the rule*' : Work to the rule creates difficulties where the working will be in accordance with the letter of the rule, and not according to the spirit of the rule. Further everything the worker has to do, and that too how quickly, cannot be defined in any rule. Therefore by resorting to work-to-the-rule, many of the unwritten duties may not be carried out by the worker. This will have an adverse effect on productivity, and it is for, this very reason some trade unions adopt the method of 'work to rule' out of frustration, to give expression to their protests against certain acts of omission and commission by the employer. This too is a symptom of unhealthy labour-management relations and would, therefore, affect adversely productivity.

(c) *Unions ban on overtime* : This happens rarely. Where employers do not fill up vacancies and overtime becomes regular feature, then unions object to working overtime. The remedy for this lies in filling up vacancies promptly. Maintaining the due complement of labour, with the extra labour to cover absenteeism will eliminate the need for overtime work. Overtime work should never be a normal feature. It should be resorted to only rarely to meet unexpected contingencies. Union's ban on overtime often represents reaction by the union to either delay or denial by the employer in maintaining the normal complement of workmen.

175. What is the role of rationalisation in improved productivity ? The 15th Session of Indian Labour Conference had made some recommendation (Appendix XI) for regulating the process of rationalisation. Have these recommendations helped rationalisation? Do these recommendations still provide a useful framework for the purpose ? If not, what changes would you suggest ?

Productivity is the end result, and rationalisation is the means. It is out of implementation of rationalisation Schemes we get for the same amount of inputs, greater output. The recommendations of the 15th Session of the Indian Labour Conference laying down the conditions for implementation of rationalisation schemes have generally worked well. They have helped considerable rationalisation, more particularly in the Textile Industry. These recommendations do provide a useful framework. The basic condition 'rationalisation only without retrenchment' has been responsible for removing the major fear in the mind of labour. There have however occurred several cases of surreptitious introduction of rationalisation. Another difficulty experienced in the implementation of that agreement is in respect of giving labour its share of the gains of rationalisation. There have also been difficulties with regard to the assessment of proper working conditions, and the difficulty encountered in this regard is the acceptance of an impartial expert, since all experts are, according to labour, closer to management and most of the trade unions themselves are not financially strong to engage their own experts. If confidence could be built up in the impartiality of the experts and if a substantial share in the gains of rationalisation is made available to the workers, the recommendations of the 15th Tripartite should work without difficulty.

At present Research Institutes in the Textile Industry like SITRA, BITRA and ATIRA are managed by employers. There is no representative of labour on these bodies ; and these Institutes are supposed to do research for improving productivity techniques. There may be other similar Institutes for other industries too. cost of running them are substantially financed by Government subsidy. If there could be adequate representation on these Research Institutes for labour, then these Institutes could be made to provide the impartial expert agency to assess the existence of proper working conditions.

176. (a) What should be the place of 'automation' in the perspective of development ?

(b) How would automation affect labour-management relations ?

(c) Should there be a special machinery to study the problem ?

(a). Automation would be a painful luxury for our country in its present plight. We have a large man-power surplus, and therefore, the introduction of automation should wait till our national employment position improves.

(b) & (c). In view of our suggestion that automation should wait for the time-being, questions (b) and (c) do not arise.

177. How far has the National Productivity Council been effective in generating enthusiasm among employers and workers in increasing productivity ?

The National Productivity Council has not been very effective in generating enthusiasm among employers and workers in increasing productivity. The Council has regional and local counterparts. But it is always talking only of theories. We have been suggesting to the Local Productivity Councils to take charge of some of the sick units in the Textile Industry, for instance, apply their productivity techniques and demonstrate to the rest of the Industry how the productivity techniques as taught by the Council can improve productivity and therefore, the prosperity of the concern. But they are extremely shy to countenance any such proposals for obvious reasons. The productivity movement as such has not taken root either in the minds of the employers or of the workers. It seems to be one more decorative organisation supported by Government assistance for periodical wordy seminars and lectures.

## VII SOCIAL SECURITY

178. (a) What effect do the social security schemes have on stability of employment and on industrial relations ?

(b) Have some of the benefits, based as they are on a qualifying period for entitlement, led to larger labour turnover ? If so, what should be the remedial measures ?

(a): Social Security measures like Provident Fund, Gratuity, Employees State Insurance Benefits, Retrenchment Compensation, Maternity Benefit, Lay-off compensation etc. do have considerable effect on the stability of employment. Provision against old age or death of the earning member or against other risks, like accidents, loss of employment, etc. do help to create in industrial workers a sense of security. In the absence of such social security measures, workers accept jobs only as a stop gap arrangement and leave them when they come across a better one with the result that labour turnover will be high with all its attendant disadvantages to the industry.

It does not however, appear that Social Security Schemes have any great effect on improving Industrial relations. On the contrary, such measures are not generally liked by a section of employers and their attempts often are to try to eliminate or minimise their liability in respect of such schemes, and this disturbs the industrial relations.

(b) We do not think that the benefits based on fulfilment of qualifying period for entitlement are generally responsible for larger turnover although it cannot be denied that there are employers who would like to minimise their obligations by breaking the continuity of employment of temporary labour so as not to let them qualify for these benefits. These measures are apt to curb the tendency of job hopping amongst workers, for they know they would again have to put that much qualifying service over and again with another employer for entitlement of these benefits.

179. The Convention on Minimum Standards of Social Security adopted by the International Labour Organisation refers to the following branches of social security, namely, medical care, sickness benefit, unemployment benefit, old age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit and survivor's benefit.

(a) To what extent is each one of the above benefits available at present ?

(b) What is the cost of existing social security schemes in relation to the total cost of production ? How has it varied over the last 15 years ?

(c) Are the scope and coverage of each one of the benefits mentioned above adequate ?

(d) What should be the priority for enlarging the scope and coverage of the various existing benefits ?

(e) How should the programme for introduction of the benefits not currently available be phased ?

(a) The various benefits, referred to in the convention on Minimum Standards of Social Security of the I.L.O., are available only to the extent provided in the E.S.I. Act and Scheme in respect of medical care, sickness, employment injury benefit, family benefit, maternity benefit, invalidity benefit and survivor's benefit. The injury benefit, is also covered by the Workmen's compensation Act, and the maternity benefit is additionally available under the Central Maternity Benefit Act of 1967. As regards unemployment benefit some aspects thereof are covered by the provision of the I.D. Act such as lay off and retrenchment compensation. The Provident Fund Scheme available under the Provident Fund Act partakes the nature of old age benefit. Gratuity available in

some cases either voluntarily or secured under awards of the tribunals or Wage Boards also provide for a kind of old age benefit.

(b) The cost of all the existing social security schemes appears to be negligible to the total cost of production. According to our estimates it will not be even 1%. Fifteen years ago even these benefits were not available to workmen, as such there was hardly anything for industrial sector of the country to bear by way of cost.

(c) The benefits mentioned above are at present available only to a limited number of workers. Having regard to a large number of workers yet to be covered, and the benefits they receive being nominal particularly in the context of our national economy, there is vast scope of coverage and extension of benefits.

(d) The following should be the priority for enlarging the scope and coverage of various existing benefits :

1. The standard of medical care and treatment should be improved.
2. The benefits should be made easily available and extended to all family members of the invalid persons.
3. The supply of drugs should be adequate and they should not have to wait for the supply.
4. The workers should not have to wait too long at Diagnostic Centres for different tests and medical examination.
5. No waiting for bed in hospitals.
6. Adequate ambulance service.
7. There should be proper supervision over the administration of benefits to see that the benefits are easily available whenever and wherever the insured persons are required to go for them.

(e) The programme for introducing benefits not currently available should be placed as follows :

1. There should be thorough check up of all the insured persons and the members of their families once a year at least so as to eliminate or minimise the chances of a occurrence or recurrence of illness from time to time.
2. All preventive treatment like vaccination, injections etc. should be taken as precautionary measures.
3. The existing system is only curative. So preventive and restorative treatments should precede and follow curative treatment.
4. In the case of insured persons whose employment exceeds two years and who have worked more than 240 days in each year, they should be made entitled to medical treatment including hospitalisation, irrespective of dis-entitlement under the existing rules, until he is cured or for two years thereafter whichever is earlier.
5. There should be no waiting period for claiming the cash benefit.
6. There should be a no-claim rebate to such of those who have not drawn any cash benefit in a year. This will help to reduce absenteeism.
7. The minimum wage level for requiring invalid persons to Rs. 3 per day.

180. The benefits referred to in question No. 179 are generally available only to persons who are in wage-paid employment ; there will still be large numbers of persons like traders, artisans and small shopkeepers who are self-employed and who will remain uncovered by the scheme. What advance steps should be taken to bring these groups within organised social security schemes ?

It is conceivable that self-employed groups should be brought within the organised Social Security Scheme. But it appears that before trying to bring this class of people within the scope of Social Security Scheme, the existing groups should first be well-provided. When that is done, then the question of extension may be considered.

When the question is taken for consideration, they may be given option to come under the Scheme by payment of contributions and accepting other conditions. The other alternative may be to start some Scheme like National Health Insurance Scheme covering all such self employed persons.

181. The E.S.I.S. Review Committee has made a number of recommendations in its Report both for improving the administration of the ESIS and for introducing an integrated social security scheme. As regards the latter, it has recommended that planning should now proceed to evolve a comprehensive social security scheme covering in a single enactment various risks of cessation of income or wage loss to which a wage earner is exposed. Towards this end it has specifically suggested :—

(i) The Government should in consultation with the Indian Labour Conference set up an expert machinery to evolve a 'blue print' for a comprehensive scheme of social security which should also form a strong financial and administrative base for inclusion of benefits which are at present not available.

(ii) Action should be initiated forthwith to bring about an administrative merger of the ESI Scheme and the EPF Scheme. Steps should be taken to examine the problem in all its details and to accomplish this with the least delay.

What are your suggestions on the above recommendations ?

(i). The ESIS Review Committee has made the suggestions after taking into consideration the recommendations of the Study Group and other aspects of the Scheme both in favour and against. We agree in principle with the suggestion for a comprehensive Social Security Scheme. But we feel the matter requires further and fuller consideration.

(ii) We agree that the administration of the ESI Scheme and P.F. can be unified. But the funds must be kept separately for these purposes are different. Here too we feel there should be a special bipartite study of the proposal.

182. Should the provisions for exemption from the ESI scheme be tightened ? How should this be achieved ?

The provisions for exemption from the E.S.I. Scheme should be tightened. We agree with the recommendations of the ESIS Review Committee in Chapter IV para 83 in this respect. The procedure as suggested therein may be followed in tightening up exemption from the E.S.I. Scheme.

183. In so far as the ESI scheme is concerned, there is a view that absenteeism among workers in the factories covered by the scheme has tended to increase consequent upon the introduction of the scheme. No concrete evidence has been forthcoming so far either in support of the above contention or against it. What is the experience in the industrial unit/units within your knowledge ? What remedies would you suggest to minimise such absenteeism ? (See also Q. 172)

The view that absenteeism among workers in factories covered by the E.S.I. Scheme has tended to increase consequent upon the introduction of the Scheme is not correct. This question was considered and answered twice before. Once by the Study Group in 1958 and by the ESIS Review Committee in 1966. The Study Group has found "the average sickness rate has proved lower than what was estimated and, in passing, this shows that the complaint of malingering which one hears of occasionally is by no means serious." The ESIC Review Committee reiterated this view in its report.

184. Should the administration of the medical benefits under the ESI Scheme remain the responsibility of State Government ? Or should the Corporation itself take it over ? If State Governments are to continue administering medical benefits, what should be done to ensure that a uniform standard of medical benefits is available to insured persons in all States ?

Under the ESI Act Employees' State Insurance Corporation has been established and is entrusted with the work of collection of contributions and payment of benefits provided in the Scheme to the insured persons.

The Act also throws the responsibility of providing reasonable medical, surgical and obstetric treatment to the insured persons on the State Governments. This position is anomalous. But the main responsibility of administration being of the Corporation and the Corporation being the main paymaster, the State Governments cannot go ahead with any Scheme unless they get the concurrence of the Corporation. Similarly the statutory responsibility of the administration of the medical benefit being of the State Government, the Corporation also cannot go ahead with any proposal unless the State Governments agree. In this process much time is wasted with the result that it causes considerable delay and the Scheme suffers. Therefore the ideal arrangement would be to leave the administration and medical benefits entirely either with the Corporation or the State Governments.

185. What should be the respective shares of contribution from employers, workers and Government in any scheme of social security ?

Under the existing legislation the liability of employees and employers is placed in the ratio 1 : 2. The Central Government does not share the cost. The State Government's share is 1/8th of the cost of the medical benefit against which they get some remission by way of reduction in the cost in respect of insured persons and their families who receive medical benefit from the Corporation. To that extent States liability for providing medical benefit to them is reduced. The share of the Government should be increased for two reasons. First a Directive Principle of our Constitution says "State shall within limits of its economic capacity and development make effective provision for securing the right to work to education and public assistance in cases of unemployment, old age, sickness and disablement and in other cases of undeserved want." A duty is thus cast on the Government to guarantee economic assistance and social security to the citizens. The other reason why the Government should bear the increasing cost is that both the Central and State Governments are practically controlling the operation of the E.S.I. Scheme and participating in its administration.

The employers' share should be substantial, because it is the duty of the employers to seek the welfare of the workers more in their own interest as efficient workers mean more production. It may be noted here that the employers are not yet paying the statutory contribution at 4 $\frac{3}{4}$ % but are equal to the workers' contribution i.e., 2 $\frac{1}{2}$ % roughly. The contribution of employers and employees has been statutorily fixed at 1 : 2.

The workers are not getting adequate medical care and treatment within the contribution of their own and that of the employers as at present. Therefore unless additional assistance comes forward there could be no improvement in the benefits to the worker who is a contributor to the scheme, being the weakest, his share in cost of social security should be fixed keeping in view his capacity to bear that burden.

186. Should the Employees' Provident Fund Scheme be continued as at present or should steps be taken to convert it into either a pension scheme or a provident fund-cum-pension scheme ?

The Provident Fund Scheme as prevalent should be continued. In addition a pension scheme should also be ensured for the workmen.

187. If it is to continue in the present form, would you suggest any change in the pattern of investments of the funds and in the rate of interest accruing to beneficiaries ?

At present the funds of Employees Provident Fund Scheme are required to be invested in securities approved by the Trust Act which results in earning less interest especially when the rate of interest even of the scheduled Banks has considerably gone up. Therefore a scheme may be evolved to ensure security of investment and at the same time earning higher return on investment.

The question of investment of provident fund accumulation in securities other than approved Trust securities was considered by the Trustees of the Employees' Provident Fund Trust. It was generally recommended by the Trustees that such investments in State loans and Corporation guaranteed by the Government could be considered. Of course this could not be done unless the present provision in para 52 of the Employees' Provident Fund Scheme, 1952 is amended on the lines of Rule 27(1)(3) of the Employees' State Insurance Corporation Rules which at present provide for investment of the Corporation's money in fixed deposits of the Reserve Bank of India/State Bank of India yielding as high as 7% interest.

188. Are any changes called for in the Scheme to make the administration more satisfactory ?

There should be greater delegation of authority and decentralisation of power to make the administrative machinery produce quick results.

189. Should a part of the provident fund be set apart for giving insurance cover to the members of the EPF scheme ?

It is not only desirable but also necessary to give insurance cover to a member of Employees' Provident Fund Scheme from out of his provident fund contributions without any additional liability on him in respect of life insurance premium. This will give him double protection in case of early death without adding to his liability. The only disadvantage of this proposal is that in case he loses his job and the contribution to the provident fund is discontinued, there is a danger of the policy getting lapsed. In that case he will lose the benefit of life insurance as well as provident fund contributions. It would therefore be desirable that the insurance cover is arranged for only after there is sufficient accumulation

in the fund to cover up the due premium at least to the stage where the policy could be treated as paid up policy.

190. What should be the place of gratuity payments in an overall social security programme ?

Gratuity Schemes in this country are in operation in a large number of undertakings. They have been secured by way of awards through Industrial Courts or Tribunals or through collective bargaining.

The rate of gratuity is generally half a month's basic pay for every completed year of service. Sometimes graded scales are fixed according to length of service. It will be seen that gratuity in its present form plays a very minor part in the set up of social security for protection against invalidity, old age, death of the bread-earner etc.

It is necessary that gratuity should become an integral part of one of the protections to be provided against invalidity, old age, death of the bread-earner etc. From that point of view, gratuity should be given an important place by making it a compulsory measure like Employees' Provident Fund, E.S.I. Scheme, Workmen's Compensation etc. This rate of gratuity payable must be computed on total pay instead of on basic pay which is generally a minor component of wages.

191. Would you suggest any changes in the existing provisions relating to lay-off and retrenchment provided to employees against the hazards of job insecurity resulting from temporary employment and other fluctuations ?

We feel that the existing provisions relating to lay-off retrenchment compensation do not require any major changes. Only before effecting retrenchment, management should be required to take the approval of a Tribunal and prove to the satisfaction of that Tribunal that retrenchment is bonafide and is the only solution in the circumstances. Retrenchment of employees are not necessitated by overnight developments. If retrenchment is necessary, such necessity could be sighted far in advance, and, therefore, managements should be required to secure the prior permission of Tribunal a well in advance of affecting any retrenchment.

Also we want the law to more effectively provide for the re-employment of retrenched personnel in preference to new entrants, when the management goes in for additional hands labour within the next three years. If, however, such additional hands are recruited within a year of retrenchment, the retrenched hands should be re-employed on the old scale of pay and their past services should be considered for purposes of gratuity and for avoiding the graded forfeiture of the employers' contribution to the Provident Fund.

192. Should the administration of some of the social security benefits be handed over to trade unions ? What pre-conditions should trade unions satisfy for being eligible to take over such administration ?

The administration of Social Security benefits can be handed over to such of those trade unions that have a tradition and experience in running such Schemes on howsoever small a basis on their own steam. All Unions are not qualified for administering the social security benefits, more so the Unions which are merely of an agitational character. The necessary pre-conditions in this respect are :

1. There should be only one Union for the plant.
2. The Union must be managed by really democratically elected set-up.
3. There must be some record of social service by the Union. If the Union is merely a demands-oriented Union believing in agitation all the time, it may not fill in the bill for administering social security benefits.
4. The Union must agree to Government inspection of its records, and
5. It should be willing to extend the benefits alike to all members and non-members without discrimination.

## VIII. LABOUR LEGISLATION

193. To what extent should labour-management relations in a planned economy be governed by legislation/collective bargaining ? (See also Q. 85 and 90)

Collective bargaining need not necessarily be an alternative to legislation. Legislation itself can provide for collective bargaining. Otherwise many of the employers would refuse to bargain with the



trade unions. We agree that the ideal course would be that collective bargaining should be purely on a voluntary basis. But where it is not possible, the law must come to aid the weaker party to compel the other party to come to the negotiating table. The legislation will have to provide for several other measures in addition to collective bargaining, such as mediation, conciliation, arbitration and adjudication. The main aim of both collective bargaining and the statutory machinery operating in the sphere of Industrial Relations should be to avoid dislocation in production and loss of man-days either by strike or by lock-outs.

Our country can ill-afford the stoppage of production on any account, particularly now when it is fast trying to catch up with other advanced nations of the world. Collective bargaining, mediation, conciliation arbitration and adjudication will therefore be effective substitutes for strikes and lock-outs. To the extent these machineries are made really effective strikes and lock-outs will become unnecessary and production will go on uninterruptedly. In a planned economy, the relations between labour and management have also to be on a planned basis. They cannot be allowed to upset the production targets just because one of the parties would not like to settle the disputes in a fair manner. This should not also mean that on the mere cropping up of a dispute, the statutory procedure must be clamped down on the parties. To some extent freedom must be given to the parties to settle their own affairs and that can only be done by collective bargaining. But the alternative to the failure of collective bargaining should not be a strike or lock-out, if the planned progress of the nation is not to be retarded. The alternative should, therefore, be either arbitration or failing which the exercise of the reserve power in the Government to get the dispute settled otherwise than by strikes and lock-out viz., by adjudication and this can be done only by Government arming itself with the necessary statutory authority and to this extent labour legislation must be made effective.

194. What have been the factors that have affected the proper and effective implementation of the various labour laws ? (Appendix XII). Have these laws achieved the purpose/objectives for which they were enacted ? If not, what factors have hindered the achievement of these objectives ? (See also Q. 12)

195. (a) How have the existing legislation and other provisions for protecting the interest of labour worked in practice ?

(b) To what extent have the above provisions helped to implement the Directive Principles of State Policy on labour matters as embodied in the Constitution ?

(c) What changes or further improvements in the existing arrangements would you suggest for fuller realisation of the Directive Principles (Appendix XIII) keeping in view the present state of our economy and the country's development in the foreseeable future ?

194 & 195(a) : The factors that have affected the proper and effective implementation of the various labour laws are mainly :—

1. Inadequate and ineffective machine.
2. Indifference on the part of the Implementation machinery.
3. Delayed action by Implementation machinery.
4. Half-hearted implementation.
5. Ineffective penal provisions.
6. Reluctance to enforce even such meagre penal provisions.

We have several legislations to protect and promote the welfare of labour, but the record of implementation is poor. The principal legislation regulating industrial relations viz., the Industrial Disputes Act 1947, has to be completely overhauled. The Works Committees set up under the Act have become, ineffective. The Conciliation machinery is both ineffective and time-consuming; the arbitration machinery is simply not available in a vast majority of cases. The adjudication machinery has become cumbersome subject to writs in High Courts and appeals in Supreme Court, and have therefore proved to be starting point of almost endless litigation. The recovery of monies due under Awards and Settlements under the Act is a tedious process. The penal provisions for violation of the Act are seldom invoked.

Under the Factories Act, Mines Act, Plantation Labour Act and Shops and Commercial Establishments Act, the inspection services are ineffective, and perhaps corrupt too in some cases. Safety and welfare provisions of the several Acts also are not fully observed owing to the inefficiency of the inspection services. The machinery of adjudication under the Industrial Disputes Act is not generally made available

to establishments in Public Sector and in the Co-operative Sector. The same applies to the observance of the provisions of the Factories, Act, etc.

Nevertheless the several legislations have achieved to some extent the objectives for which they were enacted, but considerable ground still remains to be effectively covered.

195 (b) & (c) : Some of the Directive Principles of State Policy on Labour matters as embodied in the Constitution can only be taken as the national goal. For instance the State's responsibility to "secure to all workers, agricultural, industrial or otherwise, work, a living wage and conditions of work ensuring a decent standard of life and full enjoyment of leisure etc.," is a far cry under current conditions. But the provision for maternity relief is to some extent already ensured. The right to equal pay for equal work for both men and women has also been accepted in principle and implemented in many Industries, though in Industries like plantations and agriculture, there is still some discrimination where both men and women are doing demonstrably the same work.

The requirement that the children of tender age should not be forced to accept employment unsuited to their age or strength because of economic necessity is also being taken care of by the existing legislations.

The right to work, to education and public assistance in cases of unemployment, old age, sickness and disablement, is still to be secured. Although the State is required to promote cottage industries on individual or co-operative basis in rural areas, and although the Government has made some efforts in this direction, the achievement is far from satisfactory.

Of the several Directive Principles in the State Policy concerning labour, the most important are :

1. the right to work ; and
2. the right to a living wage.

While the concept of a living wage is dynamic and might be an ever-receding and therefore an elusive ideal, the right to work to all citizens should be realisable in the shortest time possible. Efforts must, therefore, be undertaken to increase the level of employment and at the same time to take workers as near the living wage standard as possible by proper planning.

196. Are the present constitutional arrangements under which labour is a concurrent subject satisfactory, particularly from the point of the view of the administration of labour laws ? Are any modifications by way of centralisation/decentralisation of certain activities and functions necessary ?

There is nothing wrong in labour continuing to be on the list of concurrent subjects. But care must be taken to see that the principal labour legislations are uniform, and therefore must be enacted by the Centre. We will therefore recommend the formulation of a suitable Labour Code for the whole country. In the administration of various labour laws also, State Governments can be entrusted with the responsibility of administering the labour laws in respect of only such establishments as are functioning within the respective State only. In respect of Public Sector Undertakings owned by the Central Government, as well as Industrial establishments which operate in more than one State, the appropriate Government for administering all labour laws must be the Central Government. This is very necessary to avoid conflicting decisions of adjudicating authorities in respect of some service conditions under the same employer in two different centres.

197. What has been the influence, direct or indirect, of international labour conventions on the progress of labour legislation in India ? To what extent has the Constitution helped or hindered such progress ?

International labour conventions have to some extent influenced the pattern of labour legislations in India. The number of ILO Conventions ratified by the Government of India would do credit even to advanced countries.\*\*

Our Constitution too has helped the implementation of several International Labour Conventions, for our Constitution which is very progressive finds those conventions in harmony with its own provisions.

\*\*Upto January, 1967 India had satisfied 30 ILO conventions

198. On the basis of the principles evolved out of case law over a number of years, what are your suggestions for reviewing and amending labour legislation in this country ?

Labour law is still in an evolutionary stage. The rights of the parties cannot be crystallised as in the case of rights of parties contesting in a Civil Suit. The concept of social justice being dynamic, industrial adjudication should look rather forward than backward on Case Laws. Unlike in Civil litigation, Case Law in industrial adjudication should not be allowed to have that deciding right. Some of the decisions of the Industrial Tribunals and pronouncements of higher court over their decisions have pointed out certain loopholes in the existing legislation. While rectifying these defects, our attempt should be to consolidate the existing laws and streamline them into a uniform Labour Code for the whole country as already stated.

199. Has there been too much legislation in the field of labour ? If so, what are the aspects in regard to which there is over-legislation ?

There are critics who say that there has been too much legislation in the field of labour. But such criticism usually emanates from employer-inspired sources. The truth is there has not been too much of legislation, but only too little implementation. In view of our answer to the first part of this question, the other part of the question as to whether there is over-legislation does not arise.

It must be remembered that legislation is not required for a good employer to make him behave. Legislative compulsion is required only on the not so good employer. If there is a feeling that we have too many legislations, it might be because we do not have in abundance of really good employers. If all the employers are good and progressive and labour too is responsible, disciplined and efficient, there may be no need for any legislation at all, and even if there were too many legislations there can be no complaint of the existence of too many legislations either, for in either case there may no occasion to resort to the provisions of those laws.

200. Is there need for consolidation and codification of existing labour laws ? Please suggest the lines on which codification should be undertaken.

An attempt at consolidation or codification of the existing laws, and in the process to amend certain provisions of the existing laws so as to simplify and make it easy is desirable. Even the definition of such common terms as "workmen" are not the same in different Acts. It is true that different legislations have different purposes and the definition of the term might have been given with that purpose in view. But all the same it would be necessary to have standard definition of commonly occurring terms in the labour field. A uniform Labour Code applicable throughout the country would also be helpful in standardising many of the conditions of work, wages and welfare of labour in the country. Codification can take place by grouping up labour legislations broadly as under :

1. Welfare legislations ;
2. Industrial Relations ;
3. Wages and working conditions; and
4. Social Security..

201. Since 1958 the general emphasis in labour policy has been on voluntary approach in preference to legislation. This has resulted in fashioning tripartite instruments like the code of discipline, industrial truce resolution, etc. Has this policy been successful ? Should it be continued ?

It is not true to say that the general emphasis in labour policy has been on voluntary approach since 1958. Voluntary efforts were always encouraged also before 1958. It is, however, true that the Code of Discipline in Industry was adopted in 1957-58. But the Code of Discipline in Industry has not been successful. In fact it has become one more cause for quarrelling with each other. The employers are hesitant to recognise Unions under the Code and are generally repelling suggestions for arbitration. With these two factors at a discount, the Code has very little left in it to be protected or worth being preserved or promoted.

Further the provisions of the Code are in conflict with the provisions of the law and therefore the Code has no great attraction to either party. Already some Central Labour Organisations who had earlier subscribed to the Code have repudiated it. The fall in the number of man-days lost in certain years since 1958 are not due to the influence of the Code, although attempts were being made to credit the Code for any fall in man-days lost. The same applies to Industrial Truce Resolution. The Industrial Truce Resolution was adopted for the second time on the Chinese invasion of our country. It is true that following the adoption of the Industrial Truce Resolution, there was a steep fall in the number of man-days lost. But that was not due to the efficacy of the Code, or the Industrial Truce Resolution. It was because of the great patriotic upsurge among the people, including the working class. Once that

emergency was not there, the number of man-days lost began to shoot up again although the Industrial Truce Resolution was very much in existence.

202. Please comment on the suitability of (i) labour legislation so far enacted and (ii) voluntary arrangements so far built up.

The main dissatisfaction against existing legislation is due to their poor implementation. Some of the existing legislation do require touching up and some even complete overhaul. We have given our suggestions in details in our answer to question No. 198.

Voluntary arrangements so far built up have not been done so on firm foundations, except in a few instances. The future lies in strengthening the voluntary arrangement. But this cannot be achieved so long as there are multiple unions in each establishment. The choice of a bargaining agent through the ballot box suffers from serious limitations. Even the comparatively better method of choosing the bargaining agent on the basis of paid and consistent membership may not solve the problem completely. So long as labour is divided, the unrecognised party even as a minority can always create trouble and will make voluntary arrangements less attractive to the employers. The solution lies in unifying the ranks of labour and welding them into a single strong, healthy, well-conducted and genuine trade union.

203. What is the extent of enforcement of labour legislation in public sector? Are exemptions from the applicability of certain provisions of labour laws more common in the public sector? What is the rationale for claiming such exemptions?

The extent of enforcement of labour legislations in the Public-Sector is not satisfactory. This has been conceded by even Ministers in Government. There should be no exemption granted to any Public-Sector Undertakings from the operation of any of the provisions of Labour Laws. In fact it has been conceded on all hands that the Public Sector must be an ideal employer. It has been the accepted labour policy in the Five-Year Plans that Public Sector Undertakings should not be allowed to claim any exemptions or privileges from the operation of labour laws, which are not available to the Private Sector. We do not see there is anything rational in claiming any exemption for Public-sector. At present industrial disputes in Public Sector Undertakings are *not generally* referred to adjudication except with the consent of the employing ministry. This is a strange practice. In the Private Sector Government does not care for the concurrence of the employers for referring a dispute for adjudication. Why then this preferential treatment to the Public Sector? In the largest Public Sector Undertaking viz., the Railways, the machinery under the Industrial Disputes Legislation viz., adjudication is not made available to them. We, therefore, feel that the Public Sector should be put on all fours on an equal footing with the Private-Sector in respect of the applicability and enforcement of all labour legislations in the country.

204. Are there instances of political or other rights which are normally available to an individual being denied to employees in the public sector and their dependants? How are such denials justified?

There are instances of political rights which are normally available to an individual citizen being denied to employees in the Public Sector and their dependents. For instance, if an employee is a Public Sector Undertaking wants to contest the civic elections, he has to secure the permission of the employer. This is not so in the case of employment in the Private Sector. The restriction seems to be even worse when the Public Sector employer insists that his employee shall not work for a candidate even if the candidate happens to be one of his dependents. The same applies to contesting for the elections to the State Legislative Assemblies and Parliament, where it appears an employee will first have to resign and then contest the election. These denials are extremely unjustified. An employee in a Public Sector Undertaking should not be under any disability as compared to his compeer in the Private Sector. These disabilities should, therefore, be removed.

## IX RURAL AND UNORGANISED LABOUR

205. Rural labour faces two inter-related problems which demand urgent solution : one is social, centering round its low social status in the rural hierarchy and the handicaps resulting therefrom, and the other is economic, resulting from chronic lack of sufficient employment opportunities. What is your assessment of the effectiveness of the remedial steps taken by Government?

The remedial steps taken so far by Government in respect of the social and economic problems of rural labour have not been effective. Nor are they commensurate with the magnitude of the problem. The labour employed in the rural and unorganised industries are still dependent on seasonal employment, and the increase in their numbers and the high prices of commodities, have, if anything, widened the gap

between them and their land-owning neighbours in the villages and their brethren employed in urban industries.

206. It is suggested that in countries with vast rural under-employment, special emphasis should be placed on a broad-based programme for the promotion of productive employment in rural areas by a combination of technical and institutional measures, relying to the extent possible on the efforts of the people concerned and based on adequate study of the nature, prevalence and regional distribution of rural under-employment. How should such a broad-based programme be framed for implementation ?

It is a very difficult problem but the earlier it is attended to the better, lest it might become too late if delayed. In fact, a complete and total withdrawal of rural labour population from agriculture on which they are dependant might make some impact on the problem of underemployment. The rural pattern of employment will have to be reorganised and rationalised. The rural works programme must be planned at the village level. The organization of such works will have generally to be left to local bodies and village leaders. When a sufficient number of rural labour is wanting work, local works which could be executed with local labour under the supervision of local leadership must be fully utilised. But mere haphazard addition of rural employment would only increase the quantum available, it would move very little in the direction of reorganizing, rationalizing the pattern of rural employment. If by means of rural works programme we could create a certain amount of secure and dependable employment, that is regular and full-time and perennial, it would help re-organising and rationalising the pattern of rural employment.

207. With a view to creating incentives and social conditions favourable to fuller and fruitful utilisation of local manpower in rural areas, the International Labour Organisation suggested the following action programmes :—

- (a) Local capital-construction projects, more particularly, projects making for a quick increase in agricultural production, namely, small and medium irrigation and drainage works, storage facilities and feeder roads ;
- (b) Land development and settlement ;
- (c) Labour intensive methods of cultivation and animal husbandry ;
- (d) Development of other productive activities, such as, forestry and fishing ;
- (e) Promotion of social services, such as, education and health services ;
- (f) Development of viable small scale industries, such as, local processing of agricultural products and manufacture of simple consumer's and producers' goods needed by rural people ;
- (g) Special efforts to deep rural manufacturing activities that are ancilliary and complementary to large-scale urban industry, etc.

Which of these suggestlons are feasible in the Indian context ?

All suggestlons made by the International Labour Organization are feasible almost immediately except (g) which may be resorted to at a later stage.

208. (a) There is a considerable body of workers, largely, unorganised and employed in small industries in rural/urban areas, not covered by the protective provisions of the present labour legislation. How should such protection as is desirable be reached to them ?

(b) Specifically, considering the nature of their employment, the size and location of the units/industries in which they are engaged, please suggest practical methods by which their position can be improved in regard to their employment, wages and working conditions.

This section of labour too as all the other sections could be better served by their effective unionisation. But this will mean time and we cannot afford to wait for it. We must therefore introduce a provision in all labour laws for Labour Inspectors who see to it that the benefits of the various labour laws are extended to them. He should have the power to act on behalf of these workmen, even without their authorisation and secure to them their benefits on his initiative.

209. What steps should be taken towards progressive reduction of contract labour ? How should contract labour be brought effectively within the scope of State action ? (See also Q. 16)

This should be done by a single stroke of legislation. Progressive reduction of contract labour would never be a reality. The interested quarters would always try to delay it or let it reappear in another name and form.

210. To what extent are the difficulties in the implementation of Minimum Wages Act, 1948, in rural areas real? How could they be overcome? (See also Q. 162)

There are many difficulties in the implementation of Minimum Wages Act, 1948 in rural areas, the chief among them are —

(a) Scattered labour population in the rural areas.

(b) Lack of trade unions.

(c) Want of effective machinery for implementation.

These difficulties might be overcome to some extent if trade unionism is encouraged and the provisions of the Minimum Wages Act, 1948 are effectively enforced. State also must appoint Inspectors who can initiate action for securing the benefits under the Minimum Wages Act to the workers.

211. Do you favour a separate agency for the effective implementation of the Minimum Wages Act, 1948, for agricultural labour? Or should it be merged with local village or the block development staff?

Local village or block development staff will be of little use for effective implementation of the Minimum Wages Act, 1948. A separate machinery as that of Labour Inspectors we have suggested should be charged with this responsibility. No doubt there are financial implications but the social and economic change which this might bring about would more than compensate it.

### LABOUR RESEARCH AND INFORMATION

212. Most of labour statistics are a by-product of labour legislation. They suffer, therefore, *inter alia*, from the limitations arising out of lack of uniformity in the concepts, coverage and frequency of collection. The time-lag in their publication, non-response from primary units, inaccuracy of returns, changes in industrial classification are further difficulties in making labour statistics more useful. What steps should be taken to remedy the situation? Is the implementation of the Collection of Statistics Act, 1953 the answer?

213. There is a feeling that the practice of entrusting administration of the labour laws to different officials, the statutory requirements of maintenance of different registers and sending of different filled-in returns under these Acts, result in a good deal of unproductive work and unnecessary duplication. If this feeling has a basis, what steps should be taken to improve the situation?

Labour statistics in India are off-springs of labour legislations. Their primary purpose has been to gauge the degree of implementation of labour laws, agreements—whether bipartite or tripartite, settlements, awards, and their impact on the life and working conditions of workmen, on the working of the industry, and the role of the Government in regard thereto. They also supply the needs of policy making in labour and economic matters of the country. Because the objects of different labour statistics were different, they lack unanimity and standardised concepts. The first steps that needs to be taken to mend the defects of labour statistics is the formulation of a code of labour laws, having application all over the country. Thereafter various concepts, values and standards alluded therein require clear and precise definition by a tripartite body. Thereafter a conference of experts, representing all three parties and including the officers responsible for the collection of data, could evolve appropriate techniques and simplified forms for the collection and collation of necessary data.

The Statistics Act of 1953 was intended to facilitate the collection of “statistics of certain kind relating to industries, trade and commerce”. The preamble of the Act places fetters on the collection of data by limiting it to be of “certain kind only”. Therefore, it fails to focus most of the problems that relate to labour and industrial relations. The Act may be suitably amended to incorporate the decisions taken by a tripartite body and conference experts, as mentioned above. The Statistical authorities should be invested with adequate powers to deal with non-responding units and persons and to given adequate staff to act efficiently

214. Does the all-India Consumer Price Index Number currently compiled reflect adequately price changes affecting urban working class? Should consumer price index numbers be compiled for every region of all the country for the purposes of wage fixation? What principles should be followed in compiling the ‘all-India’ and regional indices?

The Simla Labour Bureau conducted the family budget inquiry of the working class in fifty industrial centres of the country. The consumer price index number of 49 centres are now being published. Before this in each State, the compilation of the consumer price index number was based on the methods prevailing in those States and there was no uniform basis for the compilation

of the consumer price index number and hence the All-India consumer price index number did not reflect price change effecting urban working class. If the All-India consumer price index number is prepared on the basis of the consumer price index number of fifty industrial centre whose family budget inquiries for the working class are already conducted by the Simla Labour Bureau and whose consumer price indices are already published now, then, it could reflect adequately the price changes affecting the urban working class. The different State series of the consumer price index numbers compiled and published prior to 1960 were not very satisfactory and many of them have become outdated and hence they should be replaced by the new series. The INTUC believes that consumer price index numbers should be compiled for every region of the country for the purpose of wage fixation. The principles to be followed for compilation of consumer price index numbers should be the same as adopted by the Simla Labour Bureau in the new Simla 1960 series, and the All-India consumer price index should be prepared by averaging out these regional series.

This question requires rather detailed discussion and therefore we request the Commission to give us an opportunity to do so at the time of oral evidence.

215. Data presently collected and compiled in respect of work-stoppages (strikes and lockouts) mostly consist of (a) number of work-stoppages, (b) number of workers involved, (c) number of man-days lost, (d) total wages lost in rupees, and (e) total production lost in rupees. Are they adequate for measuring industrial unrest in the country? If not, what other aspects of industrial unrest require quantification?

Merely information regarding the number of work stoppages, number of workers involved therein, number of man-days lost, amount of wages and production lost, cannot adequately measure the industrial unrest in the country. Information regarding factors leading to stoppages of strikes and lock-outs together with their impact on workers, industry and the country at large, is also necessary.

216. At present statistical data are collected only in respect of work-stoppages arising out of industrial disputes. Is it necessary to collect similar information on work-stoppages due to reasons other than industrial disputes?

Some times work-stoppages are caused for reasons other than industrial disputes. Collection of data, that throws light on the nature and motivation of such stoppages can help to identify genuine industrial disputes and distinguished them from stoppages caused by political or social motivations.

217. The current emphasis in the collection of labour statistics is on data which will help in understanding the economic aspects of workers' life. Social and sociological aspects have been comparatively neglected. What are your suggestions for filling up the gap? For better comprehension of labour problems which particular aspect of these statistics would you emphasise?

Since the technique and norms currently employed to collect labour statistics have been tailored to suit different labour legislations and policies, they do not take into account the social and sociological factor that also exert their pressure on the workers and their unions. Situation could be improved to a considerable extent if information regarding community, age, sex, married or single, age of entrance to the industry, religion or faith, education, unionised or not and if so the nature of the union, the status in the union, his attitude and aptitude, etc., is also called to understand the social setting in sociological climate affecting the workers.

218. Statistical data (employment, unemployment, consumption expenditure, etc.) are being collected in respect of rural population annually by the National Sample Survey. Would it be feasible to make these data available separately for rural labour for each State/region? What other statistics would be required for framing an operational programme?

Statistical data regarding employment, unemployment, consumption extent, etc. of rural population collected by the National Sample Survey are indeed valuable, but the information regarding his earnings, hours of work, the various occupations he is to pursue, etc. is also necessary for framing the operational programme to ameliorate the conditions of rural labour.

219. Are the present arrangements for research and studies in the field of labour adequate to meet the requirements of policy-making in labour and economic matters?

At present useful research and studies in the field of labour are in the hands of governmental agencies or in the hands of governmental officers. To make the present arrangement satisfactory, it is necessary that labour and industry are also associated.

220. What are suggestions for improving the quality for labour research ?

As above.

221. What is the present state of labour research undertaken by employers'/workers' organisations ?

222. How should the trade unions be encouraged to strengthen their research activities ?

The research undertaken by the employers' organisation is seldom objective. Its sole aim, hitherto, has been to present a picture that defeats the claim of workmen.

Workers' organisation, except a few, have hardly the personnel and money required for research. They would need assistance from the Government both in regard to the training of their research personnel in required techniques as also grants to maintain them, as in the case of universities or other research bodies.

223. How should labour research be promoted in universities and research organisations ?

Research organisations and Universities concern themselves mostly with fundamental research. Therefore, their research is seldom problem-oriented. If it is necessary to use the talent available in the Universities, they can be given specific problems and projects for research. But in such cases, association of labour and industry, in some form or the other, would be necessary to make it meaningful.

224. Are the present arrangements for associating the research personnel outside Government for a deeper analysis of data available with Central and State Governments adequate ? What steps should be taken to strengthen this association ? Should co-ordination of research work done by different agencies be achieved ?

We do not know enough about the arrangement that exists for associating the research personnel outside Government for a deeper analysis of data available with Central and State Governments. But co-ordination and rationalisation of research work conducted by different agencies is always commendable.

225. What is the extent to which the existing information on labour matters is being put to use ? Who are the main users ? Give a critical assessment of the utility of the existing information.

Information on labour matters is being used by all concerned. It includes newspapers and other information media, labour, industry, research organisations and the Government. Since the available labour statistics suffers from draw-backs, indicated by us in our reply to question 212, every party is able to make out its own case with their help. The result is that we some times get a contradictory picture from the same set of labour statistics. Some time the information yielded by labour statistics is also far from real. Since we have made constructive suggestions about the way the situation can be improved, who do not feel the necessity of giving our appreciation either of the quality or of the capacity of labour statistics.

226. Are the existing arrangements for publicising the research activities of the various agencies adequate ? What has been the role of the press in such publicity ? What improvements, if any, would you suggest ?

The existing arrangements for publicising research activities relies on newspapers, magazines, periodicals, publications in book form, seminars, study groups and conferences. This arrangement has been useful, though not adequate. So far as the press is concerned it gives publicity to labour questions in a limited way. This main purpose is to cater to the taste of their readers. Any arrangement which makes publicity more real and purposeful, should be welcomed. So far as our views are concerned, we have given vent to them while replying to earlier questions.

227. How do trade unions/employers' organisations inform the public of their activities ? To what extent do they succeed ? (See also Q. 31)

Both trade unions' and employers' organisations use circulars, news-letters, journals and periodicals for the purposes of communicating their activities to their membership. They also hold discussion, individually or collectively, meetings, seminars and conferences for such purposes. They have achieved considerable success in this regard.

228. It is often said that while industrial conflict gets more than its due share of publicity, industrial harmony does not. Do you agree with this view ? What are the reasons for this ?

Industrial conflict gets greater publicity than industrial harmony, because the former holds in store greater excitement and, therefore, encourages the sale of newspapers.



229. What role has the press played in educating the public on labour matters and with what results ? Would you suggest any improvement ? If so, how should this be brought about ?

230. What role has the press played in shaping decisions on industrial disputes ? Has it helped or hindered the promotion of just and good industrial relations ?

The main occupation of the press is to give only the news, which has a limited power of educating its readers. Therefore even when the press has increased the amount of information of its readers it has not been able to mould their thinking which is the basic purpose of all education. Publication of industrial conflicts, dissensions, generate a psychology which makes cool and constructive thinking difficult. Most of the press in our country does not take an objective view of things and always functions with a partisan attitude. A section of the press always although unconsciously acted as a hinderance to the promotion of just and good industrial relations instead of being useful.