

NCL. Ref. No. MR-VI.26

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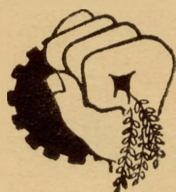
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**MEMORANDUM
TO THE
NATIONAL COMMISSION
ON LABOUR**

VOLUME IV

NATIONAL RESERVE CENTER OF LABOUR
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**BHARATIYA
MAZDOOR
SANGH**

MEMORANDUM TO THE NATIONAL COMMISSION ON LABOUR

Volume - IV

K-545
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P r e f a c e

We have great pleasure in submitting to the N.C.L. the fourth and the final volume of our memorandum- We had purposely omitted one set of questions - spread throughout the questionnaire, related to the role of Government in labour matters and the nature of Government's labour administration. This volume covers that ground. We are convinced that in this respect the basic principles and clear vision of the ultimate socio-economic order are of the highest importance and that minor procedural and administrative details should be worked out only in the light of the final shape of things we aspire for. We have, therefore, addressed ourselves to the task of defining and elucidating the fundamentals which should form the solid foundation of our new state policy and administration.

This last volume, we hope, will complete the picture of the new order our BMS has been striving hard to inaugurate. We are submitting this with the humble conviction of " नान्यः पथा विद्यते स्यजाय १२"

D.B. Thengadi, M.P.
General Secretary.

G.S. Gokhale
Vice President.

M.P. Mehta
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Bharatiya Mazdoor Sangh,
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Date : विजयादशमी

संवत् २०२४

1st October, 1968.

Volume - IV.

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THE BHARATIYA MAZDOOR SANGH

MEMORANDUM TO THE NATIONAL COMMISSION ON LABOUR

Vol. IV

Chapter XVIII

THE ROLE OF THE GOVERNMENT.

Introductory.

430. So far we have covered the questionnaire issued by the National Commission on Labour according to the chapter-headings framed by the Commission. We have also answered practically all the questions raised by the Commission. However we have purposely omitted such part of the questionnaire as concerns the role of Government in industrial or labour matters except making very brief references where they were found to be extremely necessary in giving answers to the questions having an indirect but substantial bearing on this role. The omission includes questions such as the role of state in industrial relation vis-a-vis the gospel of freedom to individuals and groups and institutions constituting the nexus of industrial relation, Government responsibility for giving overall or specific direction either by direct or indirect action and the right form and incidence of Government intervention in economic and industrial matters and matters of social importance. They include the whole canvass of public policy - its principles and forms and agencies - a subject matter that has been a topic of national and international controversy. Many of the recent religions of state such as communism and socialism have taken their birth from issues concerning the right shape of this policy in industrial and economic matters and place of the proletariat or labour in formulation and operation of such policies. They also involve subtle questions such as the frame-work of decision making in public life with all its attendant questions like place of bureaucrats and technocrats - questions which an unbiased mind will not fail to detect as having been similar in character and equally difficult of being solved on both the sides of the iron curtain. These questions have a direct bearing on day to day problems of union-management relation. They fix up the responsibility of the state in matters of working conditions at plant level, including provisions regarding safety, hours of work, health, child labour etc., demarcate the sphere of bi-partite approach as distinctly apart from government policy decisions, outlines the method of communication between Government, Trade Unions and employers organisations, defines Government's position in avoidance or continuation of strikes and lock-outs and indicates in a broad manner the legitimate and over-riding considerations of public interest and opinion and responsibility of Parliament and political parties in questions of industrial relation.

431. Then there does arise the further questions arising out of planned economy. The fact that the exact aims and methods of planning and their intended effects are not yet crystallised by our Government adds a further complication in dealing with those issues. These aims and methods have got a far reaching effect on practically all the sensitive areas of industrial relation such as fixation of minimum wage, appropriate neutralisation of price rise through Dearness Allowance, intra-industry and intra occupational wage differentials, questions of unit-wise and industrial and national wage policy;

with the attendant complexities of regional disparities and differential paying capacity of different firms in the same industry. The logical considerations of planning tend to enter into the making of decisions by judiciary in matters of wage-fixation and award of bonus and overshadow the technical computations involved in measurement and distribution of productivity gains. The priorities and mannerism of planning have much to do with assessing the legitimate influence of considerations of national per capita income in fixing minimum wages for agricultural and unskilled and unorganised labour and extent of sacrifice demanded from the organised and relatively prosperous sector of the economy. It is obvious that it is only to the extent to which the trade unions and employers' organisations share or contribute in fixing up these priorities of plans that they can be legitimately expected to cooperate ~~to~~ in a voluntary fashion. The mannerism of planning gives a basic orientation to the mannerism of tripartite relation in industrial sphere.

432. Moreover the social and political considerations such as the relation of state Government and central Government, institutional frame work, social and economic goals, rights of individuals and groups to holding and disposal of property, right of association conflicts inherent in human aspirations such as freedom and equality, imperatives of the laws of economic progress, influence of the state of technology and markets, the social considerations in giving of importance or privileged position to specific sectors such as public, co-operative or small-scale sector, needs of a policy for full employment of men and resources, problems of administration such as centralisation of decentralisation of authority and command and delegation, limits of rule-making in human affairs and scope for the development of case-law - such and hundred other considerations of public policy have been assumed but not spelled out in our submissions done so far. We are however aware that the assumptions which we have made in this regard are open to serious debate and dispute and different assumptions lead to widely different conclusions on intent and policy and final direction of Commission's recommendations. It is not known how far the National Commission in its present composition is guided in these matters by objectives of present Government in this regard - of course, so far as that Government is capable of spelling out the same in specific terms - or will the Commission have its own views on these or on unspelled out matters. However since these issues are of a basic importance to the whole outlook of the Commission it is considered that in this final volume of our submission a brief and compact reference be made to the underlying ideals and objectives of sound social policy.

433. In this regard the Bharatiya Mazdoor Sangh takes pride to say that it has got no independent thinking on these questions than what the Bharatiya tradition (परंपरा) gives us as its matured fruit of ageless experience and wisdom. Ours is a old Nation that has seen the rise and fall of countless political powers and conquering over the ravages of Time, the Culture of India gives us principles of eternal value. It has been the ripe experience of this

race that all political, social, economic or other ideologies and isms which have failed to take full account of these priceless pearls of Thought, have floundered through time and often leading their brief life of a hundred or two-hundred years of existence or glory have shown signs of decadence and death and are seen no more. The modern isms like Socialism and Communism do not also show any special virtue of permanence. On the other hand our Nation has held dear values of permanent importance to social life, that have stood the test of universal attacks spread over a vast period of a thousand years. It is time that being free, we cherish once more these unique features of National Culture and restate or recollect them in terms of modern usage to clarify our understanding of them. The B.M.S. believes that a National Commission on Labour should be naturally guided by these values of life treasured by this ancient nation as a thing of supreme importance to human living.

THE NATURE OF STATE AND ITS TRUE ROLE

434. In modern times the state idea is dominating the thought and action of the world. The state is often equated with Society or Nation and the individual is being increasingly asked to surrender to the state with a faith that the hope of the good and progress of people lies in the efficiency and organisation of the state. It is necessary to examine closely the validity of this claim of state over the individual and group, and see whether the state can be trusted to carry out the functions with which it is sought to be burdened or whether there are any built-in deficiencies in the organisation and working of modern state.

435. Amongst the modern seers of India Sri Aurobindo has dealt with these and related questions in the full light of Ancient Wisdom in his three books: The Ideal of Human Unity, The Human Cycle and the Foundations of Indian culture. While a full appreciation of his views can be had only by reading the original works, we take liberty to quote his words on this subject in a little scattered form- on questions referred to in the foregoing paras of this chapter. For example he says,

436. "What, after all, is this State idea of organised community to which the individual has to be immolated? Theoretically it is the subordination of the individual to the good of all that is demand; practically, it is his subordination to a collective egoism, political, military, economic, which seeks to satisfy certain collective aims and ambitions shaped and imposed on the great mass of the individuals by a smaller or larger number of ruling persons who are supposed in some way to represent the community. It is immaterial whether these belong to a governing class or emerge as in modern States from the mass partly by force of character, but much more by force of circumstances; nor does it make any essential difference that their aims and ideals are imposed nowadays more by the hypnotism of verbal persuasion than by overt and actual force. In either case, there is no guarantee that this ruling class or ruling body represents the best mind of the nation or its noblest aims or its highest instincts.

437. "Nothing of the kind can be asserted of the modern politician in any part of the world; he does not represent the soul of the people or its aspirations. What he does usually represent is all the average pettiness, selfishness, egoism, self-deception that is about him and these he represents well enough as well as a great deal of mental incompetence and moral conventionality, timidity and pretence. Great issues often come to him for decision, but he does not deal with them greatly; high words and noble ideas are on his lips, but they become rapidly the claptrap of a party. The disease and falsehood of modern political life is patent in every country of the world and only the hypnotised acquiescence of all, even of the intellectual classes, in the great organised sham, cloaks and prolongs the malady, the acquiescence that men yield to everything that is habitual and makes the present atmosphere of their lives. Yet it is by such minds that the good of all has to be decided, to such hands that it has to be entrusted, to such an agency calling itself the State that the individual is being more and more called upon to give up the Government of his activities. As a matter of fact, it is in no way the largest good of all that is thus secured, but a great deal of organised blundering and evil with a certain amount of good which makes for real progress, because Nature moves forward always in the midst of all stumblings and secures her aims in the end more often in spite of man's imperfect mentality than by its means.

438. "But even if the governing instrument were better constituted and of a higher mental and moral character, even if some way could be found to do what ancient civilisation by their enforcement of certain high ideals and disciplines tried to do with their ruling classes, still the State would not be what the State idea pretends that it is. Theoretically, it is the collective wisdom and force of the community made available and organised for the general good. Practically, what controls the engine and drives the train is so much of the intellect and power available in the community as the particular machinery of State organisation will allow to come to the surface; but it is also caught in the machinery and hampered by it and hampered as well by the large amount of folly and selfish weakness that comes up in the emergence. Doubtless, this is the best that can be done under the circumstances, and Nature, as always, utilises it for the best. But things would be much worse if there were not a field left for a less trammelled individual effort doing what the state cannot do, deploying and using the sincerity, energy, idealism of the best individuals to attempt that which the State has not the wisdom or courage to attempt, getting that done which a collective conservatism and imbecility would either leave undone or actively suppress and oppose. It is this energy of the individual which is the really effective agent of collective progress. The State sometimes comes in to aid it and then, if its aid does not mean undue control, it serves a positively useful end. As often it stands in the way and then serves either as a brake upon progress or supplies the necessary amount of organised opposition and friction always needed to give greater energy and a more complete shape to the new thing which is in process of formation. But what we are now tending towards is such an increase of organised State power and such a huge irresistible

and completes State activity as will either eliminate free individual effort altogether or leave it dwarfed and ~~w~~ cowed into helplessness. The necessary corrective to the defects, limitations and inefficiency of the State machine will disappear.

439. "The organised State is neither the best mind of the nation nor is it even the sum of the communal energies. It leaves out of its organised action and suppresses or unduly depresses the working force and thinking mind of important minorities, often of those which represent that which is best in the present and that which is developing for the future. It is a collective egoism much inferior to the best of which the community is capable. What that egoism is in its relation to other collective egoism we know, and its ugliness has recently been forced upon the vision and the conscience of mankind. The individual has usually something at least like soul, and, at any rate, he makes up for the deficiencies of the soul by a system of morality and an ethical sense, and for the deficiencies of these again by the fear of social opinion or, failing that, a fear of the communal law which he has ordinarily either to obey or at least to circumvent; and even the difficulty of circumventing is a check on all except the most violent or the most skillful. But the State is an entity which, with the greatest amount of power, is the least hampered by internal scruples or external checks. It has no soul or only a rudimentary one. It is a military, political and economic force; but it is only in a slight and undeveloped degree, if at all, an intellectual and ethical being. And unfortunately the chief use it makes of its undeveloped intellect is to blunt by fictions, catchwords and recently by State philosophies, its ill-developed ethical conscience.

440. In modern times there has been much improvement in spite of deterioration in certain directions. The State now feels the necessity of justifying its existence by organising the general economic and animal well-being of the community and even of all individuals. It is beginning to see the necessity of assuring the intellectual and, indirectly, the moral development of the whole community. This attempt of the State to grow into an intellectual and moral being is one of the most interesting phenomena of modern civilisation. Even the necessity of intellectualising and moralising it in its external relation has been enforced upon the conscience of mankind by the European catastrophe. But the claim of the State to absorb all free individual activities, a claim which it increasingly makes as it grows more clearly conscious of its new ideals and its possibilities, is, to say the least of it, premature and, if satisfied, will surely end in a check to human progress, a comfortably organised stagnancy such as overtook the Graeco-Roman world after the establishment of the Roman Empire.

441. The call of the State to the individual to immolate himself on its altar and to give up his free activities into an organised collective activity is therefore something quite different from the demand of our highest ideals. It amounts to the giving up of the present form of individual egoism into another, a collective form, larger but not superior, rather in many ways inferior to the best

individual egoism. The altruistic ideal, the discipline of self-sacrifice, the need of a growing solidarity with our fellows and a growing collective soul in humanity are not in dispute. But the loss of self in the State is not the thing that these higher ideals mean, nor is it the way to their fulfilment. Man must learn not to suppress and mutilate, but to fulfil himself in the fulfilment of mankind, even as he must learn not to mutilate or destroy, but to complete his ego by expanding it out of its limitations and losing it in something greater which it now tries to represent. But the deglutition of the free individual by a huge state machine is quite another consumation. The State is a convenience, and a rather clumsy convenience, for our common development; it ought not to be made an end in itself.

442. "The second claim of the State idea that this supremacy and universal activity of the organised State machine is the best means of human progress, is also an exaggeration and a fiction. Man lives by the community; he needs it to develop himself individually. But it is true that a State-governed action is the most capable of developing the individual perfectly as well as of serving the common ends of the community? It is not true. What is true is that it is capable of providing the co-operative action of the individuals in the community with all necessary conveniences and of removing from it disabilities and obstacles which would otherwise interfere with its working. Here the real utility of the State ceases. The non-recognition of possibilities of human co-operation was the weakness of English individualism; the turning of a utility for co-operative action into an excuse for rigid control by the State is the weakness of the Teutonic idea of collectivism. When the State attempts to take up the control of the co-operative action of the community, it condemns itself to create a monstrous machinery which will end by crushing out the freedom, initiative and serious growth of the human being.

443. The State is bound to act crudely and in the mass; it is incapable of that free, harmonious and intelligently or instinctively varied action which is proper to organic growth. For the State is not an organism; it is machinery, and it works like a machinery, without tact, taste, delicacy or intuition. It tries to manufacture, but what humanity is here to do is to grow and create.

444. The business of the State, so long as it continues to be a necessary element in human life and growth, is to provide all possible facilities for co-operative action, to remove obstacles, to prevent all really harmful waste and friction,--a certain amount of waste and friction is necessary and useful to all natural action,--and, removing avoidable injustice, to secure for every individual a just and equal chance of self development and satisfaction to the extent of his powers and in the line of his nature. So far the aim in modern socialism is right and good. But all unnecessary interference with the freedom of man's growth is or can be harmful. Even co-operative action is injurious if, instead of seeking the good of all compatibly with the necessities of individual growth,--and without individual growth there can be no real and permanent good of all,--it immolates the individual to a communal egoism and prevents so much free room

and initiative as is necessary for the flowering of more perfectly developed humanity. So long as humanity is not full-grown, so long as it needs to grow and is capable of a greater perfectability, there can be no static good of all independent of the growth of the individuals composing the all. All collectivised ideals which seek unduly to subordinate the individual, really envisage a static condition whether it be a present status or one it soon hopes to establish after which all attempt at serious change would be regarded as an offence of impatient individuals against the peace, just routine and security of the happily established communal order. Always it is the individual who progresses and compels the rest to progress; the instinct of the collectivity is to stand still in its established order. Progress, growth, realisation of wider being, give him greatest sense of happiness to the individual; status, secure ease, to the collectivity. And so it must be as long as the latter is more a physical and economic entity than a self-conscious collective soul."

445. This then is our well tested concept about the role and utility of State. It is a machine and not an organism. It manufactures but it has no principle of growth. This principle of growth has its seed in human variation-in appreciation of the uniqueness of each individual. A superficial or westernised view of the role of the state and the individual jumps to the conclusion that Indian tradition and Thought- since it appreciates the importance of individual- it also accepts the concept of private property. Nothing can be farther from truth than the childish reading of the profundities of Indian wisdom. It is to read in the concept of Sanyasa (the culminating of the four Ashramas) and Maya or illusoriness of the world and its wealth -a gospel of material selfishness and material acquisition. The point at issue in Indian thought is that since it is in the life of the individual that the aim of human happiness takes its solid form and since it is in the attitude and behaviour of the individual that the social action makes its concrete projection - what regard requires to be given to the infinite variation in moulds of individual natures? The quarrel between law and liberty, between material uniformity and psychological unity rests on these actualities and potentialities of individual variations. The demarcation of the business of the state and spheres of individual liberty can be known only when we understand the laws of life and evolution and facts and powers of our existence which give us a reconciling key to the apparently conflicting principles underlying the three constant factors, individuals, communities of various sorts and the mankind. The soundest way to increase the total riches of mankind is obviously the one that can develop the individual and all individuals to their full capacity, develop the community or group and all groups to the full expression of that many-sided existence and potentiality which their differences were created to express, and to evolve the united life of people by taking full advantage of these diversities.

LAWS OF NATURE

446. To aid the pursuit of mankind on above directions the Indian wisdom has always laid stress on principles of organic growth and has put compulsion ~~at~~ at its place. Unfolding the

secrets of Nature in this regard, here again Sri Aurobindo tells us, " Nature does not manufacture, does not impose a pattern or a rule from outside; she impels life to grow from within and to assert its own natural law and development modified only by its commerce with its environment. All liberty, individual, national, religious, social, ethical, takes its ground upon this fundamental principle of our existence. By liberty we mean the freedom to obey the law of our being, to grow to our natural self-fulfilment to find out naturally and freely our harmony with our environment. The dangers and disadvantages of liberty, the disorder, strife, waste and confusion to which its wrong use leads are indeed obvious. But they arise from the absence or defect of the sense of unity between individual and individual, between community and community, which pushes them to assert themselves at the expense of each other instead of growing by mutual help and interchange and to assert freedom for themselves in the very act of encroachment on the free development of their fellows. If a real, a spiritual and a psychological unity were effectuated, liberty would have no perils and disadvantages; for free individuals enamoured of unity would be compelled by themselves, by their own need to accommodate perfectly their own growth with the growth of their fellows and would not feel themselves complete except in the free growth of others. Because of our present imperfection and the ignorance of our mind and will, law and regimentation have to be called in to restrain and to compel from outside. The facile advantages of a strong law and compulsion are obvious, but equally great are the disadvantages. Such perfection as it succeeds in creating tends to be mechanical and even the order it imposes turns out to be artificial and liable to break down if the yoke is loosened or the restraining grasp withdrawn. Carried too far an imposed order discourages the principle of natural growth which the true method of life and may even slay the capacity for real growth. We repress and overstandardise life at our peril; by overregimentation we crush Nature's initiative and habit of intuitive self-adaptation. Dwarfed or robbed of elasticity, the devitalised individuality, even while it seems outwardly fair and symmetrical, perishes from within. Better anarchy than the long continuance of a law which is not our own or which our real nature can not assimilate. And all repressive or preventive law is only a makeshift, a substitute for the true law which must develop from within and be not a check on liberty, but its outward image and visible expression. Human society progresses really and vitally in proportion as law becomes the child of freedom; it will reach its perfection when, man having learned to know and become spiritually one with his fellow-man, the spontaneous law of his society exists only as the outward mould of his self-governed inner liberty.

447. " Man needs freedom of thought and life and action in order that he may grow, otherwise he will remain fixed where he was, a stunted and static being. If his individual mind and reason are ill developed, he may consent to grow, as does the infrarational mind, in the group soul, in the herd, in the mass, with that subtle self-conscious general evolution common to all in the lower process of Nature. As he develops individual reason and will, he needs and society must give him room for an increasing play of individual freedom and variation, at least so far as that does not develop itself to the avoidable harm of others and of society as a whole. Given a full development and free play of the individual mind, the need of

freedom will grow with the immense variation which this development must bring in with it, and if an only free play in thought and reason is allowed, but the free play of the intelligent will in life is inhibited by the excessive regulation of the life, then an intolerable contradiction and falsity will be created. Men may bear it for a time in consideration of the great and visible new benefits of order, economic development, means of efficiency and the scientific satisfaction of the reason which the collectivist arrangement of society will bring; but when its benefit become a matter of course and its defects become more and more realised and prominent, dissatisfaction and revolt are sure to set in in the clearest and most vigorous minds of the society and propagate themselves throughout the mass. This intellectual and vital dissatisfaction may very well take under such circumstances the form of anarchistic thought, because that thought appeals precisely to this need of free variation in the internal life and its outward expression which will be the source of revolt, and anarchistic thought must be necessarily subversive of the socialistic order. The State can only combat it by education adapted to its fixed forms of life, an education that will seek to drill the citizen in a fixed set of ideas, aptitudes, propensities as was done in the old infrarational order of things and by the supression of freedom of speech and thinking so as to train and compel all to be of one mind, one sentiment, one opinion, one feeling: but this remedy will be in a rational society self-contradictory, ineffective, or if effective, then worse than the evil it seeks to combat. On the other hand, if from the first freedom of thought is denied, that means the end of the Age of Reason and of the ideal of a rational society. Man the mental being, disallowed the use - except in a narrow fixed groove - of his mind: and mental will, will stop short in his growth and be even as the animal and as the insect a stationary species.

448. This is the central defect through which a socialistic State is bound to be convicted of insufficiency and condemned to pass away before the growth of new ideal. Already the pressure of the State organisation on the life of the individual has reached a point at which it is ceasing to be tolerable. If it continues to be what it is now, a government of the life of the individual by the comparatively few and not, as it pretends, by a common will and reason, if, that is to say, it becomes patently undemocratic or remain pseudo-democratic, then it will be this falsity through which anarchistic thought will attack its existence. But the innermost difficulty would not disappear even if the Socialistic State became really democratic, really the expression of the reasoned will of the majority in agreement. Any true development of that kind would be difficult indeed and has the appreance of a chimera: for collectivism pretends to regulate life not only in its few fundamental principles and its main lines, as every organised society must tend to do, but in its details, it aims at a thoroughgoing scientific regulation, and an agreement of the free reasoned will of millions in all the lines and most of the details of life is a contradiction in terms. Whatever the perfection of the organised State, the supression or oppression of individual freedom by the will of the majority or of a minority would still be there as a cardinal defect vitiating its very principles. And there would be something

infinitely worse. For a thoroughgoing scientific regulation of life can only be brought about by a thoroughgoing mechanisation of life. This tendency to mechanisation is the inherent defect of the State idea and its practice. Already that is the defect upon which both intellectual anarchistic thought and the insight of the spiritual thinker have begun to lay stress and it must immensely increase as the State idea rounds itself into a greater completeness in practice. It is indeed the inherent defect of reason when it turns to govern life and labours by quelling its natural tendencies to put it into some kind of rational order.

449. " Life differs from the mechanical order of the physical universe with which the reason has been able to deal victoriously just because it is mechanical and runs immutably in the groove of fixed cosmic habits. Life, on the contrary, is a mobile, progressive and evolving force, - a force that is the increasing expression of an infinite soul in creatures and as it progresses, becomes more and more aware of its own subtle ~~xx~~ variations, needs, diversities. The progress of Life involves the development and interlocking of an immense number of things that are in conflict with each other and seem often to be absolute oppositions and contraries. To find amid these oppositions some principle or standing-ground of unity, some workable lever of reconciliation which will make possible a larger and better development on a basis of harmony and not of conflict and struggle, must be increasingly the common aim of humanity in its active life-evolution, if it at all means to rise out of life's more confused, painful and obscure movement, out of the compromises made by Nature with the ignorance of the Life-mind and ~~chaenee~~ of Matter. This can only be done truly and satisfactorily when the soul discovers ~~xxxe~~ itself in its highest and completest spiritual reality and effects a progressive upward transformation of its life-values into those of the spirit; for there they will all find their spiritual truth and in that truth their standing-ground of mutual recognition and reconciliation. The spiritual is the one truth of which all others are the veiled aspects, the brilliant disguises or the dark disfigurements and in which they can find their own right form and true relation to each other. This is a work the reason cannot do. The business of the reason is intermediate : it is to observe and understand this life by the intelligence and discover for it the direction in which it is going and the laws of its self-development on the way. In order that it may do its office, it is obliged to adopt temporarily fixed view-points none of which is more than partially true and to create systems none of which can really stand as the final expression of the integral truth of things. The integral truth of things is truth not of the reason but of the spirit.

450. " But apart from these excesses of a too logical thought and a one-sided impulsions, apart from the inability of any 'ism' to express the truth of the spirit which exceeds all such compartments, we seem here to be near to the real way out, to the discovery of the saving motive-force. The solution lies not in the reason but in the soul of the man, in its spiritual tendencies. It is a spiritual, an inner freedom that can alone create a perfect human order. It is a spiritual, a greater than the rational enlightenment that can alone illumine the vital nature of man and impose harmony on its self-seekings, antagonisms and discords. A deeper brotherhood,

a yet unfounded law of love is the only sure foundation possible for a perfect social evolution, no other can replace it. But this brotherhood and love will not proceed by the vital instincts or the reason where they can be met, baffled or deflected by opposite reasoning and other discordant instincts. Nor will it find itself in the natural hearts of man where there are plenty of other passions to combat it. It is in the soul that it must find its roots; the love which is founded upon a deeper truth of our being, the brotherhood or, let us say, for this is another feeling than any vital or mental sense of brotherhood, a calmer more durable motive-force, - the spiritual comradeship which is the expression of an inner realisation of oneness. For so only can egoism disappear and the true individualism of the unique godhead in each man find itself on the true communism of the equal godhead in the race; for the Spirit, the inmost Self, the universal Godhead in every being is that whose very nature of diverse oneness it is to realise the perfection of it's individual life and nature in the existence of all, in the universal life and nature.

451. " This is a solution to which it may be objected that it puts off the consummation of a better human society to a far off date in the future evolution of the race. For it means that no machinery invented by the reasons can perfect either the individual or the collective man; an inner change is needed in human nature, a change too difficult to be ever effected except by the few. This is not certain; but in any case, if this is not the solution, then there is no solution, if this is not the way, then there is no way for the human kind. Then the terrestrial evolution must pass beyond man as it has passed beyond the animal and a greater race must come that will be capable of the spiritual change, a form of life must be born that is nearer to the divine. After all there is no logical necessity for the conclusion that the change cannot begin at all because its perfection is not immediately possible. A decisive turn of mankind to the spiritual ideal, the beginning of a constant ascent and guidance towards the heights may not be altogether impossible, even if the summits are attainable at first only by the pioneered few and far-off to the tread of the race. And that beginning may mean the descent of an influence that will alter at once the whole life of mankind in its orientation and enlarge for ever, as did the development of his reason and more than any development of the reason, its potentialities and all its structure. "

452. Such is a clear thinking of Indian sages and seers. It's authenticity has been verified a number of times in individual and group living. It gives us a bedrock of truth - a sure foundation of knowledge. These alone can then form the ideals which are capable of illumining our thought.

453. We have tried to base our submission on these foundational truths of human living. In any case they are the final words on the subject and we may submit that to the extent that our submission may not measure up to these expressions of truth- they must be regarded as falling short of the ideal. The key-note of our submission has been that the right organisation of our collective existence can be based on the principle of brotherhood which is a natural instinct of the soul. This principle gives liberty its just relationship with equality or rather equitability. True brotherhood is itself

based on one-ness - just like that of different limbs of human or any organism - where the play of true superiority and difference is not only in-offensive but is also a part of a co-operative whole and gives ample freedom to each individual for his full growth. The role of all agencies of collective life - the trade union, the employers' organisations or the State is to understand and second the growth of this principle of true brotherhood and one-ness - the State should serve the laws of organic growth by removing all disabilities or obstacles in human nature that may stand against co-operative action by its compulsive action. This is the utility of the State and these are its limitations - There is a Law beyond all that human parliaments can legislate and in the obedience to that supreme law of Truth lies the fulfilment of all the organs of the State-legislative, executive and judicial - for that law alone is capable of delivering to us all that we can aspire. That law is Dharma - to which everything else has got to be subordinated if we want to achieve any Good. The true function of the State is to uphold that Dharma.

C H A P T E R X I X

THE ROLE OF TRADE UNION MOVEMENT

The Perspective

454. Has Trade Union movement a distinct role to play under the set up? Can it be treated as indispensable to-day? A Hitler, a Mussolini, a Franco, a Salazar or a Mao would reply emphatically in the negative. Under the benevolent despotism no separate organisation of workers is necessary to safeguard and promote workers' interest, these dignitaries would argue. Even to-day, President Nyeyere of Tanzania has ascribed to himself the role of the saviour of labour, disbanded all trade unions in his country, forced workers in all industries to join the only national trade union floated by him, divided this only union into different industry-wise departments, and ensured that this organisation will follow faithfully his dictates. The workers' lot is certainly bettered under the new arrangement, with his patronage. Kuwait, a small country with remarkably high per capita income, has provided good housing, social security and high incomes to its workers though they are not properly organised. Nevertheless, conscious workers in both these countries do not accept official benevolence as a dependable medium for their durable welfare. They consider it extremely risky to give up their self-reliance through their own trade unions. For, self-help has no substitute or alternative. Even if labour comes to power in any country, it cannot afford to disband its organisations. Even in such a case,

the interests that are sought to be protected by the Government would not be identical with those the trade unions strive to safeguard. The trade unions have certainly a distinct role to play.

455. In India there seems to be no unanimity of opinion about the role of trade union movement. True to its Marxist-Leninist character, the AITUC., after it came to be dominated by the communists, has been treating the trade union as a "school of communism." While this has furnished to it, an ideological cohesion which has been the source of its strength so far, it has also contributed recently to its weakness, after a split in the Communist Party on the interpretation of the tenets of Marxism-Leninism and though, presently, both the factions are continuing in the same organisation the launching of a separate leftist trade union centre is quite imminent. The assumption of power by communists on the state-level without coming into power simultaneously on the national level, has given them the further disadvantage. While in the latter case it becomes possible to function as an opposition till seizing the state-apparatus of the entire country and then to change its role suddenly and drastically so as to suit the compulsion of authoritarianism, in the former case the self-contradiction in the role of the party in the pre-revolution and the post-revolution periods becomes inconveniently apparent. This explains the background of the recent resolution of the AITUC condemning the memorandum of the State Labour Department of the CPM dominated Kerala to the National Commission on Labour. The INTUC., based on the sound, nationalistic principles enunciated by Gandhiji for the benefit of the Majdoor Mahajan, has lost its soul in the process of its identification with the Congress and the Government, and consequently, the internal dissensions in the latter are reflected now in its organisational structure rendering it weak and divided at different levels notwithstanding its total numerical strength. The HMS unions are individually strong but collectively weak, because, most of their trade union leaders adhere faithfully to the principles of democratic trade unionism, but seems to be least concerned about the role of Central Labour Organisation either in the national reconstruction or in the achievement of total labour welfare. The UTUC., progressed a perfectly non-political character, but in practice was led by the RSP and the Bolshevik Party; and with the conflict between the two it suffered from a major split which gave it tremendous set-back. The HMP is the only organisation which declares boldly that the Trade Union must function as a wing of a political party and that such an arrangement will benefit both, the union and the party. The Akhila Bharatiya Siddhartha Shramik Sangh is still in its infancy, though the Republican Party has the unique character of being virtually the All India Organisation of the Agricultural labour. The party has

ready membership in industry as well as in agriculture, awaiting the entry of dedicated leaders in the labour field. The DMK., has also entered the field with a great fanfare, and its trade union leaders, though new to the movement and confined to a state, seems to be earnest in mastering the technique so as to solve the economic problems of their State. The trade unionists of the Lal Nishan Gut and the Peasants and Workers' Party are obviously out to dominate the local scene and do not pretend to possess any national perspective. The same holds good of the Bharatiya Kamgar Sena of the Shiv Sena, though its principles and policies are yet to be spelt out. A very large section of organised labour is under the unions and federations that are independent and unaffiliated, and though each one of them will have to be judged separately on its own merit, it can be broadly said that they have no specific ideological standards to determine the role of trade union movement. The Indian Federation of Independent Trade Unions also belongs to this category, though, for the sake of convenience, it once started a dialogue with the International Federation of Christian Trade Union which redefined the term 'Christian' as 'Believer.' The All India Scheduled Castes & Scheduled Tribes Workers' Welfare Association succeeded considerably, under the able guidance of Shri. Jagjivan Ramji, in achieving its objects; but it was in no sense a trade union organisation; and the communist-dominated Kisan Sabha did launch some agitation to safeguard the interests of agricultural workers, but it also never claimed itself to be a regular trade union. Thus lack of unanimity about the role of trade union movement is quite obvious in our country.

456. On the global plane the trade union movement in its present form is an institution of comparatively recent growth. Starting as protest organisations in the wake of early periods of industrialisation, an uprising against the rule of the successful bourgeois and the plutocrat, the movement is now moving up to play its role in ascending degrees. There are unions who are associating themselves in the decision making process by way of informational co-operation, others are playing a advisory role. Still others are participating in administration or giving constructive co-operation. Then there is a picture of joint determination and even complete control of industry. Even the full management of country's economy by personnel from the trade union movement has no more remained a dream. In order that we can appreciate the true role of the trade union movement in the dynamics of National Reconstruction it will therefore be useful to take a bird's eye view of the world phenomenon from this angle.

Africa.

457. The study of trade union movement in Africa reveals an interesting anxiety and hesitation on the

part of national governments to encourage within limits the trade union movement so as to make it an instrument of public policy. As an after effect of colonization the African trade union movement is divided in two main models - the French and the English. But the newly independent Governments in both former French West Africa and Central and East Africa are playing an important role in formulating and applying a national labour relations policy. They first felt the need of institutionalizing the workers' protests and encouraged a transition from spontaneous action to action directed by trade unions. But thereafter they proceeded to subject the strikes to a stricter regulation. In Africa the public sector is very large and as such it acts as a pilot-sector for introduction and development of labour relations. Moreover in private sector higher managerial posts are still largely held by Europeans. As a cumulative effect of all these the trade unions in Africa are considerably politicised. Their policies and the effect of these policies has been a subject matter of analysis by Sociologists and Economists. The trade union movement is comparatively weak because workers' commitment to industrial life has remained a painful process. It is agreed that this process from traditional to modern living involves profound psychological and cultural changes. The economists are therefore backing the trade unionists for wage increases so that the workers can be cut loose from their traditional environment and get their families established near employment centres and commit to industrial life. But since this objective can be practically achieved by systems of payments by results which in turn depends upon attitudes of trade unions - their march from conflict to co-operation, - a view is gaining ground that the participation of employers' and workers' organisation in national economic development plans should be ensured by establishing bipartite and tripartite organs of consultation and co-operation. There have been many radical reforms in this direction in Morocco, Ghana, South Africa, Rhodesia, Nigeria, Tanganyika, Kenya, Sudan and the former Belgian Congo.

458. All these African nations are very poor. eg., Ghana's average per capita income is 200 dollars. Nigeria's less than 100 dollars while for Mali it is about 50 dollars. Trade unionism is new. Many trade union officials lack understanding about accounting procedures, legal provisions etc.;. But the nations are in a hurry. The State has no time to think whether it should or should not undertake any particular function. The need is for organised total effort to improve the general standard of living and social welfare. So the State has undertaken a big problem to train and educate trade union officials. In the Republic of Guinea, an African Workers' University was opened in Conakry in 1960. Thus trained, the labour leaders are consulted about the framing of laws.

They have got equal number of representation with employers and Government on legal advisory committees such as Federal Labour Advisory Council of Nigeria, or National Advisory Committee on Labour in Ghana or Technical Labour Committee of Guinea. Workers right to organise trade union is enshrined as a fundamental right in many African Constitutions, but the unions have not got full freedom to determine their own constitution. Certain restrictions as for example, the conditions under which a member shall become entitled to the benefits provided by the union, the manner of appointment or removal of officers, guarantees for individual members relating to voting, strikes, amalgamations etc.; are mandatory. The Kenya and Uganda Acts require the trade unions to serve a probationary period while the Act in Ghana incorporates a Trade Union Congress of 24 members unions (now reduced to 16 by amalgamation) and all workers desirous of organising have to belong to one or other of these unions. The Africans do not believe that one strong all-embracing organisation is desirable or good. It is openly held that the existence of two or more unions ensures more effective protection of the workers through healthy competition. The overshadowing tendency however has been to make trade unionism a tool of the State. Its other result has been that the trade unions are taking a free part in political activity. This is now the case throughout Africa. The most conservative country in this regard was Ghana where the Trade Union Ordinance of 1941 ostensibly forbade the participation of the unions in politics. But the position was ultimately reversed. In French Territories the unions overthrew all restrictions and made headlong involvement in politics. Most trade union legislation now makes provision for trade union political activity. In Guinea the head of the State has remained the effective leader of the trade union movement, while in Kenya and Tanganyika trade union leadership is integrated with government. In turn the trade union movement is brought into confidence and close participation with counsels of State. It influences the Government policies and channels its erstwhile energy into national reconstruction. In some cases the identification is so close that it is widely asked whether the ends of the State are not identical with those of the unions. The main issue is not class struggle but a united and total struggle against poverty and against colonialism of all types. These trade unions are primarily nationalist. They want to remain away from world ideological conflicts and do mistrust both the ICFTU and WFTU as foreign colonisers. The trend is towards the formation and consolidation at an all African labour movement. The trade unions in Africa value their freedom as sacrosanct but many of them are increasingly showing a robust attitude in appreciating that in matters of economic development the State is their leader. This leadership function of the State and associative and constructive role of trade unionism is now being clearly articulated

by African writers on Trade Unionism and this has made even the ILO to revise its information and outlook on role of trade unions in national reconstruction in Africa. Shri. T.M. Yesufu, Secretary, National Manpower Board, Ministry of Economic Development, Lagos, Nigeria has told the ILO:

"Commentators on organisations such as the ILO. should first seek to understand before they criticise. Their criticisms can be most useful and indeed welcome but only if they are informed in the field of industrial relation the developing nations in Africa are breaking new grounds. They are not interested in political dogmas. Their problems are practical and they know that in any given situation only that pattern is best which enables the workers and their managers to identify their common interests in the production process, to their natural advantage and the advantage of the whole country. We (who were oppressed under colonial rule) cherish fundamental freedom not less than others. But we refuse to generate undue emotion on things like right to strike and bargain collectively. That will be injurious to our nation. It is a style in developed countries to regard with suspicion all attempt of the State to fashion its relation with the trade union movement. (But we hold that) no one pattern of industrial relations system is necessarily superior or good. To a nation in a hurry (and all developing nations are) only that is justified which works and fulfils need."

459. No doubt, Mr. Yesufu's remarks overstress an argument. The nature of to-day's economic development programme is such that they do not easily emerge out of a specific demand by masses. They are often produced by an aggressive and creative minority. In this condition the State may get into a habit to oversimplify the social costs involved in economic development. It cannot then act as a leader of trade union movement. On grounds of determinism, the State in a hurry is then likely to become impatient with basic social values. The need of independence of trade union action becomes of vital importance in such a situation. Yet the facts of African life - which have many parallels for all developing nations - are a reasonable excuse for such over-statements. The trade union movement in Africa, though in its infancy, cannot afford to be a mere protest movement simply because trade unionism in the world started as a protest and struggle. The democratic State and national trade unionism have got ends in common in form of national aspirations. The revolution of rising expectations puts common practical responsibilities on their shoulders. This is a greater area of public policy and action. And in this respect Mr. Yesufu's remarks about a new pattern of industrial relation are quite appropriate and deserve our serious consideration. The African scene high-lights quite an important role of the modern trade union movement.

460. It will not be out of place however to make a passing mention of the effect of this State and Trade Union combination in Africa on other related sectors. These effects hold a great potential force in the shaping of trade union involvement in future national economic reconstruction. Though it is not possible to predict the outline of this future course - since several alternatives are open - they do give us a circumstantial environment that can condition the role of trade union movement confined to modern industries. We have already stated that the Government in Africa are playing quite a large role as leader of trade union movement. This has often led to giving of a distortant influence to purely social workers in the technical matters. A most fantastic example of this development can be seen in the appointment of Kenya Committee on African Wages (1953) which made far-reaching recommendations on wage policy. This Committee had no economist amongst its members, nor did it consult one, on extraordinary grounds that since economists differed amongst themselves anyway, and one could contradict another, it was better to do without their services altogether. Though this is a singular instance yet the trend of giving importance to trade union leaders in matters of economic policy is widely practiced. One result of this policy has been that the wage policy of African Government is a high-wage policy. It has been upheld by wage-fixing authorities in Kenya, Tanganyika, Uganda, South Africa etc; that with higher wage levels employers will adopt more capital-intensive techniques of production, the structure of the modern sector of economy will change and individual efficiency will rise offsetting the wage increase. While many economists hold these arguments in defence of high wage policy as unconvincing, expensive and uncertain, its effects on other sectors have started telling. No doubt wage earners in most African countries have substantially improved their position in last 15 years. In West African cities between the late 1940's and the early 1960's real wages rose in the order of 30-50 p.c. In Congo between 1950 and 1958 real wages doubled. While in Southern Rhodesia between 1949 and 1958 they rose by almost 70 p.c. (we know that in India they are going down). But these increases in wage incomes were much higher than comparative incomes increases in non-wage sector. In the Belgian Congo in 1958, for example, income per capita was 3800 francs in the wage sector and 1400 francs in the non-wage sector, and in Senegal in the late 1950's it was estimated that wage income per capita was more than twice as high as incomes of traders and artisans and were three times higher than peasants and fisherman's income. Wage earning families, representing a little over 10 p.c. of the African population, earned one third of African incomes. Every where wage increases far out-spaced improvements in income of farmers. This is said to be one effect of increasing association of trade unions with Government policy making. It is said many times that wage-fixation in Africa is not so much a process of negotiation as a process of legislation. Labour Departments are expected to exercise persuasive pressure to educate employers into making a constructive response to what may be considered as belligerent demands of the unions. Thus though the unions are weak in membership their political power is great. In the internal pressures of trade unionism the pressure of skilled and educated workers is felt to a large extent. There is in the whole of Africa an anormously wide spread between the wages of workers with

little or no skill and those on the upper rungs of the skill ladder. At the top the African civil service enjoys an array of fringe benefits such as free housing, car allowances, liberal leaves, medical care etc. All these differences are creating acute dilemmas. Narrowing of differentials, it is felt will make a major contribution in developing a sense of shared sacrifice. As a reaction at least one country the Ivory Coast has in 1962 eliminated in one stroke all subsidised housing which was estimated to be equivalent to a 30 % wage cut. Like wise the French-speaking countries have now laid down a special procedure for job classification. The ramifications of wage policy are thus reaching into the heart of general economic policy and development strategy. It is therefore hard to tell how far the co-operative or administrative role of trade unionism as against the role of protests and conflicts has arisen out of an original vision and approach as claimed by African leaders or out of the natural repercussions of uneven economic growth process on general morals. Perhaps both the factors may be present side by side. In any case the role ~~of~~ that trade unions are playing in Africa has got much positive content for a developing economy and is prolific for its virtues and pitfalls, its utilities and limitations.

THE MIDDLE EAST

461. The Arab-Moslem world of the Middle East presents to us a different problem of industrialisation where the workers are not in a mood to commit to industrialisation on religious grounds. The only exception is Israel which is a case apart. Almost all authors on the Arab-Moslem world attribute the lack of economic drive to the Moslem mentality. The absence of a collective motivation or ideology for industrialisation, virtual non-existence of a middle class and a traditional attitude that turns persons educated in western style into physically displaced persons has created a psychological vacuum which is being filled by the army. There is no wonder that trade unions are weak and divided and suffer from ignorance and distrust on the part of the army and intelligentsia. However, the influence of the outside world is penetrating fast and instances are on record where the State itself promoted both worker's and employer's unions by means of legislation. For reasons of national prestige trade unionism is not prohibited in any country of the region but the Governments are cautious to see that freedom of association does not open the door to extreme left-wing elements. There is however an increasing concern to establish to typology of development where the trade union is seen as a partner of the State. The potential role of trade unionism within a socialist economy is defined as ~~an~~ one of the participant in the development process. The United Arab Republic is a typical example of this trend. As against Africa, the trade unions in Middle East are prohibited from engaging themselves in political activities. However, many union leaders are individually active in political life. But since the political parties are not organised on the basis of classes they provide rather a meeting ground for employers and trade union leaders on a friendly basis with an intention to remove differences and create national unity. In Egypt the State is considered as the prime mover of development and the entrepreneur is regarded as the organiser and co-ordinator of the collective effort. This is slowly becoming a model for Moslem economy. But it is not yet clear whether the

workers have accepted any role in the whole process. Even the attempt to set up works committees provided for by law have encountered suspicion on the part of workers and trade unions are often required to oppose the same.

462. In Egypt, since 1952 the Government is making a strenuous efforts to accelerate the socio-economic development of the country. In order to obtain the people's support for its economic policy the Egyptian Government has adopted a system of worker's participation in management and profits. The economic power has been largely decentralised. The size of the board of directors of all firms has been standardised and is limited to nine out of which four are elected from among the workers or employees for a period of two years. They cannot be dismissed or suspended from their employment without previous recourse to the court of First Instance. Twenty five percent of the net profits is distributed to the workers and employees up to a maximum of £ E 50 per person. 10 % of this is given in cash, 5 % for social services for those working the establishment and 10 p.c. for social services for all other workers. The General Managers for all industries or firms are appointed by presidential decree on the recommendation of a competent minister. They are therefore no longer responsible in any ultimate way to shareholders but to the public organisation parent to their firm. The essential duty of a manager is to achieve the targets laid down in the plan but he has to work every day under the control of the board, which meets in a regular manner. In any establishment of 50 workers and over there are a number of formal organisations such as Trade Union Committee, Personnel Committee, Joint consultative Committee, Board of Directors and Socialist Union Unit. There is much overlapping of functions between these organisations.

463. The whole organisational structure of the labour movement is based on law. A Labour Code introduced in 1959 decreed that the labour movement was to be based on 'general' unions composed of persons engaged in a given occupation, trade or craft in the whole country. Occupational, industrial and agricultural activities are grouped under 27 headings. Each of these groups is formed into a general union composed of union committees. Fifty or more workers in any given establishment may constitute a union committee. These committees combine and form the general union. The law stipulates that each union committee must be represented by its own delegates which may vary in number between 1 to 35 according to the size of membership. The law also provides that union members may be fined should they fail to cast their vote for election of union officers - a typical mentality. The focus of power is the general union. The system of check off prevails. The expenses of both general union and union committee are not to exceed 30 % of the revenue of general union. Another 30 p.c. is distributed by the general union to the various committees in proportion of dues collected by each. This amount is to be used for the welfare of the members. Out of the remaining 40 p.c. 25 p.c. is allotted for educational and welfare activities. 10 p.c. is paid to the National Labour Federation and 5 p.c. is kept in reserve. There is a close legal scrutiny of union finances. The law also lays down provisions regarding dissolution of the union. Formerly trade unions could be dissolved by ministerial order but now this can take place only through a court decision.

There is a legal provision to second an employee to a union as full-time officer for a certain period- after which he has to return to his former employment. Outsiders who are not connected with that particular industry or firm cannot hold office in the union. Similarly, a person cannot hold office in more than two trade union organisations.

464. Following the developments such as workers' participation in management and the nationalisation of most industries it is now widely discussed that collective bargaining has no place in a Socialist Economy. The means of production belong to the people and it should be everyone's concern to be the custodian of production. The main role of trade union is said to be to increase production and productivity and to improve working conditions. The differences between management and unions should be minimised and if they fail to reach mutual agreement or get helpful mediation then they may resort to compulsory arbitration. However, to evolve a rational criteria for wage fixation a great need is felt to establish a job evaluation system. In 1963 the Government of Egypt appointed a special ministerial committee to make recommendations on the adoption of a suitable job evaluation system. This was followed with the setting up of a permanent Central Authority for Organisation and Administration. Since that day a number of statements have been made concerning the issue of job classification, wages and salaries. The Government has controlled not only the trade unions but also the managements. Recruitment procedures are laid down by law through prescription of occupational qualifications and examinations. Perhaps the occupational structure of trade unionism might have influenced this unique national provision. Similarly, there are restrictions on dismissal and trade union activists can be reinstated by court order. As a result of such an all-embracing and controlling legislation both the employers and workers are increasingly relying on Government to settle their differences. On the otherhand the Government also stands for trade unionism. The National Character of Egypt which was adopted in 1962 as the basis of nation's socio-economic development lays down that membership within the trade union is prerequisite for anyone wishing to assume leadership in any national activity such as in National Congress or Voluntary Associations. Egypt is today in the throes of deep socio-economic changes and the trade unionists and the technocrats are the main architects of these changes. The 1962 Charter of the United Arab Republic therefore rightly lays down ,

" The new system expands the role of labour organisations. These organisations no longer remain a mere counterpart of management in production operation, but become the leading vanguard of development The position of labour in the new society can only be measured through the success of industrial development and the working potentialities and efficiency to achieve them. "

465. Egypt is slowly becoming a model for the Arab-Moslem world. The focus that Egypt has placed on role of trade union leadership raises the question, are the unions to be considered as bargaining unions or administrative unions ? How they should deal with pressures emanating from Government and those emanating from rank and file ? How far they can retain independent social and economic power ?

We have already seen that religious traditions are weighing heavily on Muslim mind in transition to industrialisation. For example Mr. Al Habib Bourguiba of Tunisia has recently appealed Muslims to give up fasting during Ramzan since it brings in a fall in production and reduction of working hours. What the trade unions are supposed to do with such appeals? How far the State relies on them for leadership in such matters? In a de jure one-party state like Egypt such questions take a very pertinent turn. The expected and accepted, assumed and actual role of trade union as a social and economic organisation independent of a one party or military state introduces a delicate interdependence.

South East Asia.

466. The whole of Asia and particularly the South East Asia presents to us a still different problem in fixing up a role of trade unionism. The culture, history, tradition and geographical environment have played a major part in deciding labour and management attitudes in Asia. The polarisation of whole thinking is around the family. Indirect and objective stimulus do not work to the same extent as they do in other parts of the world. The effective relationship often stems from considerations regarding the concerned individual, his family, caste, province or ethnic group. The recruitment and promotion policies of management, voting patterns in electing political or trade union leaders are largely influenced by these factors. Even skills for certain jobs are traditionally acquired and are a family trait. It is almost a case of poly-technic society and the transition to a industrial society can present problems not only to the economist but even more to sociologist, psychologist, anthropologist, industrial expert and political scientist. Even the trade names have ethnic bearings. e.g. in Malaya and Ceylon the word for labour recruiter is Kangani - a Tamil word, while the one for foreman or overseer of un-skilled labour is Mandor - a Portuguese word and for employer or owner they use the Chinese word Towkay, and for employers' association another Chinese word Kongsai. Each ethnic group has his own work mentality. For instance, a long history of droughts, famines, floods and destruction have left in the Chinese an inherent sense of frugality, of economy - a sense of 'must work to save'. Deep tradition created many problems when women began to enter service. The exact modus operandi of these factors has not yet been well traced in appreciating problems of trade unionism and economic development in Asia. The life in this part of the world did flower in the past round the family and the temple. This has cultivated many virtues. But if instead of harnessing these schools of social education for the ends of public policy, concept of westernised industrialisation and trade unionism seeks to destroy them, then how it can fill the resultant vacuum? This is a central problem having important bearing on human motivation, morals and social organization. Mr. Arthu M. Ross has summed up this problem in a fine manner while writing the introduction to the proceedings of a conference held at Geneva in 1966 by the International Institute for Labour Studies. He says,

" If economic development is elevated to the status of an ideological absolute, traditional institutions such as religion, families and tribalism, together with philosophical views other than acquisitive and materialistic, tend to be viewed solely as barriers to development. But if economic development is regarded as an instrument of human welfare, it is not clear that established institutions and values should be viewed negatively as obstacles to be eliminated. Throughout history economic development has been a cruel process for the populations immediately involved. The challenge of the present is whether development can proceed at a satisfactory rate without understanding other important aspects of life encountered in its path. "

The point of non-political and non-economic considerations having an important bearing on process of industrialisation is extremely well taken in the above quotation. This has a very important bearing in considering the role of trade unions in country's life. For it is a role not vis-a-vis State and economic progress, but a role of trade unions as a social organisation in country's cultural progress. Even the role of Government and its labour machinery requires to be examined from this cultural angle. For if economics is bread, culture is life itself. The cultural aspect cannot be wished away. The neglect of these factors creates much hypocrisy in public life. For example Mr. Charles Gamba, President, Industrial Arbitration Court, Singapore, has developed a thesis that face is becoming a important ingredient in the relationship between industrial parties. He links the word 'Face' to circumlocutory phrasing, designed to avoid embarrassing situations. The concept of face arises because the many questions thrown by non-economic factors on economic processes and institutions are not given their frank and right appraisal. The trade unions in South East Asia are functioning amidst these environments.

467. The background of ethnic considerations gives to political life a colour of the thirst for personal power. Consequently philosophies are used as cheap slogans without any idea of adherence. This has effected even the labour movement. For example, a writer on labour movement in Malaya and Singapore points out that trade union leaders change their labour philosophy overnight. Some leaders may have been jailed without trial for their militant support of a free trade union movement; but to-day these same leaders paradoxically encourage partisan restrictive legislation and action. Government's labour policy can also change from one union to another and from one person to another. Industrial tribunals find themselves operating in an emotional political-economic atmosphere. Writers of many countries in South East Asia have reported malpractices in payment of wages. Communalism in the membership and leadership creates jealousies which splinter the whole trade union movement. The ethnic basis prevent unions from coming together. The situation has become quite complicated due to the operation of Chinese Secret Societies under the cover of labour movement. These societies have become a cancerous growth on an otherwise law-abiding community. Penetrating the trade unions these

Secret Societies exploit the communal issues for party ends. An interesting side effect of ethnic groups is a family tradition of inherited skills to perform certain jobs. There are cases when industrial tribunals found it difficult to assess the degree of skill involved in a job while settling a wage claim on basis of job evaluation. A worker belonging to the particular specialised caste or family pleads for higher wages for strenuous training he has to take to acquire the skill but the one traditionally performing it is unaware of the gifts he brings to bear on job. Tribunals faced with these comparisons were forced to admit virtue in making recruitment to certain jobs on basis of ethnic consideration. Even collective bargaining changes its character when it takes place between two groups of same ethnic origin or between groups of two different ethnic backgrounds. So also the ethnic background of conciliator and minister has its play. Lack of uniformity and coherent policy mark the climate of industrial relation. The industrial action by unions have also therefore no logical issue. The reasons for the strikes often are; to test the employer's strength, to strengthen the union, to keep membership on its toes and to counteract demands by competing unions. It is often difficult to separate the political from the industrial strike. Government's labour policy has therefore often been an attempt to isolate groups of opposition and to create a corporate rather than a free trade union movement. The greater or lesser use of police when a strike takes place has also been a factor that requires study. Broadly speaking the political life in this region is still unstable and therefore the source of trade union attitudes is not uniformly economical. The various industrial relation institutions and machinery is serving only a formal or advisory role; The real picture has little logic of Economics. The actual course of transition to an industrial society is an interaction between the imperatives of the industrialisation and pre-existing culture. The battle ground is at a variety of points and levels; religious or ethical values, family system, class alignments, educational system, Government structure and legal system. The law imported from western books does not square account with thinking in traditional terms and so the mechanical application of legislation has got no respectability. Rules and procedures are misunderstood. There is a dislike on the part of Labour of technicalities and legal forms. Behind this attitude lies the fear that legal technicalities may hide something detrimental. There may be anxiety that there are implicit, unknown meanings which would result in undesirable conclusions. These are basically the fear of the unknown and the language worsens and vitiates the whole atmosphere. Awards are handed down in foreign language. Workers are at a loss to know their meaning and connotations. Litigation over meaning of words continues unabated and in the process personal integrities are also challenged. Instead of encouraging and helping labour in presentation of the case difficulties in argumentation make the atmosphere of courts injudicious. Industrial tribunals become the butt of political controversy and their decisions are taken as imposition than justice. The independence of tribunal in such a background can be maintained by fighting with the executive. The corruption

is also entering the chambers of justice and presents a serious problem. The fact that this corruption is entering the ranks of western educated classes breaking the traditional thought and speaking socialist slogans is not taken as a mere accident. The cultural gap or vacuum feared on break with tradition is not a fear of the unknown but appears as a valid hypothesis. It is a miracle in fact that in spite of these troubles many developing countries of this region are making some progress. The magnitude and variety of problems of adaptation to industrialisation are too great and so too the role of trade unionism assumes numerous facets. In fact many of these facets are awaiting a clearer definition. It is possible that when problems reflected by each of these facets are resolved the result will be a many sided diamond. While writing on Indonesia, Shri. J.H.Boeke has explained this concern by saying that western scholars cannot possess sufficient insight to understand this battle. Trained in political economy and social reform based on economic equalisation they are apt to look upon the characterisation of the eastern way of living as upon as many deficiencies in the national society. As said by Mr. Arthur, M. Ross in quotation given above when economic development is viewed as one of the instruments of human welfare and not the sole or the most important instrument the moulding of industrialisation to Eastern pattern raises more than philosophical issues. Here the term tradition has not the Western connotation of backwardness but has a positive social content based on familism and life around the Temple. The battle of East and West is fought on the fields of modern industry and the role of trade union movement becomes more subserving to cultural and only secondarily to political and economic ends.

The Communist Bloc.

468. The role of trade union movement in furtherance of communist ideology is fully reflected in teachings of Mao-Tse-Tung of China. All other versions of this role, however noble and practical and nationalist are clearly a deviation from the original communist teaching and show an interesting game of accommodation of what Mao describes as economism. Even in China, President Liu Shao-Chi with his thinking on trade unionism has proved to be a tough adversary. Liu holds that the role of the trade unions lies in improving and stepping up industrial production and look after the welfare of the union members. He believes in distribution of prizes to the workers for improving production in various ways. Mao's followers have attached this feminine job of assigning to trade unions a work to nurse the convalescents, cry at funerals and send condolence to bereaved families or at its highest to decorate houses and enjoy picnics. Mao is uncompromising in assigning to trade unions the manly cause of world revolution. Since it is impossible to establish the victory of Communism in any one country till it is established all over the world and co-existence of different systems is denied. The logical role of trade unions in a communist country will be to create a socialist economic base and to reach out to the workers of the world to conduct the fight of dictatorship of the proletariat.

If instead of this proletarian politics the workers' attention is diverted to material incentives for their own sake then selfishness will rule and not idealism. Mr. Mao has, therefore rightly condemned Mr. Liu for stirring up the evil wind of economism. This revisionist trash will surely undermine the cause of working class unity all over the world and will put money, welfare, production, expertise, and technology in the forefront. Then the trade unions will be left with no time and energy to give prominence to politics and revolutionise the peoples' thinking. They will then forget the world wide class struggle, ignore the ties of world brotherhood and sink into bourgeois nationalism. Then the production will be for the sake/production and immediate consumption and not to build up the military power needed for the victory of the workers of the world. In a real communist country the trade unions can not afford to settle down to look after workers' welfare, They are in the midst of a universal battle. They should keep the workers ready to live on minimum needs and devote their full attention to spread the all-illuminating thought of world communist revolution. For this purpose the whole thinking of art, literature, marriage-system, education etc has to be revolutionise and the people imbibed with the Mao's thoughts. This all pervasive role to prepare the proletariat for overthrow of world capitalism is then the central and sole task of the trade union movement in a communist country. This role of trade union is thus clearly defined by Mao-Tse-Tung. No wonder he should have deemed it proper to dissolve the central trade union organisation of China.

439. It is not clear how far the Soviet Russia tried to mould the whole of her trade union movement to play a historic role for communism on the world scene. Mr. Lenin had certainly the revolutionary zeal in full. His personal life and the way in which he did build the workers' movement in Russia provides an all-time ideal for any trade union worker who wants to harness the potentialities of the movement to the task of nation building. But Lenin was forced to become more of a national hero than a real communist hero. After all the communist party was never successful in overthrowing the mighty Czarist regime as it is popularly believed. The Czars were replaced by Kerensky Government which was a combination of various forces whose motivation was democracy. The Communist Party was only one of these forces. But being a combination the Kerensky Govt. was weak enough and could be overthrown by communists. Mr. Lenin did this but it cannot be forgotten that many Lenin's colleagues had advised him that it was not ripe time for communist ~~Party,~~ ~~xxxxxxkxxxxkxxxxkxxxxkxxxxk~~ take over. Capitalism was not then ripe as Marxist philosophy would have it. Moreover even the Russian Communist Party, was not equal to the task that was demanded for the success of world movement of Communism. The impatience of Lenin served a national cause in Russia but not the communist cause to build a base of operation for workers' universal march. These gaps of history's accident are not usually given the importance they deserve. But thereby we jump to wrong conclusions in basic thinking. Just as in India no Congress movement was strong enough to overthrow the Empire of Britain, so also in Russia the Communist thought was never intrinsically strong enough to conquer Czarism. So when it got its first chance to come in power, it seized the opportunity and began to lose its ideological zeal with intoxication of the throne.

It proceeded to make itself stable as groups of so many men or a nation and developed inter-national outlook on of a Nation with a mere slogan of idealism. The modern Russian can hardly be described as Communist and the workers organisations in Russia have hardly anything to do with real Communism.

470. In the history of modern Russia we throughout find this tussel between doctrinaire communism and actual operation of public action. Lenin himself started with paying first tribute to electrification and second to Soviets. He said that one technician is equal to twenty Communists. The vanguard of his revolution was not the proletariat but the professional revolutionary plus the technocrat. Lenin's new economic policy was described by some as a deviation from Marxism and Lenin's only reply was that Karl Marx did not write a single word about the economics of socialism. So the state capitalism was inaugurated in Russia and the process of Capitalist development had its repercussions on the economy of people. As is well-known the old type of Capitalist development (old because Israel and Yugoslavia present us a different picture) proceeds by exacting a social cost from people. Marshal Stalin exacted this price in a ruthless manner. The trade unions were entirely subordinated to the party and the long reign of Stalin was characterized by regimentation of labour, coercion, terror, the secret police and the labour camps. A pattern was set on the basis of nationalisation of the means of production, centralised planning, single political party and trade union organisation and a specific economic and social doctrine. The discussion on various alternatives in taking the course for economic policy was cut short by introduction of personality cult.

471. Now the period after Stalin is showing marked changes and so the role of trade unions too has started changing. However, the imprints and burdens of Stalinist regimentation and doctrinaire thinking still loom large and the resultant picture is quite mixed. In the whole of Communist world trade unions are considered as only one form of workers' organisation and not the only one as in other countries. The Party, the Soviets or workers' councils, cooperatives etc., are also regarded as spokesmen for the workers. Consequently, what is known as the trade union is allotted only few functions for workers' welfare. But now with increasing decentralisation and liberalism the spokespersonship of workers is being slowly shifted to trade unions. But there is a official hesitation in accepting this shift or giving it any publicity. The State Labour and Wages Committee of the Council of Ministers of the U.S.S.R. regulates all wages in the country. The Government defines the minimum salary of each type of worker and the different levels of payment of each category of labour. There are several organisations e.g. Research Institute of Labour, Methodological Centre for Labour etc., to advise wages committee. The Committee works in close cooperation with the State Planning Committee and the Finance Ministry. The present minimum wage is 45 Rubles per month and it is proposed to be raised to 70 Rubles by 1970. However, it is said that if value of fringe benefits is added the present minimum can be computed at 130 Rubles per month. For each industry minimum level of production per hour based on minimum qualification is laid down and each worker knows that his wage will be increased if he produces more products

of higher quality. There are differences of wages in industries the ranking from the highest downward being coal, iron and steel, oil, paper, pulp etc., and further down textiles, printing and footwear and at the bottom food processing and garment manufacture. Higher wages continue to be paid in occupations and regions with labour shortage and earnings have thus responded to changes in demand and supply. The teachers are paid a minimum wage of 80 (eighty) rubles for 18 hours work in a week and they are supposed to supplement their earning by doing other part-time work. A taxi driver has to work for 7 hours a day - 41 hours a week and gets an average wage of 80 rubles p.m. However, it can increase according to his qualifications and daily collection. Recently, National Union organs are however increasingly expected to share formal responsibility in major decision on wages, and labour legislation. An upward revision of wage scale is related to productivity and plant level unions are expected to devote themselves to get these productivity based increases. This has brought in an era of plant collective agreements. A polish writer has published a study on the potential role of collective agreements. Perhaps this may mean a beginning of collective bargaining. There are occasions when the trade unions have differed with the wage fixation committee - but at present on such differences, the final opinion of the Government prevails. It is constantly held before the Soviet people that fulfilling production plans and increasing productivity of labour is the necessary basis for gains in real income. Even then a number of strikers also take place. Strike protests against production standards, strikes over norms and pay are well-known though the Soviet press does not publish any news on strikes. Soviet spokesmen, however, constantly insist that stoppages are not needed since there are many channels for settling disputes. Moreover, there are numerous reported cases where managers act like dictators, driving for production at all costs, violating labour laws, ignoring the opinion of workers and unions, suppressing criticism and violating workers' rights. So a protest form of trade unionism also finds its office.

472. The trade unions being the official organs of the State and the party, many of their functions and powers are integrated with governmental action. They can take fee from the workers upto a maximum of 1 % of his salary. Each establishment pays to the Union 4 to 10 % (differs from establishment to establishment) of the wages fund. They also contribute @ 0.15 % of the wage fund to the cultural fund of the trade unions. Their main task is to raise the standard of living of the workers by initiating Socialistic competition i.e. People's movement by inducing amongst the workers the feeling of doing more and better work than other workers. For this purpose they conduct educative work through clubs, cinemas, libraries etc. which are at their disposal. The trade unions own newspapers, publish a number of magazines and own a publishinghouse which makes profits. The vast social security scheme is operated through the unions and they pay pensions and allowances to pensioners. Every citizen is assured of security in old age and also in case of illness and loss of working capacity. Benefits are given for temporary incapacity, maternity, old age pensions, invalidity pensions and survivor pensions. The expenditure on social security is entirely borne by the State by

allocating a certain percentage from the wages fund of the undertakings and by special state appropriation without any deduction from the wages of the worker. The establishments also pay certain percentage out of their profits to the pension and allowances fund of the Trade Unions, e.g. the Coal Industry pays 9 % while collective and state farms pay 4 % . Pensions are fixed by Special Committee of each regional level on which a representative of the trade union is nominated. Each worker is a member of his plant level union and all the unions are affiliated to their industrial federations. There are 25 federations on basis of industry. All funds of federation are pooled at one place. The State helps citizens by providing free medical care but costly medicines are still required to be purchased by patients. The education is also free. The State looks to the interests of children and mothers. Unmarried mothers are granted leave with wages in case of pregnancy. To have a large number of children is taken as a distinction and mothers who have borne ten children or more are awarded the title of Mother Heroine. On the birth of each child the Mother received a grant and a monthly allowance and both these go on increasing with the number of children. Such is the type of social care taken by Soviet States and the trade unions have to play a prominent role in this social sphere. Quite a large part of social work is directly handled by trade unions and they are indirectly involved in the rest. In matter of day to-day discipline at the plant level also the local union is supposed to exercise its influence to tackle indisciplined behaviour. This exercise and its work for productivity gives to trade union its administrative and economic role.

473. It is now well understood that the Communist bloc countries specially the Eastern Europeans are finding that the systems developed by them require modification. The U.S.S.R. was only for a moment considered as a model. The Yugoslavia has shown a distinct genius which we shall study separately. East Germany and Poland are still apparently labouring under Russian influence. Rumania and Czechoslovakia are fastly changing. The Czecks have seperated the Government from the Party. There is a greater freedom of speech, assembly, etc., Press is given its freedom. In Parliamentary elections multiplicity of candidates is no more forbidden and Parliament is held supreme. In the field of economy they have permitted a greater relaxation of the principles of central planning. Many features of market economy are introduced. With the inauguration of new economic reform in the Soviet Union even the Communist attitude to profit motive has undergone a sea-change. The latest convert is Rumania who has also started experimenting with material incentives. The factories are getting increasing freedom to organise their work force in terms of job designations and wage levels within the planned wage total. It is believed that by the end of this year the entire Soviet industry will shift to the new economic policy. Even Mr. Khrushchev's decentralisation policy based on 50 regional economic councils was considered by Mr. Kosygin as too multi-staged and cumbersome and is now decentralised further to give scope for development of local initiative. This is indeed a deliberate verdict on the type of society to be built and a significant break-through in the struggle for greater freedom.

474. Having started with a bookish or doctrinaire approach it is not easy for communist world to acclimatise with these winds of change. A general survey or reporting of these changes are attended with serious ideological problems. Research is purposely given less publicity and what is published sets only a over-all view of economic structure and methods, in a largely theoretical or doctrinal manner. The data drawn on practical experience is concealed and developments of labour relations and workers movement is treated as a secondary theme. Trade Union activities are no longer the subject of general reports. But many research workers are put on work to attend to problems connected with extending the functions of trade unions and their changing role. The increased importance of the Soviets is now being emphasised and the theme of building a stateless society and the replacement of law by communist morality is being harped upon. Poland has published special monograms on research findings examining the specific function of Socialist labour law and labour relations, namely the establishment of a new set of ethical and moral values as a step towards the withering away of all relationships based on law. This development of theory and practice in communist bloc is placing on trade unions quite a new responsibility as holder of moral law. However that law is still taking its origin from State or party thinking and is not yet as in ancient India a remembrance of basic law of God at work.

LATIN AMERICA

475. In complete contrast to the picture of organised State in the Communist world we find in countries of Latin America that the State and the Society is not organised at all to bring any idea to the fore or carry out any rational development. The pressure groups in Latin American countries are either few in number (the army, the church and the students groups) or else they are extremely numerous and virtually indistinguishable from the semi-individual interests they actually represent. Urbanisation is proceeding at a faster rate than industrialisation. Development is not based on any economic programming. The United Nations 1963 Report on the world social situation states that many authors of recent studies of social structure and social mobility in Latin America are asking . . . anxiously whether traditional nearly static two-class society, now obviously disrupted is really going to be replaced by a society with a continuum of many social strata, with considerable movement from one to another, with a widely diffused sense of participation in national affairs. The working class is largely organised and participates in popular political movements. However, still its plight is described as horrible. Very significantly enough the reason for this state of affairs is stated to be the absence of a properly developed middle class. The Economic Commission for Latin America feels that it is only as the middle sectors will rise to power by seeking the support of the broad masses of working population, that the marginal sectors of population will begin to participate actively in national life. In their absence impersonal work relations and institutional frame work have left the trade unions as mere protest organs. This has led to immobility on both sides. The role of the urban middle class is considered of strategic importance for the future of Latin America. This has been emphasised by almost all writers

on Argentina, Brazil and Chile.

476. A peculiar feature of Latin American trade unionism is that in many cases the state initiated an active policy to promote trade unions. This has given rise to many plant-level unions. But there are no industry-wide unions and the national federations are also a loose and passive body. As a result the trade union leadership lacks training to participate in making national decisions. It is observed that the trade union movement lacks any common view point regarding the economic and political premises on which action by the Government and the private sector is based. So there is only a blind suspicion among workers devoid of any understanding of the problems and processes of economic development. There is as yet no dialogue between the Government and Employers Organisations on the one hand and central trade union organisations on the other. The Unions are financially weak. The Argentine Ministry of Labour and Social Security and the University of Chile conducted enquiries into assets of trade union and have come to the conclusion that check off system is necessary to improve union finances. The ideological orientation of trade unions is very vague and it is only due sheer weight of numbers and concentration in Cities that they carry some political impact. But since the organising ability and experience of self-government falls short of requirements they quickly succumb to outside influences. Even the unions sharing the same aims, programmes and even tactics operate in isolation. The attitude of employers towards workers or unions is still tinged with authoritarianism or paternalism, they shun contact with unions and adopt generally a conservative approach. One curious result of state taking interest in promoting trade unions is that a large body of social research is done on labour laws. The state not only protects but also controls the trade union. It seeks to organise itself by organising trade unions. The Government have come to the general conclusion that labour legislation should be based on a thorough analysis of labour problems in the light of national circumstances and that foreign systems, should not simply be transplanted because they are presumed to be efficient. A new feature as evidenced by the movement of Bolivian Indians, the Cuban peasants and peasant organisations in Brazil, Ecuador, Peru and Venezuela is that the rural population is also beginning to organise itself. This has probably started telling upon the process of income distribution. The whole question however has been how to give a socio-political opening to these organisations and ensure effective counselling participation and commitment of these groups in development. It is here that the need of middle classes is felt as most urgent. Mexico is however an exception in all this regard. We propose to study this under a separate heading.

WESTERN DEMOCRACIES

477. There is a flood of literature pouring in India about trade union movement in the developed west. Even the names of many unions and union leaders are frequently referred to in trade union classes and it is not uncommon to refer at length to English, American or Australian case law in Indian law courts. Much of our legislation is based on these studies. The Western trade unions are a well developed mighty force and are well equipped for collective bargaining. The Americans appear to have crystallised the concept about mana-

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gement prerogatives and areas open for collective bargaining. In Western Europe, however there is no uniformity in ideas over the subject. A running theme in theory is that if workers are capable of running their own industries then there will be an end to all controversy. However this movement for worker's control, inspired by the doctrine of self-government is not receiving in practice uniform support even from labour and is challenged from consumer's platform. The compromise with State and consumer's interests is dragging the advocates of worker's control into difficulties. There is also a day-to-day difficulty to determine division of power between the workers and managers and further difficulties between the administrative and technical controls. The Guild Socialists led by G. D. H. Cole tried to solve the difficulty by including all classes of workers in the Guilds. He laid emphasis on the gradual extension of workers power in industry by means of encroaching control - an approach parallel to the Fabian concept of gradual extension of public ownership. In Soviet Russia however the basic principle of Social Organisation still consisted of one-man management. After a great deal of experimentation (which is still going on) it seems the ideas about workers role in management has underwent a remarkable change. Despite the Yugoslav experiment that is still given a close study, the extremist position of workers control has given way to associating workers with management and consumers through a device of autonomous boards. In America the ball started rolling from the management side and the concept of scientific management rested itself on the development of proper and intensive communication at all levels of the plant. The American employers adopted representation plans treating workers as partners in production and changing the constitution of the word labour relations to an approach of behavioural science in problems of Human relation. The concept of industrial democracy was not opposed but rather given a opening by the gates of participative management. This action of enlightened capitalism in U.S.A. put the workers on defensive and in order to preserve the privileges of collective bargaining they reached an understanding with employers on division of functions. Moreover, with increase in the standards of living many workers became shareholders in their respective companies and that added to their perspective of factors leading to efficient management. The successive recommendations of I. L. O. also stressed the need for cooperation between management and labour in continuous improvement of productive efficiency and the collaboration of workers and employers in the preparation and application of social and economic measures. The technological or research revolution leading to fast changes in job content following mechanisation and automation, effect of competition is fast changing market and changing patterns of the quantum and skill of human labour required in a given productive process or industry brought further concern over the security of jobs. This led to the emergence of co-management and co-determination in France, Germany and the Scandinavian countries. One lesson that emerges out of all this turmoil of experience is that no artificial structures can be erected in any given society and unless any particular type of scheme is evolved out from traditional values of society and gets fully integrated into the social system, desirable results can never be expected.

FRANCE

478. In France, works committees and councils of various kinds had sprung up spontaneously in the wake of liberation after Second World War. The position was sorted out in 1945 and joint consultation was given the sanction of law. The worker's delegates on the joint committees in France are elected in accordance with the system of proportional representation on the basis of lists of candidates drawn up by the trade unions separately for workers and salaried employees. This is compulsory for all non-state organisations employing more than 50 workers. In addition to these elected representatives, each recognised union may send one adviser for board meeting, in the public sector. The board of directors of a nationalised institutions of an industrial or commercial character are composed of representatives of State, representatives of the staff nominated by the most representative trade unions and representatives of the general interests of the country chosen in most cases by trade union federations, large-scale family associations or groups of consumers and users. For the industry as a whole these tripartite bodies are formed at the national, regional and local levels. The system was introduced through the compulsion of law and circumstances and lacked the secure basis of mutual understanding developing over the years. Moreover communists have used the works councils as a place for dispensing political propaganda. Therefore, the workers' delegation in the works council can hardly be a coherent group. Suspicious of each other and watching each others activities the worker members often attempted to out-bid one another. This inevitably vitiates the atmosphere of constructive cooperation. Moreover, the complexity of industrial problems, inadequate training, lack of technical aid and the play of the factor of professional secret handicapped the nationalist trade unionists from building confidence into the system. A certain overlapping of spheres of coverage by works committees and trade unions also has created many ticklish organisational problems. The general impression in France is that while the Communists stand for class war, the non-Communist unions have not proved equal to their task. The French national spirit is however set on finding new courses in social policy with an air that the tide of history will eventually force other industrialised countries to follow. The latest experiment is of introducing compulsory worker profit sharing scheme on a national basis. The main idea is to force companies to give away part of the increase in their assets each year to their employees in the form of new shares. By this process it is calculated that in 25 years the employees can become the majority shareholders in many companies creating a new partnership between capital and labour and providing themselves with a new stimulus to productivity. Gen. De Gaulle's idea is promoting the scheme appears to be that it would speedily end the class-war and give that unity to France which is indispensable to national greatness. A public opinion poll over the scheme however revealed that while 51 % of the population as a whole was indifferent to the scheme, nearly 2/3 of the workers felt that the profit-sharing measures would either be of no consequence or have unfavourable consequences. The gains it is said will be ridiculously small and profit-sharing will not be on the basis of true figures. The latter objection is significant in view of the fact that in France the 1959 Decree has given

the workers' committees the right to examine the books of the company employing them. It is said that this decree is never applied in practice and the profit-sharing scheme will give the employers only a pretext for opposing the legitimate demands of the workers. Thus the French people are going on experimenting in finding out a right socio-economic structure for themselves. The recent upsurge in France, the influence of Communist unions in situations of conflict and pressure of public opinion for stability, all depict unmistakably the see-saw of French mind in determining the exact role of trade union movement. It is easier for the unions to take the postures of conflict but to the extent that this is due to their incompetence to play the role of effective participants in constructive economic planning and administration, they weaken their case before the mass of public opinion. With a State being prepared to help the workers, the unions are finding that they have to face ultimately the consumer. They have yet however a case to blame the employers also and hence the fight is increasingly taking a triangular contest.

ENGLAND

479. The cautious and pragmatic British people are content to accept the fact that there is no one set of forms and principles that can give to trade unionism its role in national reconstruction. They prefer to see that in this respect as in others the law should follow the custom and attitudes are more important than prescriptions. This trend is specifically noticeable in the zigzag course which modern Britain is following in case of the concept of workers' participation in management. The Britain was perhaps the first to advocate the setting up of a consultative machinery parallel to the negotiating machinery in industrial relation. The 1917 Whitley Report recognised that spheres of conflict and spheres of cooperation can be better handled by two parallel lines of communication between management and labour and made its recommendation on those lines. No unusual interest was however shown in implementation of this concept. But the second world war focussed the attention of British people on need of close cooperation between labour and management in common national interest. Mr. Earnest Bevin, the then Minister of Labour, himself a trade unionist of great influence, sponsored joint production committees and they worked well during the war. That gave rise to new concepts of socialist trade unionism, but from the end of war till today the Britishers are still finding it hard to fix the place of cooperative efforts amidst the militant stances of a conflict-oriented trade unionism. Even then England has shown a remarkable wisdom in slowly evolving a right pattern for industrial relation. The existing conditions are far from perfect but they appear to have caught a central theme of immense importance.

480. The joint consultative bodies in England are based on agreements between the managements and the trade unions. They have a variety of structure. The main theme is that, 'Let each undertaking work out its own method'. Organisation for joint consultation, it is said, should itself develop by joint consultation. The United Kingdom Ministry of Labour and National Service in its official publication states, "Although the value of a well-coordinated system

of consultative machinery is considerable, the attitude of mind with which both management and workers approach it remains of fundamental importance. The foundation of successful joint consultation is the management's willingness to treat its employees as an intelligent and responsible working force and the workers' willingness to accept the responsibility of contributing to the solution of common problems. "Emphasis is everywhere laid on the imperative necessity of developing the right attitudes. If joint consultation is adopted as a tiresome necessity, as a concession reluctantly granted or merely as a new technique of progressive management, then the British people say that it is foredoomed to be ineffective. When this is introduced by statute then neither side knows and cares about what it means. The Action Committee says, "The transaction of such a statutory committee are then confined to drinking a cup of tea, drawing the attendance fee and arranging the date for the next committee." Moreover, effective consultation they know is not possible without adequate knowledge and understanding of industrial problems by representatives of workers. Otherwise consultation is treated as another method of exerting power rather than one of exchanging views. No modification to any structure can change this position. It has been recognised by the British trade union movement that the growth of shop stewards provides workers with a factory-floor leadership for effective consultation. The importance of bringing in the whole of middle management, the foreman, the junior management and shop steward at the consultation table is well recognised. It is realised that otherwise the joint consultation machinery may cut across the normal channels of command and communication in industry and arouse the antagonism of powerful intermediary forces. From the workers side it is not uncommon to agree that shop-stewards be given ex-officio representation on consultative committees side by side with elected members. Many local unions have ; however expressed the fear that this will make the shop-stewards all powerful, break down union loyalties and weaken the authority of permanent union officials. This fear often results in cornering the shop-steward and he is told that he cannot wear two hats. The Trade Union Congress at the highest level has however realised that the shop steward is the nexus between management and workers. The labour experts in Britain hold that there is no necessary connection between the success of the consultative machinery and the existence of a strong trade union. Each has its own logic. The collective bargaining is increasingly centralised and is done at the industry level, while the consultation machinery, it is said, must develop from the shop floor. It should be in built process of communication and permeate all levels, including that of technicians and supervisors. In this respect great importance is attached to straining of supervisors and workers representatives. The workers representatives are therefore admitted to supervisor's courses though it is not known whether vice versa holds good. A recent trend in workers training for trade unionism however is that they should no more be run by T. U. C. but by the constituent unions so that the technique of the industry concerned can also govern the content of training. One other interesting tip given to the trade union representatives is that they should keep the members informed by oral communication. As T. U. C. has laid down, "The trade union movement grew out of its mouth and by its mouth shall it live." The British Trade Union Congress

has rejected the idea of worker control and they conceived their responsibility to be to secure higher wages for workers and it was undesirable to combine that with responsibility towards the consumer. If the labour leaders happen to be on the board of directors, specially in nationalised industry, they were expected to act not as representatives of labour but as that of community as a whole. The idea of co-determination is rejected. The 12-man Royal Commission on Labour, handed by Lord Donovan which has presented its report only this year has also opined against having workers' directors on the boards of companies. The British Labour Party appears to on its way to abandon the myth of social ownership and democratic administration. Public ownership it is held does not automatically lead to maximisation of production efficiency. It does not necessarily enthuse the workers to give their best. The egalitarian concept of democratic administration is also a myth. Managerial expertise is a somewhat rare attribute and everybody is not endowed with this ability so as to exercise leadership upon a call. The tradition of trade union participation with Government and Industry in the elaboration of national economic policy and in administering social services appears, however, to have taken a firm root in England. At that level the necessary experience and spirit of co-operation appears to be available. That is the reason why the British Trade Union Congress could support the Labour Prime Minister Mr. Wilson when on July 20, 1966 he announced a total standstill on prices, wages and profits. But this wage freeze though divided into 5 periods of complete standstill, severe restraints and moderation - each of six month's duration has affected the fate of Labour Party at polls. It is to be seen how far in future the central labour organisation can stand for such a trial. In the meanwhile the necessities of decentralisation of decision-making in Industry on technical grounds has made the recent Royal Commission on Labour to advise the abandonment of the present nation-wide wage agreements negotiated in various industries. In their place is recommended a pattern of local agreements worked out at factory-floor level. It is felt that during the rest of this century this far-reaching shake-up of union negotiating machinery proposed by the Royal Commission may alter all the factors of industrial frame-work. To-day British output per person is lower than anywhere else in Europe except Italy. This has naturally hurt the British pride and it is to be seen how that Nation and her nationalist trade union congress recast their roles in future system of industrial relation.

THE SCANDINAVIANS.

431. The Scandinavian countries on the whole present to us a more idealistic picture of practical trade union working. Industrialisation came at a later stage in this part of the world than rest of Europe. These countries took full advantage of this fact and made advance study of experience in other countries. Therefore right from the beginning of industrialisation they encouraged growth of strong trade unions and established with them a tradition of co-operation rather than one of conflict. The result was that during the period 1953-66 the wages of Scandinavian workers rose by leaps and bounds. During this period the hourly wages in Sweden rose from kr. 6.50 to kr. 11, in Denmark from kr. 4.36 to kr. 8.95

in Norway from kr. 5.26 to kr. 8.56 and those in Finland from kr. 4.21 to kr. 7.14. By contrast British wages only went up from kr. 4.71 to kr. 6.95 during the same period. Swedish wages are now practically approaching the levels obtaining in the United States. The wage bargains in Sweden are on a national level and are done in a prospective fashion. For example the 3-year wage agreement signed in 1966 provides for wage increases of about 5% each in 1966 and 1967 and 3% in 1968. Recently there are complaints from some quarters that this quantum of wage rise is leading to inflation. However Sweden has so far managed to remain competitive in the world market and this is typical for other Scandinavian countries too. The main reason for such a record of industrial relation becomes apparent when we examine the history of Sweden, the leader of the Scandinavian group which has long achieved the fame of a strike-free society. Though it is not possible to predict how long this progress can be sustained, the tradition of Sweden deserves our close study.

SWEDEN.

432. The Second World War brought vast psychological changes in the economic, social and cultural concepts in Sweden. During the war the workers and employers worked in close consultation with each other and they realised that co-operation pays best dividends to both the parties. This gave rise to the concept of Industrial Democracy and Autonomy. By the word autonomy the Swedish Trade Union Movement means its functional autonomy. To quote the words of a trade union leader, "In this country, we, on both sides are strongly opposed to out-side intervention in the activities of the joint organisations of trade unions and employer. We oppose any form of legislation concerning the structure and functions of the organisation. We are opposed to any system of compulsory arbitration." This has been so in spite of the fact that for more than 20 years labour's own party was in power. This has been due to the high degree of organisation, local as well as central, both among the employers and employees, and to the great degree of wisdom with which the industrial relations are built.

433. On 30th August 1946 the Swedish Employers Confederation on the one hand and the Confederation of Swedish Trade Unions and Central Organisation of Salaried Employees on the other reached a historic agreement to set up work councils. These work councils have been exceedingly successful in Sweden and hold the key for a high degree of satisfaction in industrial relations. They were founded on the conviction, held by both sides, that they ought to be able to solve their problems between themselves and should do so with due regard to the basic interest of the nation and of individual citizen. One other reason was to forestall projected legislative action in the field of labour dispute. The agreement gave only a framework structure and it was left to the member organisations to arrive at collective agreements on that basis. It got a rapid currency and acceptance and joint councils were set in all firms having 25 or more employees. The workers representatives were

normally chosen by elections organised by the local trade union to which the majority of workers belong and the right to vote was limited to members of such trade unions which have accepted the agreement. The councils are competent to deal with questions concerning the technique, organisation, planning and development of production and make proposals on economic and financial matters affecting the concern. It can also discuss cases of dismissal, discharge, or lay-off, but wages and other working conditions are outside its scope and are left for nationwide bargains. In Sweden both the sides attach great value to voluntary agreements. It is experienced that agreements can always be applied with more flexibility and effect than statutory enactment. On the other hand it is doubtful whether even very carefully worked out legislation could be of real value if it was not rooted in mutual confidence. Besides the representative of employer and employees the Swedish joint council ~~xxxx~~ includes technical staff such as overseer or foreman and can take the evidence of experts whether from within the concern or outside it. In the beginning the employers were not unanimous on the question of the value and importance of organised consultation but their central council adopted from the outset a positive attitude to the conception of work council. At Association Headquarters in Stockholm it started a special department for works council and at Yxtahol started a specialised training school. The trade union organisations also established corresponding departments at their own Headquarters and set in motion a far-reaching information and instruction programme for members of the works council representing employees. In the trade unions' course subjects such as factory or workshop democracy, management economics, and specialised industrial subjects are given special prominence. The employees' attitude to these specialised economic problems has throughout been factual and objective. In day-to-day working of works councils the labour ranks attach great importance to the employers furnishing information on production and economic questions. The vast majority of Swedish employers have realised the importance of giving the employees regular and dependable information about their concern and their manifold problems. They take care to avoid giving the impression that anything is being held back. They say that the best way to do it is to be completely frank and honest and there is no other satisfactory alternative. These practices have established a tradition of egalitarianism and widespread interest in economic matters. Fire-brands are usually frowned upon and leadership on both sides is extremely enlightened. One of the cardinal principles of both employers and unions is to keep Government intervention out and preserve the autonomy in industrial relation. Nationalisation is not a live issue with any union. They bring pressures for the passing on of information but not for participation in management. Almost no cases are now referred to the Labour Courts and if any dispute does by chance go to the Government, it has instructed its officials to develop an attitude of calculated laziness and not of energetic intervention - so that things do get themselves settled in the meantime. The secret of Sweden's success in this field is that

both the parties took an energetic campaign of education, avoided at an early stage the crystallization of hostile attitudes and were quick to develop a tradition of co-operation rather than of conflict. The aim of trade union training is to make the worker fit to be a good trade unionist, a good citizen and a good participant at the council table. The employers have got positive and compelling statistical evidence of the day-to-day rationalization brought by this invisible activity resulting in greater care of plant and tools, economy in use of consumption articles, improvement of minor details, higher average quality of manufactures etc. The psychological satisfaction felt by the workman whose suggestion has been accepted and adopted in practice has also got a tonic effect on morale. That is why the Swedish companies are able to face world competition even after giving highest wages to their workers. The subtlety with which both the sides of Swedish Industry have fostered the steady and methodical growth of joint council by constructive education, propaganda and equipment and refrained from forcing the pace of council formation and their concept of autonomy of industrial relation keeping government away from the field speaks volumes about the soundness of Swedish thinking and practice. There is no wonder that Sweden has got the greatest fame in industrial relation matters. All international observers of Swedish scene are unanimous on the point that Industrial Democracy has already taken deep roots in Sweden. The Swedish workers however regard that they have taken only a first step towards complete Industrial Democracy whereas the employers regard the present system as a healthy productive safeguard against more radical measures.

West Germany.

484. In West Germany, the historical factors have fashioned to a great extent the unique system of industrial relation in that industrious nation. In the confusion and chaos following the first world war, works council sprang up as revolutionary elements independent of the orthodox trade union movement. During the Hitler regime they all disappeared. At the end of the Second World War the need for building the industries and for rehabilitating the economy was immediate and urgent. The average German worker played a great role in this rehabilitation of national economy. In spite of low wages and bad food he did a wonderful job that has impressed both employers and legislators. The devotion of German Worker to his undertaking and his phenomenal will to work have become objects of adoration throughout Europe and the world. To wonder that the public opinion in Germany went entirely in his favour and no employer or Government could resist his claim for co-partnership in industry - the great work done by him under adverse circumstances created its own compulsions and no protests and strikes were necessary to back his demand. The whole body of public opinion in Germany realised that the mass of the workers must not be employed as objects but as subjects in the economic system. They must know that industry is working according to their desires in order to improve their standards of living. They must get some right in the determination of policy. The result is the unique system of co-determination.

485. Contrary to other parts of Europe and specially the Scandinavian countries, all parts of industrial relation in Germany are decided according to legal provisions. But the law is unusual. It makes the bi-partite approach compulsory and unavoidable and keeps out the state. It is based on the principle of co-determination with three distinct aspects viz., 1) Economic co-determination, 2) personnel co-determination and 3) Social co-determination. The works council are the organ for exercising functions relating to personnel and social co-determination. These councils are not joint bodies but consist exclusively of representatives elected by workers. They have a right of co-decision in matters laid down by Law such as working hours, leave, training, job and piece rates, engagements, regarding transfers, dismissals, rationalisation, amalgamation, etc. Thus they can use their veto on these matters but in case of matters of serious nature there is a provision for decision by a conciliation committee. Their other duties include, making recommendations regarding plant working, ensuring application of acts and agreements, negotiate with employer regarding grievances, participate in application of safety measures and promote employment of disabled persons. The jurisdiction of the works council does not extend into the economic field i.e. methods of manufacture and work, production programme, economic situation of the concern, production and marketing situation etc. For this purpose there are two bodies, the Managing Board and The Supervisory Board. The Supervisory Board usually consists of 11 members. Four are elected by the shareholders, two by a works council elected by the men and two are appointed by the trade union. Then each of these appoints two independent personalities enjoying its confidence, making 10 members in all. The eleventh man is appointed by agreement between the two sides - a procedure calling for much bargaining. A number of prominent politicians and trade unionists have found their way into the world of industrial management by this route. The Supervisory Board appoints the Managing Board which in coal and steel includes a Labour Director. The Labour Director is nominated by the Union in consultation with the plant works council. The number of other members on the Managing Board is usually two and they are in charge of the commercial and technical sides. At present a great controversy is going on in W. Germany over the extension of the system of Labour Director beyond coal and steel industry. The Trade Union Federation is pressing for extension of the system to all companies including Banks and Insurance Companies. There is much political support for their wish but equally the opposition is strong. In this connection it will be useful again to recall the historical factor that brought about the co-management in Germany. One factor was the reputation earned by workers in rehabilitating the economy. But Germany cannot so easily forget the experience of dictatorship. She was opposed to full worker control in the supervisory body since with centralised and powerful unions there was a danger of ushering in the period of another dictatorship. Germany knows that political democracy is not sufficient to prevent captains of industry from financing political crime and from liquidating democracy. She is not sure that industrial democracy will not follow the same pattern. So the object of co-determination was not worker or employer control but balance of power. The general opinion in Germany at present is that the retention of a peace-loving democracy is

dependent on its success in integrating in a genuine way all levels of the population. In order to achieve this target the system of election of members on the various bodies such as works council, supervisory body and the managing body the law codifies a system of checks and balances through many complicated provisions. These provisions while supporting the interests of workers as organised in trade union and apex federations seek to avoid undue importance being given to trade union bosses on the one hand and the shareholders' representatives on the other. There are provisions and provisions to regulate the election of outsiders, ensure employee representation in both groups of wage-earning and salaried employees, representation for women, works-council, trade union, central federation etc., e.g. the Central Federation of trade unions can object to a nominee of the works council on the ground that " he could not be relied upon to co-operate responsibly in the work of the board of supervision for the good of the undertaking and of the national economy as a whole." One remarkable thing in Germany is that there is little of class feeling between different grades of employees unlike our own division between officers and the rest. The result is that quite often higher paid members are elected to represent workers on the staff committee. In fact one explanation of how the system of co-determination has worked is that the quality of personnel placed by the unions in manning the organs of co-management is very high - persons well acquainted with the problems of the industry and at the same time dedicated trade unionists. German Federations are proud of having with them such men of outstanding quality who could not be corrupted by attraction of office. Otherwise, it was practically impossible to institute and promote the system of labour Directors. Another reason for the success of co-determination lies in German work-habits and mentality. German workers have been so devoted to reconstructing their economy that they frown upon anything which would retard production. As a result voting in boards is rarely divided on the basis of shareholders' representatives versus labour representatives. The third reason for the success is the practical attitude of give and take adopted by both the parties. Fields of power are informally divided: the labour representatives have more say in certain matters and the shareholders' representatives in others. There is a recognition of mutual inter-dependence and each side permits the other to operate comparatively freely in the areas of their primary interests. This freedom has at times created wonders. For example, when recently the coal and steel concern of the Ruhr had to cope with the depression and there was need to reduce the industry to economic size by closing the pits and undertaking mass dismissals, the Labour Director could do it without strikes or serious demonstrations. The Labour Director was complaining long against absenteeism and he took his chance during recession to call a number of notorious slackers. The unions quote this example in advocating the extension of the system. The German trade unions are not opposed to automation since they can take full care of problems arising out of deployment, transfers etc. They co-operate closely with universities in giving the workers political and social education. They are not attached to any political party but still the representation of trade unionists in German Parliament is as much as 48% and even 50 % in state legislatures. This is through all

the different political parties of the German Federal Republic. There is a complete freedom to form trade unions, the army and civil workers of different rank and denominations are ~~public~~ members of public service unions. But there is a peculiar allurements. For example, in the German Railways, workers are divided into civil servants and wage earners. The working conditions for the latter are determined through negotiations with trade unions. But the working conditions for civil servants are laid down by law. They have no right to strike and are generally better paid and have permanency with provision for pension on retirement. But the most curious point is that it is not occupation which decides what a civil servant is. The term civil servant represents just a status and it is permissible to acquire this status on application by the worker. In that case he opts himself out of trade union jurisdiction and loses his right to strike. Otherwise there is no bar on strikes even in public utilities. But the record states that since 1952 there has been no strike in any of the essential services in Germany. Even the number of grievances taken to the court are very few and are decreasing with years. In the Railways where there are many unions, the members ~~xxx~~ of various committees at the workshop, district and central level are elected on the principle of proportional representation - separate provision being made for various groups. The German have thus evolved a new form of industrial relation. The system of co-decision has worked from down upwards. There is now a demand for co-determination at national level through an economic council dealing with broad matters of economic policy and extension of the system of Labour Directors beyond coal and steel industry. The system of co-determination is taking its roots in a deep and widespread fashion and though legalistic approach has become traditional in deciding on a broad frame-work, working solutions are found out by restricting the use of veto in spheres of co-decision by informal understandings and restraints.

SPECIAL CASES

486. Such is the canvass of broad global design of industrial relation obtaining to-day on our Mother Earth. On this Atlas which marks industrial continents like Africa, Middle-East, South-East Asia, Latin America, Communist Bloc and Western Democracies (including America, Australia and Scandanavian countries) there are four nations who have shown a markedly different temperament that has lessons for us besides those which the broad regional studies indicate. These countries are: Mexico, Japan, Yugoslavia and Israel. Though these nations are quite ~~xxxx~~ small when compared with India, still the experiments which they are making and have made are quite useful and have got some unique features (which cannot be fitted in any broad categories). They point out to a different role for trade union movement. We propose to make a passing reference to these features.

relationships in industrial life of Mexico. Formal institutions have grown slowly over a period of more than a century and below the crust of these formal institutions there has grown a body of custom and living practice. Mexicans have justification in their pride that their system is organic - its complexity is as great as that of human body and its operation is equally simple like human breathing system. It is openly stated by Mexicans that the only challenge for their system can be corruption that time often brings as a deteriorating factor.

488. Mexico is the only Latin American country that achieved both political stability and economic growth from a very early stage of industrial revolution. Moreover Mexico was the first to get herself industrialised in that region. The workers' organisations in Mexico were formed in 1835 and are functioning since then. The Mexican Revolution of 1910 was lonely one and unique in its features. It is a matter of pride to Mexican that it came before the Russian. It was brought about by a peasant movement led by middle-class intellectuals and ably assisted by workers' battalions organised under the leadership of the *Cama Del Obrero Mundial*, an anarchist association of trade unionists. Being a lonely revolution it was not required to be emulative. Being original it could be pragmatic. It was introverted and non-messianic. It came at a time when patience was possible and the maturity that manifests in slow progress could mould country's institutional pattern. To state the Mexican system in terms of modern industrial and political usage is indeed making violence in presentation and distort its true image. Almost all writers of international labour scene have described the Mexican pattern as one which cannot be duplicated anywhere else. This also seems to be the opinion in I.L.O. circles. But we submit that this is too hasty a generalisation.

489. In Mexico there is only one political party not by law but by natural development. There is no individual membership in the party though all politicians and public men figure in it. The Party structure is organised through combinations of organisations in four interest groups the basic sectors of labour, agriculture, the military and popular. The

MEXICO.

487. Mexico presents us with a undiluted non-communist virgin system of industrial relation - a system that has features which Man not knowing Karl Marx would have developed in the normal West. It becomes difficult to understand the system of industrial relation in Mexico unless we keep aside all thoughts of class-conflict and appreciate the background of Mexican situation. Almost all writers on Mexico have said that it is very subtle and difficult to describe adequately the complex set of (last is a heterogeneous grope of affiliated organisations, but its basic strength is in unions of Government employees which are not affiliated to any of the trade union confederations. This basic sector organisation of the party was carried through successive reorganisations over a period of time in which great care was exercised to prevent the development of effectively autonomous centres of political power outside the party. Thus the nation stood as one body. This evolution has implied very great use of sector organisations, including labour unions as both means of two-way communication and instruments of self-control and significantly enough not as means by which a dominant interest group controls the Party and its policies. This has not meant that the labour movement has little or no freedom of action. The Unions have retained considerable independence, although within well-understood limits and the Government has not attempted to sponsor administrative unionism. Within the broad limits imposed by the economic policies of the party, the labour movement is completely free to serve the economic ends of its membership. What the labour movement is required to do is to recognise the limits within which it can act without a collision with the Government. These limits are both political and economic e.g., the Oil strike in 1946 and railroad strike of 1958 were considered as attacks on the foundations of power and were ruthlessly dealt with by the Mexican Government. In economic matters range of freedom is wide and bargaining is the rule. But the Secretary of the labour is kept informed. In any bargain of significant import to the economy whose internal economic effect or potential effect on Mexico's international financial position is considered to be intolerable great pressure is put on that party to the bargain which insists on an untenable position or one inconsistent with public interest and policy. But such occasions are rare. Normally the unions pursue their bargaining objectives freely and without any interference. They control hiring through the operation of closed shops and enforce collective agreements very ~~vigorously~~ vigorously. In cases when the position appears to be very delicate for any group there exists adequate mechanism within the party to find out solutions honourable to all concerned. Both the unions and employers have ample forum to meet each other in an environment free from industrial tensions both have equally great say. in influencing Government policy. Of the last four Presidents of Mexico, two were relatively friends to business and two to labourers. The public support to a cause is mobilized on a joint forum of a party through its sector organisation and this lends to a great pragmatism and flexibility to the system of industrial relation. The flexible approach and party environment indeed constitutes the major part of industrial relation. However, it has also developed many other unique features.

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490. As early as the beginning of this century the Workers' delegates within the Mexican Party were pressing that workers' rights should be incorporated in the country's Constitution. The result was that the constitutional Amendment of 1917 incorporated through Article 123 of the Mexican Constitution an extensive list of guarantees of the rights of Mexican workers. This article in Constitution was unique for its time and is still extraordinary in its details. It provides for a maximum of eight hours work per day and six days per week with a constitutional provision for overtime premium pay, minimum standards for night work of men and regulation of factory work of women and children in numerous respects, minimum maternity protections and benefits for women workers, procedures and standards for the setting of minimum wages and a right to profit sharing, equal pay for equal work without regard to sex or nationality, protection of wages against garnishment and other abuses, the obligation of employers to assure decent housing, schools and infirmaries for workers, employer-responsibility for occupational accidents and disease, a requirement that employment service be free, encouragement of social security funds and housing co-operatives; standards for contracts between foreign employers and Mexican Nationals; the right of workers to combine and to strike. So vast is the canvass of constitutional guarantees to workers and they are all spelled out in detail. For example, regarding strikes it is laid down that "strikes shall be lawful when they have as their object to achieve equilibrium between the several factors of production, harmonising the rights of labour and of Capital....They will be considered unlawful only when a majority of the strikers engage in acts of violence against persons or property or in the case of war when the workers are attached to establishments or services pertaining to Government." To elucidate further the constitutional provisions on extensive labour Code known as the Federal Labour Law was passed in 1931 i.e. 14 years after guarantee of constitutional rights. Such is the leisurely pace of Mexican labour legislation- but the leisure is put to good use. This later law specifically affirms the legality of the closed shop and the right of unions to demand the dismissal of a non-member. Since the right to strike has been a constitutional right given in the early period of industrialisation and the strike can be unlawful only when a majority of strikers turn violent, the later period since 1917 had many difficulties to deal with strikes which were usually lawful and constitutional. A great deal of custom and procedural law then developed to deal with strike situation. These procedural requirements pertain to the lawful declaration of a strike e.g. it is laid down that before a strike can be lawfully declared a majority of the employees must vote for strike. The law gives to the employer, employees or third parties the right to petition the labour court for declaration that the procedural requirements were not met. The labour court is empowered to declare that the state of strike does not exist whereupon the strikers are given notice to present themselves for work within 48 hours, at the risk of being replaced. The strike can also be declared to be imputable to the employer in which case he is required to pay his workers for the period of the strike. The strike can become imputable to the employer if he refuses to offer justification for his refusal of the workers' demands before the mediatory sessions of the labour court or if an

award upholds the union in each and every one of its demands. If a lawfully declared strike constitutes an imminent danger to the economic life of the nation, the President of Mexico can sign a decree terminating the stoppage of work and turning the management of the concern to a Government administrator. Then the legal state of strike continues but the workers report on duty and the Government assumes direct responsibility to settle the dispute. The legal state of strike continues till the Federal Labour Court declares it to be inexistent. This is a similar provision as the one elaborately recommended by Shri. Dandekar, Director of Gokhale School of Economics and Politics, Poona at the 1967 Session of Maharashtra State Body of B.M.S. On December, 26, 1961, the Mexican Constitution was further amended to expand and regulate workers' rights. This amendment transferred the subject of labour from State to Federal list and elaborated at length the right of employees to participate in the profits of the enterprise. The Constitution has now established a permanent National Commission composed of representatives of workers, of employers and of the Government to determine the distribution of profits. Procedure for election of workers' and employers' representatives is also laid down. Local and regional organisations are assigned votes in accordance with their membership and are entitled to elect delegates to the National Convention which in turn elects the designees to the National Commission. The proceedings of the National Commission since its establishment indicate that the direction in which change might occur in coming future might be towards participation of workers in day-to-day management. It will be of interest to observe how the Mexicans develop this side of participant trade unionism in day-to-day work in Industry. Mexican Unions have an active and powerful influence in the plant and on daily life of workers. But since they are organised on craft, industrial and geographical bases no confederation has monopoly and many unions have got overlapping jurisdictions. The Unions have so far got no right to interfere in the management or administration of enterprise, though union leaders are influencing economic decisions through the sector organisation of the party. Recently, however, there is a wide talk about corruption entering the ranks of labour leadership and hence the movement to institutionalise workers' direct participation in industrial management. The constitutional reforms of 1961-62 have taken many steps towards the realisation of this goal. It makes a remarkable statement of humane goals of industrial Society in the area of industrial relations. The tripartite National Commission for profit-sharing and the National convention of trade unionists that elects workers delegates on this commission has opened gates of immense potency. Mexico is once again on her way to usher in with patient evolution participative trade unionism on the values and traditions of its own peculiar culture.

J A P A N.

491. The system of industrial relations in Japan is based on old traditional values of Asian people where loyalty of servant to his master is taken for granted but so also the fatherly care which employer is supposed to give to his employees is equally taken for granted. In this type of

relationship the employer or the Government assumes with a natural air a position of guardianship and often lives true to this concept but they become upset and intolerant with the slightest challenge made to their authority or when a disturbance is planned by workers. We find, therefore, in Japan a paradox that while Government and employees take great care to nurse the aspirations of workers they have dealt with trade unionism with a ruthless spirit. This continuous crusade against trade unionism often took forms of heavy repression because the communists who entered the trade union sought to disturb even the cultural values on which the best in dynamic patriotism was based. There did come up some nationalist trade union organisations which sought to work out a trade union pattern in the mould of traditional values and they did succeed to some extent. Similarly, after the second world war the Occupation authorities enforced certain labour laws on Western models. But, even then Japan is yet hesitating to put her belief in Trade Unionism as an institution of any real and lasting value for social life. All attempts to build industry-wide or nation-wide unions have continuously failed and trade union economic activities are confirmed still within the walls of the enterprise. The Japanese Government and Employers are definitely and strongly anti-trade-union, but to speak the truth, one hesitates to call them anti-labour.

492. In the larger sphere of economic planning the State took the care that maximum employment is maintained, traditional skills are put to best use and a vigorous but regulated drive for industrialisation is taken in a broadly planned way. The most notable characteristic of this broad planning was that both the traditional and modern sectors of industry co-existed for a long period of time and complemented each other. The traditional sectors like agriculture, manufacturing and retail sales were the centre of quantitative economic development. Small manufacturing enterprises with traditional human relations accomplished maximum efficiency with old techniques through the labour intensive method of production. This traditional mode of production existed side by side with modern industry by accepting a largely subordinate position and provided a favourable condition for industrialisation. It was a valuable source of public finance for technological change during the Meiji era and made it possible for the Government to realise its ambitious modernisation plans first in the light industry and later on in the heavy industry. Thus the social order, human resources and other national wealth were not neglected but used for the new start. The chief agency of change was emphasis on high level of technical education and financial incentives to the elite. All available surplus was devoted to capital accumulation and educational investment and advantageous positions were offered to industrialists. The key policy phrase for structural reform was promotion of modern culture through international intercourse and its guiding directive the slogan "enrich the country and strengthen the military power." The Government stimulated industrialisation, transplanted advance level of science and technology from abroad as quickly as possible and used them with careful consideration of the domestic situation through the self-sacrifice of the nation and people without relying upon any foreign country. The major

sources of man-power were the ex-samurai, traditional craftsmen, farmers and prisoners. There was a great gap in the quality of this labour force and that required by the newly imported modern industry. Training on the job was used to fill this gap. The shift of the labour force from primary to secondary sectors was achieved by developing great difference in real incomes between traditional and modern industries and occupations. The technically qualified workers were given a highly privileged position. Security of job, jump promotions, extensive fringe benefits etc. Large scale enterprises are making huge investments in technical training schools of their own with courses of 2-3 years for educated workmen, Trainees are treated as on duty or in due course they become key workers with commitment for life to the enterprise. Then they got much better facilities and treatment, good houses, medical care and welfare amenities and the marked difference in their status is hailed as an open invitation to others to acquire like skills and talents.

493. But all this has been done with a policy of heavy repression of trade unions. Since 1880, Japan has witnessed various organised protests from workers. The riots of coal-miners, protests of domestic craftsmen and resistance by female workers were the first of these confrontations. Studying these protests and the way they are dealt in foreign countries the Japanese Government worked out a European-style labour protection Bill. But this was not supported by Parliament. Labour resistance was thereafter suppressed under a penal clause of the criminal code. What is known in the West as a progressive labour policy is considered in Japan as an obstacle to industrialisation. Since the latter requires sacrifices which unions are not prone to encourage. Both the management and Government adopted extremely hostile and aggressive attitudes against unions. The security policing Act of 1900 prohibited all persons from joining a union or joining a strike for purpose of negotiating work rules and working conditions. The penalty was imprisonment or heavy fines. Then various social factors combined to arouse concern about poor working conditions and this helped the passage of Factory Act of 1911 which embodies a measure of public acceptance of social policy regarding labour. But even the implementation of this law was delayed by five years after its passage when its validity was agreed as being confirmed for an experimental period of 15 years. Taking advantage of this position Yuaikai, a labour Union was organised in 1912 with the slogan "Co-operation through negotiation". This union adopted a careful attitude towards the anti-union policy of management, behaved with moderation, established a tradition of reformism and became the core of a labour union movement which has been continued with some changes in the present Sodomei Federation. Despite its moderation, the union was involved in an increasing number of strikes as its membership began to increase. After the first world war, with inspiration given by Russian Revolution of 1917 the union became openly aggressive and organised most of its branches by taking strike actions. It was at this time that the name was changed from Yuaikai to Sodomei. The leftist faction within the union started increasing its influence and antagonism between leftists and rightists became a matter of routine and caused internal power struggles among

the founders of the union. This produced a split and the leftists formed Hyogikai - radical union movement. The first five years of this radical union witnessed a close combat with Government and in 1928 the union was compelled to disband as was the Communist Party. It then began to operate as an illegal underground organisation under the name of Fenkyo. The Second World War gave a different fillip and orientation to co-operative type of trade unionism. The nationalist elements established a new labour organisation named as Sangyo Mokokukai in 1938 with its motto as labour-management co-operation, Company familism and realisation of National goals through work in industry. It was organised within each Company by replacing the independent unions of workers. Systematic co-operation by workers was indispensable to the war effort. Most Union workers in Japan showed a co-operative attitude as the war went on, but, nevertheless, the Government tried to detach the workers from their unions. There was rarely any democratic negotiation between management and labour in search of an agreeable compromise. The wage policy of Government and management was very clear. It was to encourage industrialisation by patronising the modern sector and its key workers who acquire the skills necessary for operation of new technological devices. Even in the modernised sector of industry there was a group of privileged workers, and on the other hand were the common labourers who worked under conditions similar to those in small and medium scale enterprises of traditional industry. If there was a wage bargain, it fixed only the general wage level of the enterprise but not the wage for each job. This left the management free to pursue the policy of giving heavy incentives for acquisition of technological skills. As the co-operative type of trade unionism was growing the Government tried to soften its aggressiveness by giving workers certain rights; but each time as communists tried to exploit these rights for their purpose the Government resorted to suppression. For sometime even the compulsory arbitration authority was manned by policemen. Thus, there is a consistent attempt of Government and management to prevent the emergence of a politically oriented class struggle. Since this emergence was hidden in the formation and growth of trade unions, a hidden tussle between Government and even the best type of co-operative trade unionism has been a characteristic of Japanese Society. The after effects of Second World War added a new element to the situation. Japan's economy, immediately before the end of the war, faced complete disintegration as a result of exhaustion and destruction. The Occupation forces pressed hard to promote democracy in politics, in the economy and in all other aspects of life. The major steps taken by these authorities eliminated the great part of the former elites' activities in Government and business. Legal protection was given to trade unions and their rights were guaranteed for the first time in Japan's history. Within a few years, rates of organisation and number of strikes reached levels considered to be honourable in comparison with those in advanced countries. But this was a brief respite. All this infiltration of the Western Democracy had happened in a country where tradition has had a dominant power position in Society. The position of

serve as a centre for productive activities. With its elimination by occupation authorities, stagnation, confusion and social disorder spread over the country. New leaders failed to emerge and trade unions were not able to provide leadership for rebuilding economic activities. They could do strikes, but they had no training for self-government. The pressure of hardship in daily life increased and the unions proclaimed a large scale general strike in early 1948. This was banned by occupation authorities just before the planned date. The rationalisation processes were again set in. Now even small-business were compelled to utilise a higher level of technology. International cooperation came forth and was put to best use. The productivity centre played a key role. The immediate result of the turn was to produce pressures of surplus production leading to a critical slump in economic activity. The realisation had, however, already dawned on Japanese Economic leaders that good wages to workers and good payment to farmers is necessary to expand the domestic market. So the new democratic urges that had manifested themselves through union demands were partially met and purchasing power was thus put into the hands of the people to provide market for production. The outbreak of the Korean war also offered Japan an opportunity for economic recovery. By 1955 basis for Japanese economic growth were thus completely built. The joint hegemony of government and business again reappeared on the scene but now with an added arm of paternalism namely that managements also strived to establish cooperative relations with labour by consolidating the joint consultation system within each enterprise. It was said that joint consultation was deeply rooted in Japanese tradition. Recommendations of ILO on this subject were warmly received by Japanese Management. However unions are still restricted to enterprise level and though they are divided into Socialist circle and communist circle, industry-wide or nation-wide bargains are still a dream. The wide gulf of discrimination between technically trained workers and rest continues. The great number of temporary workers and employees of labour contractors are regarded as safety-valve for adjusting the amount of employment in line with economic fluctuations. These are treated as social costs inevitable for rationalising processes of industrialisation. It is largely admitted now that this traditional and paternalistic practice will not survive for a long time. But what the real requirements of modernisation are and what procedures should be adopted to fulfil them are among the biggest issues of public debate in Japan today. Even though the occupation policy laid down the basis for an explosive

expansion of Union Organisation these changes were not of the natural development of Japanese social relations. Japanese people still regard trade unions as an alien institution. The conflict between demands of industrialisation and those of deeply rooted traditions continues to this date in Japan and it is very difficult to predict the future. With failure of Occupation policy it is now well recognised in Japan that labour legislation must reflect the specific economic, political, social and cultural background of the people, otherwise it proves sterile. But the problems that the cleavage which importation of technology creates between its own demands and that of tradition is yet felt as an insoluble problem for Japanese thinkers.

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494. Can it be said in these circumstances that the Japanese Government which is admittedly anti-trade-Unionist is therefore by definition anti-labour? The weight of tradition is so great on the people and the loyalty of servant to master is still regarded as so high a virtue by mass that the trade unions are looked upon as a foreign product. It cannot be forgotten that progressive labour legislation brought by successive governments was thrown away by Parliament. The traditional social relations of Company familism were invoked to lend a great support to paternalistic type of industrial relations. The use of new technology was sought to be based on old social relations and social values. But the dedication of worker to his job and master that is demanded in this approach was already a treasure of tradition. The history of communist movement in Japan as given in "Whither going Japan" by Prince Otto shows clearly that communism flourished only in academic atmosphere of universities which were away from realities of life. But Japanese youth gave an early recantation because "communism in Japan was a conceit and not a conviction". It never took roots in the Japanese soil. The majority of Japanese workers are said to have accepted given disciplines without a murmur. One should see the day-to-day working of Japanese firm to appreciate this point. No Japanese worker smokes on the job. There is no chat, no tea cup, no pisup, just work e.g. one technical journalist describes, "A poster in Honda plant making the N600 minicars states that 60 brake drums will be finished by 7 A.M., 121 by 7.30, 182 by 8 A.M. and so on. And they are so, every day". But see too the industrial familism. During the lunch break you will find that Japanese workers-men and women sprawl on the grass in the Company compound happily chanting the songs and for this the Company supplies them the instruments and amplifier. When a worker gets married the company pays his full wedding bill. Once a worker is taken as secured then he is never dismissed - whatever may be his fault. Everyday you will find that groups of children between 8-12 years of age are on a tour of works and slowly these children slide into factory as workers taking their first job as a life-time career. This is Japan - a typical family of Asia.

YUGOSLAVIA

495. There is much discussion in India and elsewhere about Yugoslavia's system of workers' management or auto-management. When Tito had a break with Stalin in 1948, Yugoslavia found herself isolated. Mistrusted in the West

as a Communist power and faced with the real threat of a Russian Military attack from the East, Yugoslavia had to work out a system to command popular support at home. She elected to try a form of workers' management, an idea that has deep roots in East European labour thinking. We are witnessing in the present decade that a widespread interest is now shown in Yugoslavia's system of decentralisation and direct democracy and similar tendencies are manifesting themselves in other Socialist countries. Here the workers themselves constitute the management and there is no question of consultation or sharing of powers with representatives of private capital. The law conferring these rights on the workers proclaims that the factories, mines, communications, transport, trade, agriculture, forestry, municipal and other State economic enterprises, as National property are to be managed by the workers' collectives in the name of the community, within the scope of the state economic plan. The workers' collectives manage these enterprises through the workers' councils and management boards. The basic law on the subject is the law of 1950 on the management of enterprises by work collectives. In small enterprises with less than 30 workers the entire body of workers performs the function of workers council. Otherwise the number of members on the Council is prescribed by the statutes of the enterprise. They are elected every year by secret ballot, all the workers and technical personnel including engineers and other technicians having the right to vote. They elect and can recall and change the management board or its individual members. The Council elects its own Chairman who cannot, however, be a member of the management board. The management board comprises of 3 to 11 members including the Director. The Director, who is a non-voting member of the board and the Chief executive of the concern is chosen by the Committee of six people, consisting of three representatives of the workers' Council and three of the Commune in which the plant is situated. The basic principle of Yugoslav's direct democracy is decentralisation. In the sphere ~~of~~ of administration direct democracy has led to the constitution of People's Committees, District committees and communes all of which have been endowed with real power. All these organs of democracy are thickly involved in the enterprises located in their region. The last one of the Commune, we have seen has an equal say with workers to elect the Director of the enterprise - who is people's man. The general body of workers may recall individual members or the whole Council at their discretion. The general body meeting can be convened either by the trade union or by the Council at which results obtained in the enterprise and important problems relating to its organisation and operation are discussed. The workers' council is not obliged to adopt the recommendations made at these meetings of the general body, but is bound to give reasons for non-acceptance. The council takes decisions on basic and key matters of organisation and management, such as the drawing up and amendment of the statutes of the enterprise, the wage and salary scales, the economic programme, distribution of that proportion of the profits which remains at the disposal of the enterprise, the use of funds which can be handled autonomously, the election of the Board of Management and Supervision over its work. Administration is in the hands of the Managing Board. In order to ensure proper composition of the Managing Board it is laid down that at least three-fourths of the board members must come from among those

workers who are directly involved in production or in the basic economic processes of the enterprise. The rest of the board members are chosen from the technical personnel, engineers and other employees. The responsibility of the Board is to draw up the proposals for the Annual Basic plan and also to prepare the monthly operative plan. It looks after the internal organisation of the enterprise including job classification. It must ensure adequate production by improving techniques and increasing the productivity of labour, lowering the cost of production and improving the quality of the product. Execution of policy is in the hands of the Director. He is, however, not merely an organ of workers' management but is also the representative of the State. He has direct responsibility for seeing that the enterprise functions in accordance with State regulations and if he is called upon to implement a decision which, in his judgment, is contrary to the regulations, he is bound to submit it to the people's Committee of the Commune. The Director is in charge of hiring and of allocation of jobs. He can also decide on dismissals except in the case of Executives who are dismissible only by the Board of Management. A worker has the right to file a complaint with the Management Board against a Director's decision regarding work relations. The Yugoslavs point out that in these arrangements they have evolved the correct compromise between the hierarchical principle which is necessary for efficiency and the principle of democratic control. Pay regulations fixed by the workers council require the agreement of the People's Committee of the District and of the Trade Union. In case of disagreement, there is provision for arbitration. Payment is usually by results and it is claimed that pay-scales have been based on job evaluation. Slightly different arrangements for self-government have been made in regard to services like Railways, Posts and Tele-communications and Electricity where centralisation is necessary e.g. The Railways are divided into separate enterprises, one enterprise for passengers and goods transport, the other for rolling stock and equipment etc. These enterprises are under the management of the workers' Council, the Board of Management and the Director. There is a similar organisation at the basic unit level of stations, workshops, etc. Management at the top level is in the hands of administrative committee consisting of 20 to 30 members. This Committee is elected by the workers' councils of the enterprises. The Committee ensures the application of uniform transport and technical rules, co-ordinates the time-table and supervises the enterprises. All the various railway systems are then united into one Federal Community of Yugoslav Railways. This also is administered by an administrative committee elected by the administrative committees of the separate railways. The arrangement in Post and Tele-communications and in Electricity are similar. Similarly large complex enterprises are divided into units. There was a body of opinion that the introduction of direct democracy at these levels would prejudice unity of management. The predominant opinion, however, is that organs of self-management in units should have the right of decision when the policy of the enterprise as a whole is not prejudiced.

496. A great deal of thought has also been given in harmonising the interests of the enterprise with the requirements of general economy. A measure of regulation for this purpose was clearly necessary, as otherwise these numerous

pockets of self-government would have led to confusion. Under the law of the planned management and National Economy planning is concerned with "basic orientation of economic development and to the determination of general conditions of industry and the material obligation of the enterprise towards the community". This orientation is determined by social plans adopted by the Federal National Assembly, the Republican National Assemblies and by the peoples' Committees, each in its own territory. The rights of the State organs are restricted to the adoption of laws and regulations determining the organisation and business of the enterprises and to supervision of the implementation of these regulations. Consistently with these regulations and the social plans the enterprises are entitled to do business independently. Then next, there are regulations about assets and profits. The enterprise is required to keep up the value of the fixed assets allotted to it at the time of its founding. A tax on profits is payable to the Federal Government, a certain percentage is credited to the Reserve Fund and a part goes to the commune or District. Out of the remaining a part goes to workers and the remaining is used for rationalising production, for housing and for other welfare measures. If an enterprise works at a loss it must first draw upon its Reserve Fund. If the Reserve Fund is inadequate, the Peoples Committee of the Municipality must step in to see whether it can save the enterprise. If solvency is unlikely, the enterprise is wound up. These regulations as well as conditions of free market and competition introduce some checks and balances. To obviate the danger of wages being raised unduly thereby burdening the community with the liability of insolvent enterprises, there is provision in the Social Plan regarding the total amount which may be distributed as wages. Thirdly there are industry wise organisations such as economic chambers and economic associations to whom certain functions of State administration are entrusted. They acquaint the state with industrywise problems and cooperate in the preparation of legislation and social plans. Their activities also include co-ordination of activities in the technical improvement of production, assistance in co-operation of enterprises, organisation of joint auxiliary specialised services and organisation of training of cadres. For every economic branch there is a separate chamber and for every chamber are Assembly and Administrative Committee. The assembly consists of representatives of enterprises elected by the workers councils. They also have Tribunals of Honour to settle disputes arising from infringement of good business practice. One other noteworthy feature of the Yugoslav Bicameral Legislature is that its one chamber called the Council of procedure is elected by representatives of Producers. This is at all levels, the commune, district and Republic. The Council of producers in Districts and Communes are elected by the members of the workers' Councils and other self-managing bodies of producers and the district councils elect the members of the Councils at the Republic level. For the purpose of representation producers are divided into two groups of industry, commerce and handicrafts and the group of agriculture. The number of seats for each group at each level is proportionate to its contribution to the national income. This is defended on the ground that man's voice in the fortunes of his community

should be proportionate to the value of what he contributes to the national income. Both chambers have equal rights in matters such as passing of social plans and of other regulations and decisions concerning national economy as a whole but certain questions relating to the work of economic units, government organisations and self-governed institutions are within the separate field of the Councils of producers. This is how the social and economic organs of the people are integrated at all levels of the highly decentralised economy.

497. The working of the national economic plan becomes more clear as we examine the principles and process of income-distribution in Yugoslavia. The revised 1963 constitution of the Socialist Federal Republic of Yugoslavia vide Article 6 rests on self-managements the function of the distribution of social products in the working organisations and the social community. The constitution used the word income and distribution of income in place of wages, salaries or profit-sharing. There are two stages of this income distribution. In the first stage, income is distributed between society as a whole and the labour force. In the second stage the income belonging to the labour is distributed among individual workers. The criteria for dividing the income between the society and the labour force is the predominant problem of the Yugoslav system. The first stage determines the general level of workers real income. Article 9 of the constitution gives to self-management " the right and duty of the working people to distribute the income belonging to the working organisation" - not the whole of the income produced by the working organisation. This first stage distinction is necessitated by productivity differences in individual enterprises resulting from differences in equipment, by different levels of productivity of land and to the differential monopoly power present in the factory and product markets, by the social ownership of the means of production and the resulting need to eliminate property-derived income. The first charge on income of the enterprise is the value of the factors used- cost of material and depreciation. The balance is called net product. From the net product the enterprise must pay sales tax, interest on fixed or circulatory capital and land rent tax. The rest is net income. This may be utilised for paying membership fees, the training of young workers and for specific personal expenses such as travelling. The final balance is the income of the enterprise. The 1962 averages showed that 76.2 p.c. of the gross income was appropriated for factor usage. Assuming the remaining 23.8 p.c. net product as equal to 100, sales tax amounted to 13.5 p.c. interest on circulatory or fixed capital 9.3 p.c. and land rent 0.5 p.c. The discretionary payments came to 6.5 p.c. and the income of the enterprise constituted 70.2 p.c. of the net product. There are three factors contributing to the income of every enterprise 1) land, 2) physical plant and 3) monopoly power. If an appropriate rate equal for all enterprises is applied to each of the 3 groups of factors combined in any one enterprise in the sense that corresponding parts of income are siphoned out of enterprise all income that results from differential productivity of these factors is eliminated. Thus the remaining income expresses more or less accurately the work and management of individual enterprises. It can be distributed among workers without fear that the Socialist

principle of 'remuneration according to work' is threatened. But the remaining is not what the workers receive in pay. They constitute gross personal income out of which several taxes and charges such as social security, housing, transport and other contributions amounting to some 45 p.c. of the gross personal income are deducted before the net personal income is received by the workers. The first stage enterprise level decisions are made according to general rules of distribution & the ratio between personal income on the one hand and funds formations on the other is on an average 3:1. On these rules, in 1963 a detailed elaboration of the principles was prepared in the form of an agreement between the Federal Secretariat for work, the Central Council of the Yugoslav Trade Unions Confederation and the Federal Economic Chamber. According to these rules every enterprise must analyse the results of its work and management to discover which factors contributed to the production of net income and in what relative degree. Bearing in mind its long term development plans, the enterprise must decide how to divide the net income between personal and collective consumption on the one hand and its productive funds on the other. The analysis of work and management results must be based on a comparison of the current years results and factor contributions with those of the previous year and by comparing the enterprise results and factor contributions with those of similar enterprises. The distribution formulae is as follows:-

$$Y_p = \frac{P_n}{1 + x k}$$

Where Y_p = personal income bill, P_n = net income of enterprise, k = a factory by which the enterprise qualifies its analysis of work and management results and

$$x = \frac{C - x_0}{C_0}$$

where c = Capital per capita in the current year, C_0 = Capital per capita in the previous year and X_0 the distribution relation in the previous year.

The Communal Assembly exercises a general supervision over decision-making in the field of income distribution in enterprise. It can request any firm in the territory to submit for examination its rules related to net ~~xxxxxx~~ income distribution. After examination, the commune notifies the enterprise of its objections and make recommendations for the introduction of appropriate amendments. If the workers' Council disagrees, it must justify its position before the communal Assembly. If the Assembly is not satisfied, the matter is finally settled by the Republican Assembly. Thus though the workers Council is in principle autonomous, it must, in defining its income distribution policy take into account the general interests of the national economy. In the case of disagreements the organs of the social and political communities are the official interpreters of the interests of national economy. We have already seen that large enterprises are divided into economic units. There are different rules defining the distribution of the net income of the enterprise between its various units. The units enjoy a relative technological independence and internal cohesion. Each unit has its own accounting system. It purchases raw materials from other

units and similarly sells its products to still others. Many relations between units are regulated by contracts as for instance, in the case of excess workers, quality of products and timing of output. This helps division of net enterprise income into units. This division into semi-autonomous units is found to be necessary to give a reality to principle of self-management. Once an enterprise has over 300 or 400 workers, its workers council cannot effectively control the productive process. Any direct contact with individual workers and any clear insight into human problems of production participation is then weakened. In such a case the workers council becomes an organ merely defining (is much more adapted to meet the numerous requirements of really full participation. Yugoslav has done this and for this purpose has developed many criterians for apportioning the net income of enterprise between various economic units. Among such criteria are for instance: internal accounting selling or cost prices, planned personal income and planned net income - per unit of product, average monthly personal income for the planned number of workers, the actual hours worked, the charges in cost price per unit of product and quality of product. The economic unit distributes its income to workers. Each unit can have its own rules concerning this distribution. In such cases the rules adopted at the enterprise level to guide the economic units contain only such general provisions as would be necessary to guarantee the unavoidable minimum of uniformity. They usually contain the ~~xx~~ following provisions: personal income differentials between the highest and lowest basic personal income for all economic units, general principles of job evaluation; merit rating, piece work and standard times, quality, material saving and bonus. The rules of each unit contain concrete evaluations of different jobs and different categories of workers expressed in dinars or points - usually the latter. It contains also concrete piece work rates or standard time for every type of work under quantitative incentive systems, qualification of bonus with respect to improved quality of product; savings in materials and power, percentages governing allocations to reserve funds of personal incomes and conditions for utilising such funds. The job factors usually include: contribution of the job to accomplish economic units' and enterprises' plans; the skill and experience necessary to perform the job; education, responsibility, strenuousness and working conditions pertaining to the job. The merit factors considered are: qualifications, seniority, initiative and attitude towards work and contributions to the success of the economic unit. This is how the largely impersonal character of modern enterprise is made closely personal to bring to each individual worker a feel of how he can himself count in all operations of industry and get individual justice for himself. Of greater importance are state regulations on minimum wage. According to the Decree on guaranteed and minimum incomes promulgated in 1962, the gross income of individual workers cannot fall below din 61 per hour or din. 12,700 per month + 20 p.c. depending on the communal assemblies decisions. By multiplying the hours worked during a period of time by the gross personal income guaranteed to the corresponding industry a minimum gross personal bill is established, payable by every industry irrespective of workers performance. If the industry is short of funds, the commune will supply them from the communal reserve fund.

< the policy of enterprise in economic unit with its own council.

498. To the orthodox trade unionist the above description is likely to give an impression that the trade union has no role to play in the Yugoslav set up. There appears to be no scope for collective bargaining, no recognised procedure for settlement of demands and grievances. But there is a great deal of real nation building work for unions to do. The trade unions serve to assist and support the workers organs of self-government in enterprise, organise a control over the work of these organs and train too the direct producers for participation in these organs. In the enactment of wages and salary schedules, which includes rates for all work posts and jobs, the workers council, the people committee and the union jointly participate. Their agreement differs from a collective agreement not merely in that it is not concluded between parties with conflicting interests but in that the participants in the enactment of the wages and salaries schedules do not assume mutual commitment as is the case with collective agreements. The union is quite often organised on a District basis and their participation is helpful for co-ordination of the pay rate relations on their territories among enterprises of one and the same branch of industry and between them and communes. They are pledged in principle to endeavour that equal rewards be paid for equal work and differentials should be the result of better work and better operations. If in case pay commission or arbitration becomes necessary the union is inevitably represented on this body. The unions are preparing to become the chief bearers and managers of the labour mediation service. The Unions present the workers view before Government and Parliament and they help in the explanation of national policy to workers. They are not organs of powers but are guides to automanagement. They advise on the distribution of resources, attempt to prevent monopolistic tendencies and co-ordinate the interests of different categories of workers. They exercise influence over the selection of members of workers councils. Membership of trade unions is voluntary but a very large majority (about 85 %) are members. It cannot be, however, said that it is a free trade union movement because all unions are necessarily affiliated to one national centre. Workers are not permitted to organise trade unions of their own choice which would be independent of the Communist dominated centre. Great importance is attached to workers education. Apart from technical instruction imported through industrial schools organised by trade unions and in many cases by the undertaking itself, workers are given instruction in economic matter relating to the management. A visitor to Workers' University senses immediately the atmosphere of sincere endeavour prevailing all round. Teaching is largely through seminars and group discussions. The subjects are: Management of enterprises, organisation of workers' Councils and Management Boards and their meetings, the organisation of production in various enterprises, costs of production, the general and commercial organisation of an enterprise and its financial activities, industrial relations, planning of production, the correct use of materials, the interpretation of cost accountant's reports, balance sheets and other documents.

499. The Yugoslav picture has many unique features. It is a great educational experiment in practical art of direct democracy. The system is not without faults. There is

continuous self-criticism. So there is hope for improvement. It has become possible for Yugoslavia to make such a bold experiment because at the background there works a strong party whose large numbers of ideologically unified members exercise a cohesive influence for discipline and form the back-bone of the self-governing bodies. The technicians are also given a great respect. In the first flush of enthusiasm some workers' collectives thought that a Director was unnecessary and day-to-day management could be exercised by a committee. Working results have, however, shown the worth of the Director and Directors of proved capacity are much sought after. There has also come about greater recognition of the worth of highly qualified technicians. The responsibility for new industries and new factories is placed on local community or the Republic. But in this as well the other field of entrepreneurship that calls for taking of risks and prudent long-term planning, the Yugoslav is still struggling for an answer. There is a conflict between demand for higher wages in the present and the needs of investment for the future. The Government's fiscal policy that is chalked out to support development is felt too harsh. For the workers representatives there is coming a uncomfortable realisation that workers control does not itself create wealth. The workers councils showed an instinct to find out short term but self-defeating solutions such as raising prices, demanding tariff protection, forming cartels etc. For the ordinary worker, the workers management has become no different from any other management. Regardless of the fact that the management is their own they go on strike on many occasions in support of wage demands. In a large factory workers soon feel alienated from their elected representatives. Then there is a problem of large unemployment. To the unemployed, workers self-management can afford little satisfaction. Moreover in the name of equality, there is a tendency in workers' councils to allow very small wage differentials between the pay of unskilled and those of skilled workers. That is making the skilled workers emigrate. Yugoslav is trying hard to overcome these difficulties. The economic policy statement of 1963 makes a major declaration to achieve these goals of increased production and national income. Federation has released large funds from its own custody to the economy. It has abolished its own right to draw upon credits from the National Bank. Contributions to Federal budget from personal incomes is reduced. So also is reduced the commission payable to public book-keeping (auditing) service and all revenue stemming from foreign sources is renounced. Another major change is that all problems relating to the distribution of income are made public so as to throw as much light as possible on important problems and deficiencies. The adoption of sound rules is regarded as a matter of concern to all citizens. The press explains to its readers the new principles of distribution. It draws the public's attention to examples of successful work and criticises enterprises in which intructions are misunderstood or where the work is lagging. The Press is thus ~~is~~ increasingly playing a great role in decision making. The collectives of economic units have also started establishing joint committees on commissions to settle their internal conflicts. A typical process of grievance procedure is developing on the plant level. The dissatisfied worker enquires from his fellow workers what they think about his grievance? If he senses a

response he may try to enlist his fellow's support. If such support is strong he will press his case. If not, he will probably decide to drop the issue. A psychological and social conflict between the decision to consume more and the other one to invest more is however prevailing the whole scene. The invisible hand of investment is making the worker unhappy. His only solace is that all are sailing in the same boat. How to make investment a boon rather than a burden is the pressing problem before the Yugoslav worker.

ISRAEL:

500. The story of the development of Israel, the plot of that development, its plan and speed of action, the role of the characters and their interrelationships and inter actions is quite dramatic in every sense of that term. The theme of this drama was patriotism. Its lesson - the message of national attitude and spirit. No doubt, the span of time in which the recent developments have taken place is too small to give us any permanent generalisations, but then this can be said with a slight degree of variance about other isms as well. The country is small, but then the obstacles were very great. The world Jewry took up a historic decision to make up for centuries of neglect of their dear Motherland. They had to start everything from the scratch. The immigrants brought with them very little besides the clothes on their backs. The natural resources found within and around the Dead Sea were extremely limited and the only natural abundance was of sun-shine. Most of the means essential for economic development were lacking. But the potential mental and physical ability of the people was highly impressive. It made up for everything that was lacking and the sole determining factor for every action was a strong feeling of patriotism. Again it is true that assistance capital flowed in a large way from world Jewry, from friendly nations and from German reparations funds. Moreover the largest part of this capital inflow was composed of unilateral transfers - a dedication of to Motherland by her sons working in other parts of the World. There was, in fact, a time when most economists would have explained the economic growth of Israel only in terms of her ability to import capital from abroad. But with a closer and larger study of facts, few economists would now maintain that argument. It is assumed in traditional economic thinking that there is a definite relationship between employment, capital input and total product - that is to say in the absence of a proportionate increase in capital investment an increase in labour force has a negative effect on economic development. The actual experience of Israel has belittled this theory. She has shown that an increase in labour force does not necessarily require a proportionate increase to keep total per capita product unchanged or increasing. The Israel experience is that the unavoidable condition for economic growth is the readiness of a larger proportion of population to work, to work longer hours and more efficiently and to display a willingness to co-operate thus creating the socio-political and institutional conditions amenable to such growth. Israel has shown that whatever progress in economic growth she has achieved is in no small measure due to such an attitude on the part of her population and her institutions, notably the Government, the employer and the trade union organisations. On the other hand recent experience in many less developed

areas has shown that capital and labour may be wasted not only due to lack of knowledge about the manner in which to organise production, but primarily due to lack of positive attitude to production on the part of some of the country's institutions and labour force and also to a lack of favourable incentives for institutions and the population at large to make the most of available resources. After the Israel experience, most students of economic development now hold that economic growth is affected by a nation's social, political and cultural fabric and by the quality of its human resources no less than by its economic relationships. An understanding of the nature of Israel's institutional relationships and of the manner in which the policies, procedures and practices pursued advanced or hindered development is therefore of much use in drawing general conclusions to help socio-economic policy formulation. Let it be clear that there is still much to be desired in these respects and the entrepreneurial and labour problems and demands which be set other economies are far from absent in Israel. Nevertheless, on the balance, the attitudes and behaviours of labour force and economic organisations have definitely made a positive contribution to development and to development planning.

501. Israel had certain unique factors which could create many positive attitudes. The very political situation in which Israel found itself tended to create a positive attitude. The early going was most difficult and so a tendency to forgo certain benefits and to develop a creative and collective spirit was more natural. A deeper philosophy will have to show how such attitudes can be made permanent. Secondly there was a unusually large burden of defence. So expenditure on imported consumer goods had to be minimised and a greater reliance placed on local production. Thirdly, though there was a common historical experience for the people uniting them into a nation, there was a complete lack of any tradition of social patterns. That made it easier to reach social decisions necessary for economic growth. On the other hand, there were groups within the population with traditions of economic specialisation and of a background capable of adapting themselves to economic specialisation. There were many instructors willing to go out to the different localities to study local problems to teach the new immigrants and to develop a broad base of local leadership that could shorten the period of transition to a new socio-economic milieu. Lastly a unique feature of top national leadership was that all the outstanding figures in that leadership came from the trade unions. They continued to maintain a close contact with the trade unions and with their experience in community organisation and collective action they could see to it that the development of workers' national movement was based on work and the emphasis on pro rather than anti. This resulted in the formulation of a political unionism of a positive character. It is pro-government and pro-economic development though not subordinate to the government. This has been possible due to the comparatively democratic nature of the trade unions, the high level of membership vociferousness and a live grass-root pressure. Against this background Israel developed her socio-economic organisation of life, her plan of mobilisation and direction of resources, her strategy and tactics in selection of favourable determinants around the plan and its implementation. -- 397

502. In one sense it can be said that Israel does not really have a plan i.e. if by the term plan it is meant that there exists a programme which it is presumably in the power of the government to carry out in its entirety. Israel's national plan consists of a programme of desirable socio-economic objectives estimated to be attainable in a given period of time and ways and methods with which an active government is to influence the attainment of those objectives. In order to ensure effective support of the population for the plan in Israel, the various interest groups are involved in the preparation of the plan through consultations, advisory boards and commissions and in the implementation of the plan at the levels of the industrial branch, the region and individual enterprise. The formulation of the plan takes place in a number of stages and is the product of many individuals, committees, commissions, organisations, institutes and ministries. The work of the various bodies is co-ordinated by the Economic Planning Authority which is a part of the Prime Minister's office. Informal, preliminary discussions take place with government officials and key personalities of public institutions and various interest groups such as the labour Federation (Histadrut) the employers' associations, farmers' group and so forth. Thereafter the Economic Planning Authority prepares in general lines a draft which includes present economic indicators, possible future trends and targets to be fixed for the coming period. It, thereupon indicates what steps will have to be taken to achieve the targets, who will be responsible and how the planning for the respective targets will be carried out as well as a time-table for various stages. This draft is then submitted to the Ministers Committee for planning which consists of six relevant cabinet ministers and the Governor of the Bank of Israel. This ministerial committee avails itself of the advice of the Council for Economic Affairs - a government appointed body consisting of five members from Government, three from the labour Federation, three from the management and five public figures. After detailed consultations and deliberations the Ministers committee for planning determines its attitude to the draft plan and issues instructions to the various Ministries to develop their respective parts of the plan. The Ministries prepare their respective sections of the National plan in consultation with various inter-ministerial and public bodies which consist of (a) Policy Planning Commissions such as the Commission for the Dispersion of population, Commission for Manpower and vocational training and Commission for Efficiency and Productivity and (b) Economic branch planning Committees. On practically all of these commissions and committees are to be found individuals from the various interest groups including trade unions. However, they are appointed as individuals rather than representatives of their organisations to avoid their coming to meetings with instructions embodying pressures of various interest groups. Most Ministries submit draft of their plans to the interest parties for their comments and suggestions and finally submit their plan to the Economic Planning Committee. As this stage there are again drafts and redrafts and revisions till finally the Ministers Committee submits the National Development plan to the Government for approval and incorporation in the Budget Bill. Throughout the various planning stages, literally hundreds of people are consulted, views of respective interest

groups are expressed. Formally and informally, influence, argument and data are brought to bear upon the final shape of the plan and there are discussions of the issues in the Press, both partisan and independent. A democracy's plan for an economy of scarce resources by the very nature has to cope with serious conflicting interests - employers vs. workers, savings vs. consumption, full employment and relatively high incomes vs. price stability, shortrun vs. long term objectives etc. A democratic plan cannot simply be formulated or implemented unless the public and its articulate leaders are informed on economic matters. Mr. Levi Eshkal, the Prime Minister of Israel, has stated the problem in the following words, 'Only those who deal with these problems on a day-to-day basis know how to connect the various links into a single chain, for behind the partial bits of information that reach the public, and behind the hundreds and thousands of decisions that are not publicised, there is one line which guides the government in its economic policy (that line is) the social and economic relations limit the Government in the carrying out of an economic policy that suits the longrun national economic needs". So this strategy of planning requires that the Government ministers and other officials keep in contact with the various interest group organisations and through them with the people at large to keep them informed of economic conditions, problems involved, what action the government is taking thereby mobilising response to and support for the government's socio-economic programme. The concern for the need of the masses to understand the complicated economic problems facing the nation often requires the reduction of these problems to their simplest terms for presentation in the form of the people's and their nation's experiences, needs and aspirations. For this purpose the government and the trade unions information (explanation) departments have to exert much, for this is no easy task. Secondly people may even understand and yet be concerned with personal interests which may conflict with the general interests. They may differently define general interest, or the means by which it may be served. This requires eliciting if not agreement at least acceptance and awareness of the general goals, and understanding has to be reached on the extent to which the government is to take into consideration and balance the specific needs of the interested parties and to what extent the parties will have to accept the government's attempts to direct these needs, so that they do not conflict too much with overall and long-run goals. Israel has realised that it is only at this point of mutual acceptance that the starting base for the plan's construction is achieved. This is almost a perfect system of communication which holds the key of good industrial relation. It is no wonder then that positive attitudes should develop from the grass root levels.

503. Another peculiarity of Israel's planning is that its objectives are based on the pragmatic approach that the people's energies cannot be mobilised only on the basis of promises of future gains. The plan programme is based not only on the country's long-run economic objectives, resources and constraints but also on the present needs and desires of its people. At the same time it is based on the realisation that the long-run objectives can be attained only to the extent that the people can and are willing to make the necessary short-run sacrifices for them. If the support of all the interest groups

is to be mobilised behind the Development plan, it cannot be done on the basis of a promise of improved welfare in the future only. At least part of the gains must be realised immediately by the present participants. A social philosophy based on the concept that the needs of the people are paramount, necessarily leads to that kind of social action. The Israel Federation of labour, Histadrut and its members who constitute 92 % of the country's wage and salary earners would not accept a policy whereby they should be participants in the increased economic activity while only a small percentage of the population would gain from it. It is known in Israel that a democratic government does not only lead, it also follows the wishes of the electorate. Therefore whatever targets Israel's various development plans may have from time to time, it has always placed before it the following three goals viz. (1) Increased welfare of the population (2) high level of employment and (3) economic independence. Of these three the improved Welfare has always been the central objective. We find the beneficial effects of this policy in Israel's economic growth. In 1962 inspite of an increase in the population of 4.4 per cent, unemployment was reduced from 4.3 to 3.8 p.c. and per capita product in real terms rose by 4.6 p.c. The figures for 1963 are population increase 4.0 p.c. reduction of unemployment from 3.8 to 3.6 p.c. and per capita product increase by 3.2 p.c. And thus Israel's economy is managing to boom along unabated. The gross national product shows no signs of slowing down from the hectic 10 p.c. or more expansion pace of recent years. Consumption too has been climbing fast by an estimated 3 p.c. per year in real terms since 1964 giving the 19 year old nation a standard life that is no less than in any country of Southern Europe. Their exports are also rising very fast and they are hopeful that original designs and high quality will soon earn for them substantial markets in Europe and other parts of the World. They have already achieved full employment and even shortages of labour in some areas, and the emphasis in planning has already changed from the first target of physical expansion to now the second target of greater selectivity, concentration on improvements in methods and quality of production.

504. The basic motivation that has informed all this development is a strong feeling of patriotism. The entire population is influenced by patriotic motives and other collective goals. One of its expression is in the nature of union-management relations which exist in the country for its course of existence so far. There are of course, disagreements, disputes and even conflicts between union and the management. There are individual and collective grievances on both sides which at times take the form of strikes, slow-downs and even lockouts. These conflicts hardly ever express themselves in violent struggles. There is no feeling on the part of the union that an employer is out to destroy it, or on the part of an employer that the union is out to ruin. Negotiations may be protracted over a longer or shorter period of time but they generally end in a spirit of accommodation. Moreover, it is not unusual for management and workers to undertake joint action regarding

an intra-plant problem or a public campaign. When in 1949, in the very first budgetary speech to Parliament, the Government proposed to management and workers the establishment in each factory of joint councils which would be concerned with improving efficiency and increasing productivity, it was soon considered by both parties and some time later they were actually established and started doing a brisk business. A national agreement in this regard provided, inter alia for norms of production based on work study to be established in each plant and that for each per cent increase in production above the norm, the worker would receive an additional per cent increase in the form of premium pay. The government on its part also came forward and declared that earnings from premium pay would be subject to a lower rate of income-tax than that applicable to basic wage. For such premium pay to be eligible for the lower tax rate, the national productivity Institute would have to certify that the established norm is a fair norm actually established on the basis of an objective work study. In the beginning some of the left wing political parties opposed the establishment of such norms and productivity techniques because they claimed that employers would exploit them to speed up and sweat the workers. But the environment of patriotism was so compelling that the workers began to press for the establishment of a norm and premium system. Today there is hardly an industrial establishment that does not work under this system. The experience by the workers of direct benefit from the increased production plus the feeling of satisfaction derived from participation and the opportunity to have a say in the system's administration has not only kept it functioning but it would now be difficult to do away with it. It is understood that when a change in the method of work is introduced, a new work-study is conducted and a new norm is established. Moreover, the national agreement between the trade unions and the manufacturers Association also provides for workers contributions to method improvement. In Israel, it is not only the Government or the employers who award the prizes to the best workers. The trade unions also award prizes to 'Heroes of Labour' from all branches of the economy, framing, transportation, industry, services etc. These prizes are presented by Minister for Labour with all the pomp of a national publicity campaign. A more recent experience of collaboration was in the area of wage policy. In a patriotic concern for National Welfare the dangers to the solution of Country's economic problems stemming up from tendency to concentrate on promoting sectional interests were publicly discussed not only through the newspapers and other mass media of information but at trade union meetings and factory meetings. It finally resulted in an agreement to link wage increases to the annual rate of increase in net national product. A research Institute for Production and Incomes was established and is directed by a Public Council of 27 - 9 from government, 9 from trade unions and 9 from employers. The Institute has a professional management of 7 and consists of 1 each from the above groups plus 1 member each from the Central Bureau of Statistics, the Bank of Israel, the Productivity Institute and the Economic Planning Authority. The professional management supplies the Council with the statistical and economic facts. The Council evolves national wage policy with the help of these facts by free discussion. The first national agreement on this basis was arrived at in 1964. Thus the interest groups are not only consulted in the fixing of objectives of the National Development Plan

but are directly involved in its implementation. In the field of training and manpower development, there are not only representatives of trade unions and employers on the public and government committees but all parties have also established their own schools e.g. the labour Federation is conducting a chain of vocational schools. The clerks union has got centres not only for training and improving skills of clerks but has also opened a school of management to enable members to prepare for more responsible managerial positions. The trade unions have ~~re~~ recognised that management plays a decisive role in affecting labour productivity and therefore they are supporting activities that lead to improvement of managerial skills. Along with the representatives of management there are also workers representatives on principal public bodies such as (1) Advisory Council for Development Budget which advises the Ministry of Commerce and Industry in the selection of investments and sanctions of loans (2) The Advisory Council for Pricing and Marketing and (3) the public Council for the protection of local products which is actually concerned with import liberalisation policy.

505. The principles on which Israel has based her system of involving the interest groups in formulation and implementation of economic planning merit a serious study for developing countries. The success of these principles has knocked down many economic theories about planning by presenting a social dimension of planning not only as a factor to be taken into account but as the very fukrum that gives optimum uplift to the socio economic progress. The Israels believe that the success of a development plan depends to a large extent on the discipline of the population, their readiness to behave in a manner that will not run counter to the objectives of the plan. In order to achieve the plan's objectives it may be necessary to modify economic structure, methods of production and distribution as well as to modify group and individual attitudes and behaviour in the areas of Savings, consumption, incomes and the like. In a democratic Society much profound changes and economic discipline cannot be based on fear. It is only a partial truth to say that the success or failure of a system depends upon its intrinsic nature. It is a greater truth that it depends upon what men choose to believe about them. When men participate in an undertaking there is less need to convince them of the desirability of and the method of achieving the objective. They believe in it because they are a part of it. Contemporary Society tends to be more and more organised along interest groups - workers trade unions, professional organisations, consumers societies, farm groups etc. This can constitute a permanent danger that they will each pull in different directions and in opposition to the direction required by the national development plan. Preliminary public consultation and as wide a participation by the interest groups as possible tend to minimise socio-economic conflict and offer greater possibility of reaching mutual consent on the overall aims. Consultation and participation tend also to develop a work force of superior quality. It enhances the status and prestige of the participants and develops a positive attitude towards development beyond the personal monetary gains to be achieved. This is true not only on the national and regional levels but also on the enterprise level. Workers participation at the plant

level in the solution of such problems as efficiency, methods improvements, elimination of waste of materials, maintenance of equipment and increased productivity makes the task of management easier by making it possible to delegate more of the organising functions to the workers themselves. Its valuable by-product is that it brings to the fore in a natural way, able men who can shoulder responsibility and thus throws up a reservoir of supervisory and management skills. The relationship that can make this participation possible and the organisational form and social policy that can make it fruitful should ensure that Propriety is given to full employment, worker is free from fear of losing his job, organisational framework is based on respect to positive attitudes adopted by all interest groups. In the process of coping with problems stemming from the objectives of development, it is not only the employers who constitute agencies for change, the trade unions and their members too become agencies of change rather than deterrents to change. In democratic planning it is not only possible but essential, to involve often conflicting groups. In order to achieve success for this involvement it is necessary to conduct mass educational campaigns so as to ensure acquaintance with the country's economic problems and the direct relationship between the economic problems and peoples social welfare. In situations where national policy is known to all and supported by the overwhelming majority, the interest groups react favourably and it becomes difficult even for individuals to oppose it.

506. Informed by above principles the trade union in Israel performs more than a consumptional function. It also performs a productionist function. One other peculiarity of Israel is that the agricultural sector, which is based on the Kibbutz and Moshav type of organisation is among the most progressive elements of the population and is most actively involved in the country's socio-economic development. It is no accident that there are more public committees, commissions and councils attached to the Ministry of Agriculture than any other Ministry - all of them being involved in the formation and implementation of the plan at various stages. Moreover as an integral part of the trade union movement, they are actively involved in the Histadrut's leading committees and participate in formulation of policy and is providing leadership for the various activities of the Israel Federation of labour. It is this section of the population that is most imbued with a pioneering spirit and has laid the foundation for modern economic growth.

507. The involvement of trade unions in planning has certainly diverted the emphasis of planning from more investment targets to actual levels of consumption achievement. But this has been a boon and has given to economic practitioners a new theory. The concern with present social welfare needs certainly constituted an economic cost in so far as resources were diverted from investment to consumption, but it was found to be a cost more in the nature of investment, This concern for social progress has been one of the main factors in determining that all interest groups are 'on the in' rather than 'on the out' of the process of national economic

development. So this has been the same type of economic cost as that spent on factors of production such as equipment and materials. It differed from them in so far as social welfare is not only a means of achieving economic growth but the very object for which economic activity is undertaken. The Israel experiment indicates that economic development does not have to be accompanied by social hardships. This is an important lesson. Social welfare does not have to be a cost in the usual sense but an investment that can pay dividends in the short run as well as in the long run.

THE LESSON

508. From the above study of the different countries following facts can be deduced.

1. Notwithstanding broad structural uniformity in the trade union organisations of the World, the role of trade union movement in different countries is different;

2. This is occasioned by the differences in their processes of historical growth and patterns of present socio-economic orders;

3. In both these respects, India has its own peculiar characteristics - e.g. we have a heritage of a rich mass and diversity of thousand lines of experience which are all informed by a spirit at once unique and universal;

4. Consequently, though every country has to offer a lesson or a warning to us in one respect or the other, we will have to evolve our own pattern in consonance with and against the background of our own traditions and conditions;

5. The trade union movement plays a very significant part in the formulation and implementation of Planning, atleast in some countries. There is no reason why in India it should not be called upon to associate itself more actively and decisively with the formation and implementation of the plans.

6. With a view to enable it to make a more substantial contribution to the national prosperity, it is necessary to free the trade union movement from the slavery of all 'isms'. The attitude and approach must be pragmatic, not doctrinaire.

7. No legal measure or structural pattern can yield any results, in the absence of a strong sense of patriotism in the country. Nationalism, rather than internationalism, is the real source of inspiration to work hard and to make supreme sacrifices. The industrial, democratic planning can be successful only to the extent to which the employers, the employees and the Government identify themselves with the entire nation. This psychology of national integration can alone mould properly all the various aspects of industrial relationship.

8. The inertia of all sections of our population - including labour - can be shaken off only by furnishing them with a great national ideal and enthusing them with the spirit of National Renaissance. Every citizen must be given the awareness of his role as a nation-builder. Lofty idealism - not petty allurements, can be solid foundation of national renaissance.

509. Bhartiya Mazdoor Sangh is of the view that the role of Trade Union movement in the country cannot be determined in isolation. It is to be considered as an integral part of the total scheme of national reconstruction. Some fresh thinking, hard thinking, must be brought to bear on this subject. We must steer clear of over cautionism in the name of conservatism and adventurism in the name of readicalism. We must profit by the experience and experiments of all the countries, without trying to imitate anyone of them blindly; we must conduct through investigation into the assets and liabilities of our hoary past, without losing sight of our present plight and future aspirations. In all sections of our population we should be able to generate missionary zeal for the cause of the Nation so that all of us may stand shoulder-to-shoulder in our common march towards the National Destiny.

510. Explaining the process of Reconstruction flowing naturally from the spirit of identity, Shri M.S. Golwalkar, the Sarsanghchalak of the R.S.S. observes, "Once the life-stream of unity begins to flow freely in all the veins of our body-politic, the various limbs of our national life will automatically begin to function actively and harmoniously for the welfare of the Nation as a whole. Such a living and growing Society will preserve out of its multitude of old systems and patterns whatever is essential and conducive to its progressive march, throw off those as have outlived their utility and evolve new systems in their place. No one need shed tears at the passing of the old orders nor shirk to welcome the new order of things. That is the nature of all living and growing organisms. As a tree grows, ripe leaves and dry twigs fall off making way for fresh growth. The main thing to bear in mind is to see that the life-sap of oneness permeates all parts of our social set-up. Every system or pattern will live or change or even entirely disappear according as it nourishes that life-sap or not. Hence, it is useless in the present social context to discuss about the future of all such systems. The supreme call of the times is to revive the spirit of inherent unity and the awareness of its life-purpose in our Society. All other things will take care of themselves."

511. These observations of Shri Guruji acquire additional significance when we take into account the fact that, like ancient Manu trying to preserve specimen of all types of life in his boat during the period of deluge, this seer of Universal Dharma and its Adhithan the Bhartiya Nationalism is striving persistently through his organisation to preserve and promote all the qualities and virtues necessary for national resurgence and human glory.

512. It is high time that we should think collectively about the role of Trade Union movement in India in the spirit of these observations.

CONSTITUTION AND FUNCTION OF STATE - THE SOCIO-ECONOMIC ORDER OF SOCIETY.

513. IDEAL OF PLANNING:

For rousing genuine enthusiasm among people about the implementation of planning, it is imperative that the plan should be in keeping with the 'संस्कृति' of the nation. The term 'संस्कृति' denotes a trend of impressions on the mind of the society which is peculiar to its own and which again is the cumulative effect of its passion, emotion, thought, speech and action throughout the ages.

जातिराष्ट्रादिसंघानां साकल्यं चरितरथ यत् ।
व्यक्तं 'संस्कृति' शब्देन - - - ज्ञानकोशकार

The objective of planning, according to our 'संस्कृति' has always been the progressive realisation of 'धर्म' . The characteristic of Dharma is the 'धारणा' of society. The Dharma was narrated for the prosperity of the beings, what is accompanied by prosperity is indeed Dharma:

प्रभवाय हि भूतानां धर्मप्रवचने कृतम् ।
यस्मान् प्रभवसंयुक्तः स धर्म इति विश्वसः - महाभारत.

The term 'प्रभव' indicates material advancement as well as spiritual elevation. (यत्प्रभुव्यभिः प्रयत्नसंसाधः स धर्मः) . Any planning which concerns itself only with either one of these two objectives is lopsided - incapable of achieving balanced development of the society. For practical purposes, minimum required spiritual elevation should enable the citizens to dedicate the fruit of their labour at the sacred feet of the 'समान्तरुष्य' . (स्वकर्तव्यता नामभ्यन्त्य सिद्धं विन्दति मानवाः) In absence of this spirit of dedication, the sterling qualities and notable achievements of different individuals will become mutually competitive, instead of being complimentary. On material plane, every individual born in our society has right to live. In ancient India, no one was allowed to be born except with his bread. The right to work according to one's own nature was regarded as a fundamental right and duty of every individual, by Indian Rxi Polity. It is un-Indian that our present constitution has not yet incorporated this right. It was recognised that unless the primary necessities of life become available, men would have no mental peace and leisure enough to concentrate upon higher pursuits. All-round individual development is possible only if one is allowed to take up a job in keeping with one's aptitude (निमित्तमुज्ज्वलं). The aptitudewise arrangement of jobs was the special feature of Bharatiya socio-economic order. Individuals endowed with similar aptitude and engaged in similar job constituted one occupational family; occupational families working within the same industry were constituent units of their industrial family; all industrial families within the same region formed the region-cum-industrywise socio-economic group; and all such vertical and horizontal groups put together constituted the Nation. Every family or group enjoyed internal autonomy, freedom to evolve its own plan, subject to the general discipline and approval of its higher organism. Greater stress was laid upon self-discipline, and disputes at different

levels were disposed off by popular, industrial assemblies at those levels. The state intervention was minimum and the State itself was subject to the rules and regulations prescribed for it by the moral leaders of the Society who had neither power nor wealth. This, in brief, was the picture of our society with its autonomous, self-governed socio-economic constituents - evolving their own plans which formed part and parcel of the comprehensive national plan.

514. This, according to us, is the ideal condition. If the state is accepted as the sole authority of planning, ~~authoritarian~~ authoritarianism would become inevitable. If the various interest groups not sharing common consciousness were allowed to have their own way, and if a class of moral leaders of the society is absent, each group is bound to pull in its own direction and the emergence of a National Plan would be inconceivable. Internal autonomy of various groups is a must, but it must be accompanied by strong sense of nationalism, and guided by self-less, disinterested persons having the good of the entire society at heart. Then alone state intervention can be minimum.

515. Under the present circumstances, the main difficulty in pursuing this line effectively is the lack of adequate organisational level of some of our socio-economic groups.

For exemple, while some sections of industrial workers in the organised industries have attained the required ~~x~~ organisational levels, those engaged in agriculture, cottage industries and small scale industries are certainly far below the minimum required standard. The same holds good regarding the communities of self-employed persons and some other sections, such as, scheduled tribes. All these groups will have to be given proper organisational share before they are called upon to participate in the evolution of planning.

516. While we are confident that all nationalists will strive their best to expedite the above process of consolidation, we feel that, under the present set-up, Trade Unions constitute one of such organised groups, though in course of time, we aspire to develop them into the occupational and the industrial families of the Bharatiya Type.

BASIS OF STATE :

517. So then we have seen that the trade union movement is not merely an agency to ventilate the grievances or demands of the workers but it is a sense and organ of society that is vitally involved in the process of social and economic transformation. Rather the latter is it's true function and the former has a incidental or instrumental importance. To the extent that in this process the trade unions represent the down-trodden sections of population who require immediate relief and assistance, ~~then~~ the trade unions have a greater responsibility to discharge than other limbs of the society due to the sensitiveness of the situation in present Indian context. Once all the sections of population achieve a certain minimum of economic standard then the importance of the trade union may shed its overriding urgency but will still remain an important

important section of society as the knower and controller of day-to-day operations of economic life of the people. As such the aims and objects of the trade union movement require a greater accommodation in consideration of public policy and a certain amount of autonomy in the exercise of powers in public or individual matters. A certain pro-totalitarian view about the role of the state may find an overlapping of functions of Government and trade union movement in the ~~above~~ above statement; while a concept of state that is pro-anarchist or liberal may find difficulties in conferring upon the trade union movement the above-mentioned role. In fact both these hesitations proceed from a thinking that regards State as a centre of all influence. But the available facts of history show us that this is true only for a short term and in the longer run of things the basic forces of Human Nature assert themselves as a primary factor and bring in contradictions and confusions about the exact utility of the State. The wisdom of the Ancient Indian Thinkers lies in their Vision of a Rashtra-Purusha-Virat as a living and growing unity of people. Samaj from whose organic constitution proceed all Dharmas- whether of State or any group of people formed on regional or functional or any other basis and of individuals according to their status, age or function in life. This Dharama- the laws of nature that hold together the people and govern their March (वेकरोम and लोकसभा) were clearly seen and stated in the science of living 'शास्त्र' and each part of society was called upon to realise how the obedience of these laws gives them a real freedom and harmony and fulfilment in the life. This Shastra was not legislation that has to be administered by State power or somebody else. It was a statement of the working of Truth in all its diverse manifestations and complexities and subtle interrelations and was given to men as a guide for their action. The Society was organised by taking the constant help of this Shastra. The history or Purana narrated to common men the importance of Shastra as revealed by the life-experience of the race. The Shastra did not lay down rules of any mandatory nature for observance by the people but rather explained the process of action and its results 'कर्मफल' and suggested approaches to concrete situations. It is thus that labour code was explained from time to time by Indian Seers and we find a number of advices on industrial matters given by बृहस्पति, याज्ञवल्क्य, नारद, मनु, शुक्र, कौटिल्य and others. The state assumed its office to serve the requirements of Samaj-purusha. In the Shanti-Parva of Mahabharat we find that when Yudhisthira inquires of Bhishma the origin of State, the latter replies that in ancient times there was neither the state nor the State Officials, neither the punishable nor those authorised to punish. The people used to protect one another only on the strength of Dharma.

न राज्यं नैव राजाऽसीत् न दण्डो न च दण्डिकः ।
धर्मोऽयं प्रजाः सर्वे रक्षन्ति स्म परस्परम् ॥

They had no constitution and consequently there was no disciplinary action prescribed.

नेषां नासीद् विधातव्यं नायश्चित् कथंचन ।
There was no capital punishment, public censure was the only punishment in ancient times.

मुरा धिग्रण्ड एवाऽसीद् कथदण्डोऽद्य वर्तते ।

The society gradually degenerated from this ideal condition. Reason? Bhisma says

ते मोहवशात्पुत्रा मनुजा मनुजवशात् ।
प्रतिपदि विमोहाच्च धर्मस्तेषां जनानाम् ॥
confusion began to prevail in the minds of men, their original knowledge became perverted and consequently their Dharma disintegrated. Thereupon on the advise of the Lord a resort was taken to the institution of the State and Raja was installed as the guardian of the Social Constitution

वर्षाप्रथमं प्रतिपत्तको राजा ।
Here it may be noted that the Word King or Monarch is not a real equivalent of Raja ~~what~~ whatever the foreigners might have taught us to believe. Raja was executor of Dharma not a lord or master of land and creator of laws. Rather he was himself governed by the laws. None could become or even Yuvaraja (the coming Raja) till he is installed as such with the consent of Sabha and further blessed by Seers from all parts of land. Even a Raja for a small place could not take his office till the self-less and wise Rishis residing on banks of seven rivers (obviously outside his jurisdiction but belonging to all parts of Bharat) performed the Abhishek and then he was given duties and functions to be performed and thrice told that ~~दुष्ट~~ can punish him or remove him from his seat if he fails to observe the Dharma. The Indian Polity is full of mandates given to Raja and interpretation of these mandates given from time to time. The Rig-Veda (Tenth Mandal) and Atharveda (Sixth Mandal) told the Raja that we have now installed you amidst us. Remain Stead-fast on principles that hold together the Nation-so that all the groups of people may desire your presence. Do not allow the Nation to slip into degeneration. Know that you are peoplised (विशामय) and you have to sustain eternally the nation. So functioning people from all parts of land and having different thoughts will help you with one mind and their assemblies sustain you permanently :

ॐ त्वाहापि मन्तरं भूधुवस्तिष्ठाविचयत् ।

विशामय सर्वं वाञ्छन्तु मा त्वदाष्टमाधिश्चयत् ॥

इन्द्र इवेह धुवस्तिष्ठा राष्ट्रगुधारय ।

धुवो राजा विशामयम् -- राष्ट्रं धारयतां धुवम् ।

सर्वं दिशः संगमसः सधीन्धीधुवाय ते समितिः कल्पतामिह ॥

This is the origin of the state idea and with all claims of modern mind about it's progress every experiance of State philosophy brings us round to the realisation that this very first idea promises to be the last. It will be wiser to see this concept of Dharma in clear terms, spell out its Dharnas that hold and sustain the united march of a free and great people and work out the logic of this vision.

SOCIAL ORDER AND STATE :

518. So far in our submission we have spelt out the structural formations, motivations, attitudes, procedures, ideals, principles, modes of collective action, constructive

directions that together make up these Dharnas for life of an industrial family and its integration with national spirit. Now in this last chapter it is necessary to present a glimpse of working of these concepts and indicate the constitution and function of State which our ideal indicates as a first step. We have already referred to the formation of works committee in every unit of the industry and giving to them many powers regarding rule for day-to-day operations and opinion on dismissals etc; We have also referred to the necessity of mooting the idea of a Industrial Family and considering Industry as a unit for administration of Social Security, unemployment insurance and like schemes and providing cushion for making decisions on rationalisation and technology in a manner unharmed for labour. There has been a reference too to the process of making workers the shareholders of an enterprise and thus marching towards a progressive labourisation. A standardisation of duties and nomenclature and guiding principles of job evaluation and wage policy can help us to form effective groups of occupation cutting across the industry. We have also indicated the necessity of associating labour with planning and shown the necessity of orienting our plan to a decentralised net-work of township planning with one town harbouring principally only one industry and the whole social life of the town giving a proper place to the building up of a home for each worker. All these suggestions are intended to serve as a bridge to reconstitute our society on the pattern of a self-possessing collectivity - at once autonomous and integrated as was the ancient system of India, in its broad frame-work. For these are sound principles of socio-economic structure. The Narada-Smriti speaks of a hierarchy of industrial assemblies of workers. There was a occupational union comprising of all persons related to one other by occupational relations as one Kula.

जातिस्मृतिवन्धि बन्धुनां समूहः कुलम् ।

The principle of brotherhood was well enshrined at this stage of Kula which was authorised to settle all internal differences when people performing different occupations came together to deliver one final product or work or service it formed a

जानाजातीयानामेक जातीयं कामं कुर्वतां समूहाः श्रेणयः ।

A union of all the workers scattered in different occupations and industries but attached to a common region formed the

श्रेणयाः श्रेणयः श्रेणयः श्रेणयः एकस्याजनिवासिनां समूहाः पूजाः ।

Their relation to each other was a hierarchial.

कुलानि श्रेणयश्चैव गणाश्चाधिकृतो वृषः ।

प्राजपति व्यवहाराणां सुर्वेभ्यस्सुत्तरोत्तरम् ॥

Our review of industrial relations all over the world has shown us how the modern tendency everywhere is to form like bodies of industrial workers at different stages and give them appropriate and co-related powers and functions. Following these basis of sound socio-economic organisation we should therefore have a works committee at a plant level related in Yugoslavia to the regional union of all workers - the of old Indian description. Many matters regarding work standards production, distribution (including wage policy), exchange living and working conditions can be determined by a coordinated nexus of plant or firm level assembly of workers and management and the region-level assembly of citizen and industrial workers. We have seen that Yugoslavia has worked out to some extent this nexus. Then there has to be a occupational assembly to discharge functions such as training and research

and ~~unhindered~~ of professional standards and providing horizontal mobility within the same occupation. This specialised body can also perform the function of acting as a check on firm-wise assemblies ~~xx~~ in case the latter use their brute majority to neglect or suppress the importance of a particular occupation. This is the English pattern of categoriwise union whose importance cannot be denied without bring any ~~xx~~ harm to social life. Above these assemblies should come the status of Industrial family and the upper house of Parliament based on functional representation. All these bodies should be given appropriate decision-making powers and responsibilities in implementation of their respective programme of action and national plans. What these powers and function should be and how they should be consulted or involved in the formation and implementation of a national plan has already been indicated by us. The examples of Isreal and Mexico give us an indication of how the co-ordination can be worked out by formal and informal means. The only one difference that we envisage is that the functioning of these different bodies should not be by a system of committees but rather these ought to be assemblies at each stage where Dharma can be spelled out with the help of wise and disinterested men. That is how the Jatak defines Sabha.

न सा सभा यद्य न सन्ति सन्तो ।
 न ते सन्तो ये न भणन्ति धर्मं ॥
 रागं च दोषं च पहाय मोहं ।
 धर्मं भवन्ता च भवन्ति सन्तो ॥

† This is in the nature of a quorum for Assembly. Unless any ~~सभा~~ or assembly is attended by a few exponents of Dharma those who are detached in mind are faultless in expression and action and have no allurements attend the Assembly the said cannot be declared as properly constituted or held. This is indeed a unique constitution of Assembly and the deep wisdom behind this constitutional provision is unchallengeable. We can even to-day visualise, how our ~~working~~ worthy forefathers after entering the fourth Ashram of ~~संन्यास~~ rich in experience and knowledge always wandering from place to place without staying anywhere for more than three days or like ~~जसिपु~~ reaching advanced ~~stage~~ stage must be enlightening the assemblies by propounding the truth of God's working - explaining in each problem before the Assembly (as Mahabharat profusedly shows) the science of living its cause and effect relationship and then leaving to the House to take it's own decision. And though assemblies like those of ~~कंस~~ or ~~दुर्योधन~~ may not have needed the advice of sages as all were free to vote the functioning of democracy with this unique provision about Sabha is the best possible way & yet found by Humanity to achieve its true goal.)

At each level of policy-decision there should be one Assembly or ~~समिति~~ . They should be moved by one common inspiration, come to a common decision and accept common rules and regulations : ~~समाजो मन्त्रः समितिः समाजो समानं व्रजम् ।~~ as described by Rig-Veda. All this hirarchical and inter-related collective life constitutes the life of a nation. Amidst them should stand the state as ~~xx~~ the holder of the rules that facilitate the working of these assemblies and National life. Thus alone there comes an increase in production, increase in welfare, spread of enlightenment and all-round prosperity. As the ~~आग्निजेकमन्त्र~~ explains to Raja

इयं ते राट् । यत्तासि यमनो ध्रुवोऽसि धरुणः । कृष्यैस्त्वा,
 क्षेमाय त्वा, रय्यैस्त्वा, पोषाय त्वा ॥

It is the duty of the state to keep itself informed about how ~~xxx~~ this prosperity comes to people, how their hedonistic tendencies are to be blended for the profit and maintenance of nation by अर्थशास्त्र as Kautilya defines it..

मनुष्याणां वृत्तिरर्थः मनुष्यकृती भूमिरित्यर्थः । तस्याः पृथिव्या
लाभपालनोपायः शास्त्रमर्थशास्त्रमिति ॥

This definition of अर्थशास्त्र is broader than Economics since it is a science not only of Human behaviour but also of Technology and bases itself on knowledge of human desires काग on one hand and laws of social synthesis धर्म on the other.

All this Shashtra forms a part of राजनीति that lays down the setting of the State. They are born from the necessities that gave birth to the ~~xx~~ idea of State and show how that function can be completely fulfilled. As Manusmriti starts its seventh chapter,

राजधर्मोऽप्रवक्ष्यामि यथाच्युतो भवेच्छुभः ।

संग्रहश्च यथा तस्य सिद्धिश्चा परमा यथा ॥

The Shanti Parva of Mahabharat also tells us that once a person is enthroned on the seat of political power he should not go after his own likes or dislikes, but according to what is necessary for the promotion of good of the people - just as a pregnant woman keeps away her likes and adopts all that which is beneficial for the child in the womb.

यथा हि गर्भिणी हित्वा स्वं प्रियं मनसोऽनुगम ॥

गर्भस्य हित्वा धत्ते तथा राजाऽप्यसंशयम् ॥

वर्तितव्यं कुरुश्रेष्ठ यथलोकं हितं भवेत् ॥

Again Shanti Parva tells us that ' He can be considered as the best King under whose rule citizens live without fear just as the children live in the home of their own father.

पुत्रा इव पितुर्गृहे विद्यते यस्य मानवाः ।

निश्चिन्ना विचरिष्वन्ति स राजा राजसत्तमः ॥

Both the similies are indeed very fitting to describe the requirements of state policy for industrial relations. It should be the business of the State to see that each citizen can pursue, without any fear whatsoever, the lines of his own growth through work and life. At the same time it is the constant responsibility of the State to deliver at each moment that which is potential in the race. This creative role of the State to help the growth of the seed of Samaj-Purusha requires great and delicate care on the part of ~~particular~~ politicians, without which they are sure to prove important. In every respect of public policy the state should be worthy of reliance of the people.

'राजा भवति भूतानां विश्वास्यो ह्यिव नृपिणः ।' - शांतिपर्व

519. Such are the functions and such the constitution of State as conceived by Indian Thinkers of old and given to us by a noble and great tradition.

एवं परंपराप्राप्तम् इमं राजधर्मोः विदुः । स कालेनेह महता धर्मो-
गणैः परतप । स एवायं मया लेख्योऽद्य प्रोक्तः पुरातनः ।

Indeed as it was necessary for Krishna to restate the lost yoga in Bhagawadgita, so too it is necessary now to restate the traditional knowledge about the constitution and functions of the state - a knowledge that was known and practised by the King-Sears of the old. This is necessary not because it is our own old heritage - that is a side though very ~~is~~ inspiring aspect, but because it gives the most scientific definitions about the duties of state and its place in the life of the people. No ism of modern times has been able to recover this knowledge in full though every ism is striving in search of this knowledge and with progressive experience is tending towards it - as if in spite of itself. कर्तुं शक्यम्

यगोहात् करिष्यान्वउोऽपि तत् as said by Gita.

520. Thus we have now before us a picture of an organised ~~Society~~ Society of our dream. Not a state that cherishes its strict, well-finished, armoured efficiency on an exaggerated dependance on system and institution, on legislation and administration and the deadly tendency to develop in place of living people, a mechanical state. On the other hand we hold before our vision a hierarchy of assemblies at the plant level, for the category, for the Puc - i.e.. the region - cum - industry base, on a national scale for each industry all culminating into a functional upper house of Parliament.

उद्योगसभ्यः All of them together giving us full image of samaj-purusha. In this organic hierarchy of peoples the basic small community of plant level assembly develops through the first stage of a vigorous and spontaneous vitality (as the recent Russian compulsions in grass-root trade unionism and forced decentralisation indicate from the other end). Given a freedom (as the Western democracies have given it to their trade union movement) these small assemblies will find naturally and freely their own norm and line, cast up form of life and social of economic institution out of the vital intuition and temperament of the basic communal being. In their grouping at progressively higher level, they should begin to fuse into each other into an increasing cultural and social unity and forming a still larger and larger bodies, they develop a common spirit and a common basis and general structure allowing of a great freedom of variation in minor line and figure. Such was the ideal of Indian Society. There was no need of a rigid uniformity, the common spirit and life impulse were enough to impose on the structural plasticity a law of general oneness. In this mould of society the characteristic institution at the lower and smaller level are incorporated rather than destroyed in the cast of socio-economic structure. Whatever could not survive in the natural evolution of the people or was no longer needed, fell away of itself and passed into desuetude, whatever could last by modifying itself to new circumstances and environment was allowed to survive, whatever was in intimate consonance with the psychological and vital law of being and temperament of the people became universalised and took its place in the enduring figure of the society and polity. A profound respect for the creations of the people, natural expression of Indian mind and life, the sound manifestation of Dharma or right law of being has always been the ~~strongest~~ strongest element of the settled principles of Indian science of Society.

Economics and Politics. To substitute the mechanical for the natural order of the life of the people has been the disease of the European civilisation now culminating in the monstrous artificial organisation of the bureaucratic state. Our review of the world canvas on the role played by trade union movement shows us how the free instinct of the people is everywhere trying to come out of this iron and deadening law of State rule and mechanical or contractual life. For Indian life on the other hand the foundational actualities of life have always been the true and sound and dependable constructors. Life is regarded as a manifestation of the self. The community was the body of the creator Brahma, the people was a life body of Brahman in Samsti, it was the collective Narayan as the individual was Brahman in the Vyasti and in the same way Raja or State the instrument of Dharma with other orders of the community taking their place as the natural powers of the collective self. All these organs of society had therefore not only a binding authority deriving their powers from State but rather a certain sacrosanct character which it is not in the competence of State to dilute. As Sri Aurobindo puts it succinctly, the right order of human life as of the Universe is preserved according to the ancient Indian idea by each individual being following faithfully his Swadharma the true law and norm of his nature and the nature of his kind and by the group being the organic collective life doing likewise. The family, class, caste, social, religious, industrial or other community, nation, people are all organic ~~now~~ group beings that evolve their own Dharma and to follow it is the condition of their preservation, healthy continuity, sound action. There is also the Dharma of the position, the function, the particular relation with others as there is too the Dharma imposed by the condition, environment, age, Yugadharma and all these acting on the natural dharma, the action according to ~~Sax~~ Swabhav, create the body of the law The self-determining individual and self-determining community living according to the right and free law of his being and it's being is therefore the ideal. (The business of the state) is not to interfere unduly with the life of the society which must be allowed to function for the most part according to its natural law and custom and spontaneous development but to superintend and assist its right process and see that the Dharma is observed and in vigour and negatively to punish and repress and as far as may be prevent offences against the Dharma The main function ruling members of body politic was therefore to serve and assist the maintenance of the sound law of life of the society. The sovereign was the guardian and administrator of the Dharma. The function of society itself included the right satisfaction of the vital, economic and other needs of the human being and of his hedonistic claim to pleasure and enjoyment, but according to their right law and measure of satisfaction and subject and subordinated to the ethical and social Dharma. All the members and groups of the socio-political body had their Dharma determined for them by their nature, their position, their relation to the whole body and must be assured and maintained in the free and right exercise of it, must be left to their own natural and self-determined functioning within their own bounds, but at the same time restrained from any transgression, encroachment, or deviation from their right working and true limits

All that the State was called upon to do was to coordinate, to exercise a general and supremex central to repress crime and disorder, to assist, promote and regulate in its larger lines the economic and industrial welfare, to see to the provisions of facilities and to use for these purposes the powers that passed beyond the scope of others. Thus in effect the Indian Polity was the system of a very complex communal freedom and self-determination, each group unit of the community having its own proper life and business, set off from the rest by a natural demarcation of its fields and limits, but connected with the whole by well-understood relations, each a co-partner with the others in the powers and duties of the communal existence, executing its own laws and rules, administering within its own proper limits, joining with the others in the discussion and the regulation of matters of a mutual or common interest and represented in some way and to the degree of its importance in the general assemblies of the State. The State..... was an instrument of coordination- and exercised a supreme but not absolute authority, for in all its rights and powers it was limited by the Law and by the will of the people and in all its internal functions only a co-partner with the other members of the socio-political body. This was the theory and principle and the actual constitution of the Indian Polity, a complex of communal freedom and xx self-determination with a supreme coordinating authority.. armed with efficient powers, positions and prestige but limited to its proper rights and functions, at once controlling and controlled by the rest, admitting them as its active co-partners in all branches, sharing the regulation and administration of the communal existence and alike, the state, the people and all its constituent communities, bound to the maintenance and restrained by the Yoke of the Dharma. Moreover the economic and political aspects of the communal life were only a part of the Dharma and not a part not all separate but inextricably united with all the rest - the religious, the ethical, the higher cultural aim of the social existence

The life of the Society was regarded not so much as an aim in itself in spite of the necessary specialisation of parts of its system but in all its parts and the whole as a great frame-work and training ground for the education of the human mind and soul and its development through the natural to the spiritual existence'... The whole Indian system was founded upon a close participation of all the orders in the common life, each predominant in its own field, but none excluded from his share in the civic life and an effective place and voice in politics, administration, justice. As a consequence the old Indian Polity at no time developed, or at least it did not maintained for long, those exclusive forms of class rule that have so long and powerfully marked the political history of other countries. The Indian mind and temperament thus arrived at least at a wise and stable synthesis - not a dangerously unstable equilibrium, not a compromise or balance - but a synthesis of all the natural powers and orders, an organic and vital coordination respectful of the free functioning of all the organs of the communal body and ~~there~~ therefore ensured not against the decadence that overtakes all human systems, at any rate against any organic disturbance or disorder.

WHAT THEN MUST WE DO.

521. These are the basic tenets of Indian Polity on its side of socio-economic reconstruction and they are not less but even more applicable to-day than what they were before. No other country in the world has been able to indicate or produce a better framework for human living. There is nothing in these basic tenets which contradicts or does not fit into our modern requirements and aspiration; if any thing they provide for us and for the whole world, a larger synthesis of many ideas for which the universe is in travail. It is for us a fortune that we have got such a rich heritage and we shall be illadvised to neglect it. We must first re-discover ourselves, bring to the surface the profoundest truth given to us by wisdom of ages and find by virtue of this new self-knowledge and self-appreciation our own recovered and larger synthesis. Thus reorganised this ancient Nation will enter more easily and powerfully into the reorganised life of the world to fulfill her mission to lead them in the God-ward endeavour. This knowledge of polity is not too distant for us to recapitulate again. We find traces of its practice in very close pages of our history e.g. it was a normal style of Indian administrative practice to describe the requirements of a office not so much by it's outer functions but by the inner qualities that are necessary to discharge the duties of a post. Even the four functional Varnas are described by reference to inner qualities such as शमो दमस्तपः शौचं etc. The Shukra-Niti describes advisors to the Raja as follows:—

राजा तु धार्मिकान् सभ्यान् नियुज्यात् सुपरिहितान् ।
 व्यवहारधुरं उवाचुः ये शक्त्याः पुङ्गव इव ॥
 लोकवेदजधर्मज्ञाः — — — — etc.

We find the same type of thinking governing the administrative practice of all worthy tradition of Administrators. In Maratha History the orders issued by Ranchandra Nilakantha Amatya (अमात्यांचा आज्ञापत्रे) is full of directions reflecting this age-old system of statecraft. e.g. while describing Shivaji's ways of handling men he describes, "मनुष्यपरिक्षेपेण

गुणवत् सेवक इवाज्ञेन योग्यतेनुसारं भार वाढवून गेहलकार्यापिवांगी
 करून दारवावले. येकराने सेक असाध्य असतां स्वसामर्थ्ये सकलान्वये
 दया करून येकाच्या येकापासून उपमर्द होऊ न देतां येकरूपतने
 वर्तून लोहातून स्वामिकार्ये घेतली."

This small description of administrative practice speaks volumes on ways in which the Government should be organised and made to function effectively for a given cause. It shows that Indian administrators were aware of how to read the qualities of man at the time of selection and appointment, how he should go through a process of induction and training so that he will be capable of discharging more and more responsible and larger dimension of work and how he will become worthy to stand equal to the greatness of a task. They were also aware of how a team work can be ensured from the Master-mind group of many ambitious men, how to avoid their mutual conflicts, how to utilise power for the spread of love and beneficence so that no one will prove to be a disturbance to other and all will be fused together in a spirit of oneness to dedicate themselves for a common

command. What is required in India's labour and Industrial Administration is the expression of these qualities of mind and heart, for they alone can create and sustain the living frame-work of the desired social and economic life. How to cultivate these virtues in men is a province of enquiry for the first of the four Ashramas viz. *वृद्ध्याश्रम*.

The science of Indian Education has given us sure processes of cultivating by a concentrated practice these potentialities of each individual being, but about that we shall have to speak on a different forum. For here, we are speaking about the second Ashram *वृद्ध्याश्रम*. The field of labour and field of industrial practice is concerned about the establishment and prosperity of this *वृद्ध्याश्रम* which is the back-bone of social life - on which all other Ashrama's sustain and flourish. And of that which is the principle work before a National ~~concern~~ concern for labour - of the direction of human energy in fields of production and distribution and exchange and of the socio-economic frame-work that can invite and organise this human effort give an 'Akara-frame to *आम - आ - आ* we have herein indicated a ~~basic~~ basic or rather preliminary approach. We are aware that this attempt is a little halting and yet ill-organised one - but we are aware too of the fact that the solutions to modern problems stated herein have arisen out of the being of Bharat-Mata - a small portion of Her deepest and largest knowledge. We must now return upon ourselves, that is the only way of salvation. For the nation as well as the man who most finds and lives from one's own inner self, can most embrace the universal and become one with it; the Svarat, independent, self-possessed and self-ruler can most be the Samrat, possessor and shaper of the world. It is true that we cannot go backward to a past form of our being; but we can go forward to a large re-possession of ourselves which will enable us to make a better, more living more real, more self-possessed and full and perfect use of our own intervening experience and of ~~up~~ up-to-date world experience. In fact we are in a privileged position in the sense that a fidelity to our own spirit, nature, and ideals gives us an ideal ground-work to assert ourselves successfully in meeting all the problems of modern age and create our own characteristic forms for the coming age and future environment that will be capable for a strong and masterful dealing of all influences and circumstances. In the application of these principles - the degree, the way, the guiding perceptions, it will not do to be too dogmatic. Each capable Indian mind must think it ~~out~~ out and work it out in its own light and power and field of action. The spirit of Indian Renaissance which is now becoming wide awake will take care of the rest - for the ancient immemorable Shakti is recovering Her deepest self, lifting her head high towards the supreme source of light and strength and turning to discover in the ever-new and greater India the complete meaning and a vaster form of her Dharma.

स्वे स्वे कर्मणि किरताः संहत्स्व स्वात्मशासिताः ।
परस्परं भावयन्तः श्रेयः प्रेयः समाप्नुताः ॥
शांतिं गच्छन्तु भूयश्च राज्ययंत्रेण सन्निवृत्तः ।
उद्योगजनसंधास्तौ धर्मचक्रप्रवर्तकाः ॥