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# ECONOMIC GROWTH OF INDIA AND LABOUR UNREST

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ALL-INDIA TRADE UNION CONGRESS, NEW DELHI.

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AND LABOUR UNREST**

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# I

THESE DAYS ONE CAN HARDLY FAIL to notice a sense of urgency in most of the comments on India's present economic situation. Expectations were aroused by a series of positive political developments that took place in the country during the 1969-1972 period. But the performance of the economy falls far short of these expectations.

There is the relative stagnation in the growth of national income. Estimates for the years 1971-72 and 1972-73, place the rate of growth of national income at considerably less than two per cent. Reserve Bank of India attributes it principally to the poor performance of commodity sectors.<sup>1</sup> General slowing down of the overall and sectoral growth rates has been a cause for concern since a decade. During the 1961-1971 period, agricultural output, which accounts for about half of the net domestic product, has grown at the rate of 2.1 per cent per annum as against 3.3 per cent in the previous decade. The output of foodgrains increased at an annual rate of 2.5 per cent as against 3.3 per cent in the previous decade.

During the last two years, the position has worsened still. Domestic output of foodgrains has actually fallen by about 10 to 12 per cent, while population has increased by about 5 per cent.

A general retardation in the production sphere has been accompanied by the increasing build-up of inflationary pressures in the economy. Between 1970-71 and June-end 1973, while output increased by less than 5 per cent, money supply increased by about 38 per cent, shooting the wholesale price index up by about 33 per cent.<sup>2</sup>

Apart from their other consequences, these trends mean that a process of growing redistribution of national income has been going on in the Indian economy which is to the benefit of the private corporate sector, which hits the toiling people and particularly the working class hardest and thereby thwarts the national objective of economic growth with social justice.

Manifestations of this process can be seen in: (a) the increasing profit margins of the private corporate sector in particular, (b) the declining share of wages in the value added by manufacture, and (c) above all in the rising cost of living of the working class.

The period from 1966-67 to 1971-72 is generally considered as a recessionary period in Indian economy. A study concerning the performances of big business houses during this period was undertaken by the *Economic Times* Research Bureau. It relates to the years 1966-67, 1971-72 and 1968-69, the first two being the two end years denoting the pre-recession and the final recovery period, while the year 1968-69 represents the working during the recessionary period.<sup>3</sup> Some of the findings are quite revealing.

For instance, taking gross fixed assets, which is exclusively affected by changes in additional investment, as the most significant growth indicator, it has been found that in the investigated sector from 1966-67 to 1971-72, while gross fixed assets increased by 59.8 per cent, total capital employed increased by 56.8 per cent and cash earnings increased by 60.7 per cent. Whereas from 1968-69 to 1971-72, while gross fixed assets increased by 28.8 per cent only (recession), total capital employed increased by 30.2 per cent, and cash earnings nonetheless increased by as much as 50.8 per cent<sup>4</sup>.

Or, to take some profitability indicators. For the three years, 1966-67, 1968-69 and 1971-72, the gross profits/total capital employed ratios were 10.8 per cent, 9.0 per cent and 11.1 per cent respectively; the equity dividend/equity capital ratios were

11.6 per cent, 10.9 per cent and 12.7 per cent respectively; whereas the net sales/total capital employed ratios were 85.0 per cent, 86.9 per cent and 98.0 per cent respectively<sup>5</sup>.

It can be seen from the above figures that while during the recessionary period 1968-69 to 1971-72, gross fixed assets were 51.84 per cent less than for the whole 1966-67 to 1971-72 period, and total capital employed was 46.83 per cent less, yet the cash earnings were affected by only 16.31 per cent. As for the net sales per unit of capital employed, it actually registered a rise of 2.24 per cent in 1968-69 as compared to 1966-67. The equity dividend per unit of equity capital was affected by a mere 6.03 per cent in 1968-69, and recovered by 1971-72 to register a rise of 9.5 per cent over the 1966-67 level, or of 16.5 per cent over the 1968-69 level.

Hence, recession and price rise have, while adversely affecting the national output, pumped more money into the coffers of big business. The *Economic Times* study, however, puts these findings in the following words: "That the rising prices have substantially helped the industrial sector to achieve high growth rates is reflected in the data for growth rates adjusted for changing prices . . . . The data for other indicators like total capital employed and net sales in these (industries — R.A.) as well as in the other indicators also corroborate the findings that rising prices are, to a great extent, responsible for whatever growth that the industrial sector has achieved after the recession, and that the achieved growth, therefore, does not fully reflect a real addition to the productive capacity or investment in the industrial sector or its contribution to the national output".

As regards the share of wages in value added, that is, the proportion of the distribution of the newly created value between the capitalists and the workers, it has been found that workers' share has a declining tendency while their contribution to production as measured by labour productivity has been rising practically all along since independence.

The table on page 6 gives in percentages share of all earnings of all employees (i.e. wages, salaries and money values of benefits of all employees including production workers) in value added, share of production workers' wages alone in value added, and as the labour productivity indicator the gross inputs at constant prices per worker for the period 1949-1964<sup>6</sup>.

#### EARNINGS, WAGES AND PRODUCTIVITY

<i>Year</i>	<i>Percentage of all earnings to value added</i>	<i>Percentage of workers' wages to value added</i>	<i>Gross inputs (at const. prices) per worker (Rs)</i>
1	2	3	4
1949	65.0	53.3	4460.4
1952	63.6	51.6	5692.1
1955	55.1	41.8	6785.8
1958	54.7	39.8	6878.4
1960	55.7	39.6	7207.5
1961	54.3	39.2	7852.2
1962	56.2	39.6	8333.3
1963	54.2	37.6	8732.8
1964	55.3	36.5	8546.2

In the above table the figures for 1949-1958 are based on the Census of Manufacturing Industries (CMI) data, while the 1960-1964 figures are calculated from the Annual Survey of Industries (ASI) data. Still, it can be seen that between 1949-1958, the share of all earnings or what is termed as total labour cost (i.e. workers' wages and benefits plus the rest of the employees' salaries and benefits) in value added decreased by 15.8 per cent (from 65 per cent to 54.7 per cent), while the share of workers' wages and benefits in the value added decreased more sharply by 25.3 per cent (from 53.3 per cent in 1949 to 39.8 per cent in 1958).

Between 1960-1964 also, while the share of all earnings in the value added continued to show the downward trend on the

whole, the share of workers' wages in value added fell from 39.6 per cent to 36.5 per cent, i.e. by 7.8 per cent in five years.

As for the trend in labour productivity, it could be seen that if in 1949, a worker was converting Rs. 4,460.4 worth of gross inputs into finished product (output) by adding his labour-power, his share in each rupee of value added was 53.3 paise. Whereas in 1964, when he was converting Rs. 8,546.2 worth of inputs, i.e. 91.5 per cent more, his share in each rupee of value added came down to 36.5 paise. If the input figures are taken in current prices, then it would be Rs. 12,674 per worker, or about 184 per cent more over the 1949 level of productivity. It may be pointed out here that the 1964 figure for gross inputs per worker is lower than the 1963 figure because from 1963 to 1964 the price index jumped by 15.8 points (from 132.5 to 148.3) and therefore the value of gross inputs fell from Rs. 41,237 million at current prices to Rs. 27,806 million at constant prices.

Another study concerning trends in wages and salaries and profits of the private corporate sector alone during the period 1965-66 to 1970-71, although it includes interest costs and even managerial remuneration under "cost elements", and calculates return on capital as the ratio of gross profits to total capital employed, nevertheless comes to the conclusion that while "profit margins appear to have improved after 1968-69", the share of wages "in value of output (net of excise duty) and in value added has definitely declined over a period of years"<sup>7</sup>.

The situation is being further worsened by the widening gap between the rise in workers' earnings and the rise in prices — the latter increasingly outstripping the former. The table on page 8 gives the index numbers of money earnings of workers in manufacturing industries, and the all-India average consumer price index numbers for industrial workers (general and food) for the years 1961-1972 :

It can be seen from the above table that between 1961-1971, while workers' money earnings increased by 80.9 points, food

index increased by 94 points and by December 1972, it was 119 points higher than in 1961. In fact from January 1972 to December 1972, food index shot up by more than ten per cent which could not but hit the living standards of the working class hard.

#### RISE IN WORKERS' EARNINGS AND RISE IN PRICES

Year	Index numbers of money earnings of workers in manufacturing industries	All-India average consumer price index for industrial workers	
		Base 1961 = 100	Base 1960 = 100
		general index	food index
1961	100	104	109
1962	105.6	107	112
1966	139.3	151	164
1968	160.4	177	196
1969	170.7	175	190
1970	180.0	184	200
1971	180.9	190	203
1972	—	202	216
1972-January	—	194	207
1972-June	—	201	215
1972-December	—	210	228

SOURCE : *Indian Labour Statistics*, 1973; Ministry of Labour and Rehabilitation; Tables 4.4 and 5.1.

Hence to sum up, we find that in the production sphere as well as in the consumption sphere the trends have been such as to increase the income disparities between the capitalist class and the working class, and to redistribute the national product again and again in favour of the owners of the means of production.

In such a situation labour unrest and industrial disputes are quite inevitable. Content, forms and scale of labour unrest, specific features of industrial disputes and their settlement constitute, obviously, subjects for special studies.

However, given the multi-structural character of the Indian economy, the relative significance of the public sector and the private sector in the process of industrialisation and particularly the character of developments in the public sector, a sectoral analysis of trends in industrial disputes and the indicative conclusions emerging therefrom are of considerable relevance from the standpoint of the national objective of economic growth with social justice, as well as the direction of the country's economic and political development.

In the appendix to this paper, six tables are given for the 1961-1971 period, the year 1961 being the starting year of the country's third five-year plan. Table I gives employment figures for the public and private sectors. Table II shows industrial disputes classified by public and private sectors. Table III, IV and V give percentage distribution of industrial disputes by duration, causes and results respectively. And table VI, percentages of disputes resolved by different methods of settlement.

As is known, the state sector is called upon to attain commanding heights in Indian economy and to be a counter-weight to the private corporate sector. Since independence, it has been developing particularly in the sphere of production of means of production. The number of Central Government industrial undertakings (called "non-departmental enterprises"), their size and their total investments have been growing considerably under the government's planning activity. At the commencement of the first five-year plan they numbered only five, with a total investment of Rs. 290 million. As on March 31, 1970, there were 91 such Central Government public undertakings with a total investment of Rs. 43,010 million<sup>8</sup>. Out of this total, a sector-wise distribution of investments shows that 32.99 per cent was in steel, 23.72 per cent in engineering, 11.37 per cent in chemicals, 9.29 per cent in petroleum, 8.56 per cent in mines and minerals etc.<sup>9</sup>.

State sector's share in the production of such branches of heavy industry as ferrous metallurgy, electricity, oil exploration and refining, heavy electrical machinery, outstripped private sector's share. For instance, by March 1970, state sector was producing about 62 per cent of pig iron, 45 per cent of finished and alloyed steel and rolled metal, 68 per cent of zinc, 48 per cent of machine tools, 77 per cent of fertilisers, and 52 per cent of oil in the country<sup>10</sup>.

Correspondingly therefore, these developments have affected the employment pattern in the country. Table I in the Appendix gives employment figures on the basis of which employment indices have been calculated for total employment as well as for state and private sector employment for the years 1961 to 1972, taking as the base 1961 = 100. It shows that during this period, while the total employment increased by about 48 per cent, employment in the private sector increased by 34 per cent and that in the state sector increased by about 59 per cent. The rate of increase of employment in the state sector is greater than in the private sector.

True, more than half of the employment in the state sector is in the services, or in the non-productive sphere. But then, it is not that the increase in services employment accounts for the further rate of growth of employment in the state sector. A branch-wise break up of employment figures for the two end years of the period under investigation presents the following picture : (See Table on page 11).

It can be seen from this table that minus services, employment in the state sector grew between 1961 and 1972, by 62.6 per cent, as compared to 20.2 per cent in the private sector. In this period, employment in trade and commerce, and manufacturing branches of the state sector increased fastest — by about 298 and 136 per cents respectively.

In the private sector, if the 1962 figure for employment in transport and communications is taken (which is 120,000), then

there has been actually a fall in employment of 30 per cent by 1972, just as there has been a fall of 31 per cent in the construction branch of the private sector in the same period. This means that the main burden of infrastructure has been shifted to the state sector.

BRANCH-WISE BREAK UP OF EMPLOYMENT  
IN THE STATE AND PRIVATE SECTORS  
IN 1961 AND 1972

	State sector employment (in thousand)			Private sector employment (in thousand)		
	1961	1972	increase per cent	1961	1972	increase/ decrease per cent
Total	7050	11189	58.7	5040	6752	34.0
<i>minus</i> services	3323	5404	62.6	4760	5719	20.2
manufacturing	369	870	135.8	3020	3970	31.5
construction	602	915	52.0	240	165	-31.3
trade and commerce	94	374	297.9	160	296	85.0
transport and communications	1725	2249	30.4	80	84	5.0
				1962		
				120	84	-30.0

SOURCES : (1) *Pocket Book of Labour Statistics, 1968*; Department of Labour and Employment, Government of India; Tables 2.1(b) and 2.2.  
(2) *Indian Labour Statistics, 1973*; Ministry of Labour and Rehabilitation; Table 2.14.

As for the manufacturing branches of industry, although the state sector employment increased by a remarkable 136 per cent as compared to the private sector's 31.5 per cent rise, still the gap in the actual employment figures is very wide between these two sectors — to 870,000 persons employed in the manufacturing branches of the state sector in 1972, the private sector had 3,970,000 — almost five times more. Nevertheless, the acce-

lerated rate of emergence of modern workers in the big, organised industries of the state sector is a fact to be reckoned with.

How does this worker react to a raw deal ?

Table II in the Appendix gives the figures concerning industrial disputes, workers involved and man-days lost, classified by state and private sectors for the years 1961 to 1971. As regards all these three indicators of labour unrest the numbers for the private sector exceed by far the state sector's corresponding numbers. However, from certain correlations of these figures the following picture emerges.

LABOUR UNREST INDICATORS : SECTORAL RATIOS

Years	Disputes	Number of workers involved	Number of man- days lost
	Private/Public sectors	Private/Public sectors	Private/Public sectors
1962	7.42	4.49	10.50
1963	11.57	7.31	10.80
1964	7.47	5.51	9.34
1965	8.27	8.70	8.19
1966	6.41	4.88	9.84
1967	5.38	3.05	5.75
1968	6.19	2.85	7.74
1969	5.75	4.42	12.38
1970	5.48	3.17	8.98
1971	6.15	3.44	6.34

It will be seen from the above table that all the three private to public sector ratios have a *declining tendency*.

If for every 7 or 11 industrial disputes in the private sector in the years 1962 or 1963, there was one industrial dispute in the public sector, then by 1970 and 1971, to every 5 or 6 industrial disputes in the private sector, there was one in the public sector.

If for every 5 or 7 workers involved in the private sector in 1962 or 1963, there was one worker involved in the public

sector, then by 1970 and 1971, to every 3 workers involved in industrial disputes in the private sector, there was one worker to match in the public sector.

And if, for every 10 man-days lost in the private sector in 1962, one man-day was lost in public sector, then by 1971 for every 6 man-days lost in the former, public sector lost one man-day. Or taking the reciprocals for these ratios for the years 1962 and 1971 (which work out to 0.095 and 0.158 respectively) we find that the rate of number of man-days lost in the public sector as compared to the private sector increased by as much as 66.3 per cent in that period. As the number of man-days lost is the most important indicator of labour unrest from the view point of production as well as its impact, it is quite significant that the declining tendency in the ratios concerned or conversely *the rising tendency in their reciprocals* is most marked in this indicator.

These trends come out even more sharply by considering as intensity rates of industrial disputes the number of workers involved to dispute ratios and the number of man-days lost to dispute ratios for the two sectors.

#### INDUSTRIAL DISPUTES : INTENSITY RATES

Years	<i>Workers involved/Dispute ratios</i>		<i>Number of man-days lost/Dispute ratios (thousand man-days)</i>	
	<i>Public sector</i>	<i>Private sector</i>	<i>Public sector</i>	<i>Private sector</i>
1962	725.11	438.89	3.01	4.25
1963	578.82	365.88	2.37	2.21
1964	607.02	447.43	2.94	3.68
1965	515.98	543.06	3.55	3.52
1966	694.99	529.32	3.70	5.68
1967	833.45	472.95	5.76	6.15
1968	1123.63	516.97	5.12	6.39
1969	867.09	665.59	3.66	7.87
1970	983.32	568.64	4.62	7.57
1971	944.31	528.76	5.85	6.04

It will be seen from this table that the number of workers involved per dispute indicators and the number of man-days lost per dispute indicators have a *rising tendency* for both the sectors, and that this tendency is *greater* for the public sector. Particularly significant is the fact that the number of man-days lost per dispute has almost *doubled* in the public sector during the period concerned (from 3.01 and 2.37 in 1962 and 1963 to 4.62 and 5.85 in 1970 and 1971), whereas it increased by about 42 per cent in the private sector.

Thus the intensity rate of industrial disputes in the public sector may be considered to be almost twice the rate in the private sector.

It may also be noted that the number of workers involved to dispute ratios are on the whole greater for the public sector than for the private sector. *In other words on an annual average far more workers per dispute are involved in the public sector than in the private sector.* In fact, in 1968, in the midst of the recessionary period, the workers involved/dispute ratio was 1123.63 for the public sector as compared to 516.97 for the private sector — i.e. it exceeded the latter by over 117 per cent.

As regards the duration of industrial disputes, we find from table III in the Appendix that about 25 to 31 per cent had a duration of one day or less, and another 25 to 32 per cent were up to 5 days. That means over 50 to 63 per cent of the industrial disputes have had a duration of up to five days, while 4 to 13 per cent lasted for more than 30 days.

The relation between the duration and the size of the enterprise, has been worked out by M. N. Egorova, and the conclusion has been that as a rule the average duration of disputes in India increases with the decrease in the size of the enterprise. Most prolonged strikes take place in small enterprises and those of short duration in biggest ones<sup>11</sup>.

As for the causes of industrial disputes, it can be seen from table IV in the Appendix that 40-50 per cent of disputes have been due to wages and allowances, and bonus, and another 23 to 29 per cent have been on "Personnel and Retrenchment" issues. That means basically these causes lie in the problems arising out of the pattern of the country's socio-economic development referred to in the earlier part of this paper.

Concerning the results of these disputes, it can be seen from table V in the Appendix that about 26 to 35 per cent of disputes have ended successfully for the workers, and another 19 to 23 per cent have been partially successful. That means, on the whole over 50 per cent of industrial disputes have been successful or partially successful by results in the decade 1961-1971.

From table VI in the Appendix, which deals with different methods of settlement of these disputes, it can be seen that about 41 to 46 per cent of the disputes were settled by government intervention, and another 25 to 29 per cent by mutual settlement. That means in almost 70 per cent of the cases settlement was found possible on workers' demands.

*Taking all these above-mentioned trends in the economy and in labour unrest into consideration, it may be concluded that the increasing disparities and redistribution of the national income are hitting the workers in the private as well as in the state sectors alike, and that labour unrest in the state sector is increasing at an accelerated pace. Hence, if the public sector is to play the role which is assigned to it in the country's economic development, it is necessary that questions of labour relations, labour participation in management, and on the whole, of democratisation of the public sector be dealt with the same sense of urgency as those of the country's economic growth.*

## II

[When the earlier paper printed herein was taken in hand, some questions on the statistics in relation to public and private sectors were raised by our trade union workers in the public sector. What is the position of the growth of employment as between the two sectors? Is the public sector having more strikes and man-days lost than the private sector, when compared in terms of the workers in each of the two sectors? What is the rate of growth of employment in the two sectors and so on.

These questions and others are dealt with in this paper with whatever statistics are available from Government publications, which, however, never bring them up to the latest data.

Some tables are worked out by the author himself taking Government statistics as base. We hope this will stimulate further studies in this series. —*S. A. Dange.*]

THE OVERALL STRATEGY OF ECONOMIC DEVELOPMENT pursued in India for well over two decades has been such as to make the state capitalist structure a leading structure in the economy. The public sector has grown to occupy leading positions in a number of branches of industry, particularly those producing the means of production. The state economic policy has been extended to regulate the activity of various structures and branches of the national economy. That means the state capitalist structure is in a position to exercise an increasing influence upon economic growth and upon the direction of economic development.

But, the problem of economic growth is not merely a problem of production. It is also a problem of distribution. For, increasing redistribution of the national product in favour of a

relatively small, highly privileged section of the population, and to the benefit of the private corporate sector, with the resultant increasing income disparities, not only hits the toiling people, particularly the working class, but by diverting savings towards consumption for the rich, aggravates the inter-branch disproportions in industry, greatly hampers the expansion and diversification of the internal market on the whole, retards the rate of reproduction of fixed capital on internal (national) basis (with the consequent resort to deficit financing and foreign aid), and thereby thwarts the very objective of economic growth.

By now, it is an accepted fact that income disparities have been increasing, and a process of growing redistribution of the national product has been going on in the Indian economy. Increasing profit margins of the private corporate sector in particular, declining share of wages in the value added by manufacture, and the rising cost of living of the working class (the index of money earnings of workers trailing constantly far behind the consumer price index) are all manifestations of this phenomenon, the last one being the most eloquent among them.

Should it be surprising therefore that during the past decade 40-50 per cent of industrial disputes had arisen on issues of wages, allowances and bonus? The question of labour unrest hence is connected, first and foremost, with the questions of production and distribution. And the demand for democratisation of the management of the public sector enterprises with its *reverse links* with the above questions, requires to be viewed in this context.

True, economic factors are not the only source of friction between the workers and the management in the public as well as in the private sectors. Socio-political factors are a second set of sources. Organisational, trade union, factors may be considered as a third set of sources of labour unrest. It is the totality of all these sets of factors which determines the trends in labour unrest over a period in both sectors.

As regards the question of labour unrest and its trends in the two sectors, public and private, there are four sets of parameters to work with: (A) employment, (B) workers involved, (C) number of industrial disputes, and (D) number of mandays lost. Now, these four factors can be combined in pairs in twelve ways, AB, AC, AD, BC, BD and so on. For the two sectors we can get 24 ratios. Hence, it is possible, statistically speaking, to work out 24 sets of comparisons of the two sectors. Not more. That may be a pastime for some, or a homework. But hardly a meaningful exercise. For, most of these comparisons may be conveying the same things, some more clearly and sharply while others much less so. So one has to choose a few from the angle of the essential aspects of the problem under investigation.

In my earlier paper, I have dealt at same length with this problem, and have computed some ratios as sectoral indicators of labour unrest and as intensity rates of industrial disputes. In this paper, I shall confine myself only to the interpretation of the statistics rather indiscriminately used by some commentators and avoid repeating the source data and computed tables in the paper referred to above.

ONE. Some sort of consolation is derived by stating that the number of man-days lost in the private sector has been *five to nine times* higher than the public sector though the latter employs almost twice the number of men. What have been overlooked in such a view are firstly, more than half of the employment in the public sector is in the services. *Minus* services the employment figures of 1972 in the public and private sectors were 5.4 million and 5.7 million respectively. Secondly, far greater number of industrial disputes in the private sector take place in the manufacturing group, in small factories, which are also of the longest duration. And in 1972 there were over four-and-a half times more workers in the manufacturing group in the private sector than in the public sector. Thirdly, these

studies serenely skip over the significance of the difference between the number of mandays lost in the private sector being higher than the public sector. In actual fact, when the ratios of number of mandays lost in private sector to the corresponding figures of the public sector are worked out over a ten-year period, it is found that while these were more than ten times higher at the beginning of the sixties, they have come down to being about six times higher by the beginning of the seventies. Actually, between 1962 and 1971, the rate of number of man-days lost in the public sector as compared to the private sector has increased by as much as 66.3 per cent.

TWO. A branch-wise break up of employment in the public and private sectors shows that between the years 1961 and 1972, *minus* services, employment in the state sector increased by 62.6 per cent and in the private sector by 20.2 per cent. The respective figures for the two sectors are 135.8 per cent and 31.5 per cent in manufacturing, 297.9 per cent and 85 per cent in trade and commerce, 52 per cent and minus 31.3 per cent (i.e. *decrease*) in construction, 30.4 per cent and 5 per cent in transport and communications. These are the type of changes which are leading the public sector to commanding heights in the economy. And they are welcomed by all progressive sections in the country.

THREE. By taking a few ratios of man-days lost per worker in the two sectors, it is pointed out that the highest ratio attained in the private sector was 4.0 in 1970; that attained in the public sector was 0.66 in 1968; and in 1971 the respective ratios were 2.9 for the private sector and 0.29 for the public sector. The conclusion is then drawn that ten times less man-days per worker are lost in the public sector in recent years, than in the private sector. This conclusion is not warranted by facts.

Firstly, these ratios relate to the manufacturing group only in which, as pointed out earlier in this article, the employment in the private sector is still almost five times that in the public sector. Secondly, the figures are for one year only and they are not valid for indicating a trend. Thirdly, instead of the ratios of man-days lost to total employment, the ratios of man-days lost to workers involved are taken, they work out to 6.19 for the public sector and 11.42 for the private sector for 1971. Difference between the two drastically reduces from over ten times to 1.8 times only.

In order to determine a trend, ratios over a longer period than just one year have to be taken into account. Tables Nos. VII & VIII in the Appendix give the ratios of the number of man-days lost per worker for the public and private sectors in the manufacturing group and for the entire sectors (total employment). The respective indices of these ratios have also been computed for the period 1961-1971.

It will be seen from the table concerning mandays lost per worker in the manufacturing group that : (i) the relative magnitudes of the ratios for the two sectors show considerable variations in different years (a subject for investigation by those specializing in labour problems); (ii) there is a general trend to increase in these ratios which is more marked in the second half of the decade, almost coinciding with the recessionary period in industry; (iii) the rate of increase in these ratios is much higher for the public sector as compared to the private sector; (iv) there has been a decline in these ratios for the year 1971 as compared to the previous year.

All these trends are seen more sharply in table VIII, which has been computed by taking total employment and mandays lost figures for the two sectors. The exceptions are in the case of two years 1963 and 1971, the latter being of particular relevance to the present discussion. While in 1971, there has been a decline in the mandays lost per worker ratio for the public sector

in the manufacturing group (the index coming down from 377.4 in 1970 to 252.2 in 1971), the same ratio shows a rise for the whole public sector; the index of mandays lost per worker in table VIII, shoots up from 663.3 in 1970 to 700.0 in 1971 for the public sector, while it falls from 295.8 to 226.3 for the private sector. Indeed, for the years 1966 to 1971, while the range of rise in the indices of the private sector has been from 97.5 per cent to 195.8 per cent over the base year 1961, the corresponding range for the public sector has been from 370 per cent to 780 per cent.

If one must talk about sense of responsibility in the behaviour of mandays lost per worker per year ratios, then these indices point to a remarkably *decreasing* sense of responsibility in the public sector. Evidently, factors other than responsibility have been weighing more heavily, and they have to be taken into consideration to account for these trends.

This of course does not mean that a clean chit is being given to the private sector. Even a cursory glance at the tables giving statistics concerning labour unrest in the two sectors is enough to tell one that there are far more number of industrial disputes, far more number of mandays lost, and far more number of workers involved in the case of the private sector than in the public sector. To complete the picture let us consider the ratios of workers involved to total employment for the two sectors, with the respective indices (Table IX).

It can be seen from this table that far more per cent of workers to total employed are involved in industrial disputes in the private sector as compared to the public sector. The range in the case of the former is from about 9 per cent in 1963 (minimum) to 22.5 per cent in 1969 (maximum). In the case of the latter the range is from 0.85 per cent in 1963 (minimum) to 4.42 per cent in 1968 (maximum).

Even then, as the indices show, in this case also the rate of increase in this ratio is higher in the public sector than in the private sector.

*Hence, to sum up, practically, all statistical indicators point to an increasing degree of labour unrest in private as well as public sectors. The pace is more accelerated in the public sector along with its growth. The problem of industrial relations in the public sector is inextricably linked with the problems of production and distribution. And if the public sector is to play the role which is assigned to it in determining the direction and pattern of economic development, then the demand for the democratisation of its management is as urgent as the present need to tackle the problems of production and distribution.*

## APPENDIX

*Table I*

### EMPLOYMENT IN STATE AND PRIVATE SECTORS (1961-1972)

Year	<i>Employment (thousand persons)</i>			<i>Index</i>		
	<i>State sector</i>	<i>Private sector</i>	<i>Total</i>	<i>State sector</i>	<i>Private sector</i>	<i>General</i>
1961	7050	5040	12090	100.0	100.0	100.0
1962	7417	5160	12577	105.2	102.4	104.0
1963	7953	5452	13405	112.8	108.2	110.9
1964	8454	5592	14046	119.9	110.9	116.2
1965	8957	6043	15000	127.1	119.9	124.1
1966	9364	6813	16177	132.8	135.2	133.8
1967	9634	6684	16318	136.6	132.6	134.9
1968	9802	6525	16327	139.0	129.5	135.0
1969	10095	6604	16699	143.2	131.0	138.1
1970	10374	6696	17070	147.1	132.8	141.2
1971	10731	6761	17492	152.2	134.1	144.7
1972	11189	6752	17941	158.7	134.0	148.4

Sources : (1) *Pocket Book of Labour Statistics, 1968*; Department of Labour and employment, Government of India; tables 2.1 and 2.2.

(2) *Indian Labour Statistics, 1973*; Ministry of Labour and Rehabilitation; table 2.13.

Table II

## INDUSTRIAL DISPUTES, CLASSIFIED BY PUBLIC AND PRIVATE SECTORS

Year	No. of disputes			No. of Workers Involved			No. of Man-days lost (thousand)		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
1961	—	—	1,397	—	—	511,860	212	4,707	4,919
1962	177	1,314	1,491	128,345	576,714	705,059	532	5,588	6,121
1963	117	1,354	1,471	67,722	495,399	563,121	277	2,991	3,269
1964	254	1,897	2,151	154,184	848,771	1,002,955	747	6,978	7,725
1965	198	1,637	1,835	102,165	888,993	991,158	704	5,766	6,470
1966	345	2,211	2,556	239,772	1,170,334	1,410,056	1,277	12,569	13,846
1967	441	2,374	2,815	367,550	1,122,796	1,490,346	2,540	14,608	17,148
1968	386	2,390	2,776	433,722	1,235,572	1,669,294	1,972	15,272	17,244
1969	389	2,238	2,627	337,297	1,489,569	1,826,866	1,424	17,624	19,048
1970	446	2,443	2,889	438,562	1,389,190	1,827,752	2,062	18,501	20,563
1971	385	2,367	2,752	363,560	1,251,580	1,615,140	2,253	14,292	16,546

Source : *Indian Labour Statistics, 1973*; Ministry of Labour and Rehabilitation; table 10.13.

Table III

PERCENTAGE DISTRIBUTION OF INDUSTRIAL DISPUTES  
(BY DURATION)

<i>Duration</i>	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
A day or less ..	31.2	31.3	36.1	31.6	31.2	30.8	26.2	29.2	27.8	28.0	25.4
More than a day and up to 5 days .. ..	32.2	27.3	35.6	30.5	30.8	27.3	29.0	24.1	28.3	25.8	25.1
More than 5 days and up to 10 days .. ..	12.5	11.3	13.6	14.3	13.3	14.8	13.8	14.6	12.4	15.6	14.8
More than 10 days and up to 20 days .. ..	10.2	9.7	6.2	10.7	9.6	12.8	12.2	12.2	14.2	12.0	15.3
More than 20 days and up to 30 days .. ..	6.0	8.3	3.8	5.0	5.6	5.1	6.5	5.8	6.7	5.4	5.8
More than 30 days ..	7.9	12.1	4.7	7.9	9.5	9.2	12.3	14.1	10.6	13.2	13.6
Total No. of Cases*	1,290	1,485	1,417	2,079	1,794	2,446	2,655	2,658	2,491	2,730	2,670

\* Relates to those cases only for which the relevant information was available.

Source : *Indian Labour Statistics, 1973*; Ministry of Labour and Rehabilitation, table 10-12.

Table IV

PERCENTAGE DISTRIBUTION OF INDUSTRIAL DISPUTES  
(BY CAUSES)

<i>Cause</i>	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Wages and Allowances ..	30.4	30.2	27.8	34.9	33.5	35.8	39.9	38.4	36.0	37.1	34.3
Bonus .. ..	6.9	12.3	10.0	7.9	9.9	13.2	10.9	9.4	10.0	10.6	14.1
Personnel and Retrenchment	29.3	25.2	25.9	27.4	27.3	25.3	23.6	28.2	26.6	25.6	23.0
Leave and Hours of Work	30.0	0.7	4.6	2.0	2.5	2.4	1.0	1.9	2.2	2.1	1.4
Indiscipline and Violence ..	—	—	—	—	—	—	—	3.2	3.8	3.8	3.6
Others .. ..	30.4	31.6	31.7	27.8	26.8	23.3	24.6	18.9	21.4	20.8	23.6
Total No. of Causes* ..	1,314	1,474	1,466	2,122	1,825	2,536	2,760	2,717	2,609	2,843	2,723

\* Relates to those cases only for which the relevant information was available.

Source : *Indian Labour Statistics, 1973*; Ministry of Labour and Rehabilitation; table 10.10.

Table V

PERCENTAGE DISTRIBUTION OF INDUSTRIAL DISPUTES  
(BY RESULTS)

<i>Results</i>	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Successful .. ..	28.8	30.2	23.4	27.7	30.7	31.6	33.3	30.0	35.2	34.4	26.4
Partially successful ..	19.5	18.3	17.9	14.8	13.5	16.5	15.8	18.4	17.1	17.0	23.4
Unsuccessful .. ..	29.5	30.7	41.0	37.2	35.9	31.4	34.7	36.3	31.2	33.4	34.4
Indefinite .. ..	22.2	20.8	17.7	20.3	19.9	20.5	16.2	15.3	16.5	15.2	15.8
Total No. of Cases*	1,139	1,395	1,398	2,039	1,760	2,356	2,566	2,538	2,415	2,614	2,512

*N.B.*—1 Results are based to the extent to which workers' demands are met. Thus "Unsuccessful" means that workers' demands were not accepted; "Indefinite" means that no final decision was reached at the time of resumption of work.

\* Relates to those cases only for which the relevant information was available.

Source : *Indian Labour Statistics, 1973*; Ministry of Labour and Rehabilitation; table 10.11.

**Table VI**

PERCENTAGE OF DISPUTES RESOLVED BY DIFFERENT METHODS OF SETTLEMENT  
1961—1972

<i>Disputes settled by :</i>	1961	1964	1965	1966	1967	1968	1969	1970	1971	1972
Government intervention	41.8	41.1	45.7	42.8	44.1	44.7	41.5	41.1	42.7	41.0
Mutual settlement	28.6	26.4	24.7	29.0	28.2	24.3	27.8	28.6	26.3	25.8
Voluntary resumption	29.6	32.5	29.6	28.2	27.7	31.0	30.7	30.3	31.0	33.2
Total	100	100	100	100	100	100	100	100	100	100

Source: *Pocket Book of Labour Statistics, 1973*; Department of Labour and Employment, Government of India, table 7.10.

Table VII

MAN-DAYS LOST PER WORKER IN PUBLIC AND PRIVATE SECTORS  
MANUFACTURING GROUP

<i>Year</i>		1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971*
<i>Number of man-days lost per worker :</i>												
Public Sector	..	0.115	0.275	0.004	0.342	0.056	0.548	0.616	0.661	0.355	0.434	0.290
Private Sector	..	1.179	1.385	0.727	1.545	1.272	2.390	3.229	3.004	3.536	4.060	2.916
<i>Index</i>												
Public Sector	..	100.0	239.1	3.5	297.4	48.7	476.5	535.6	574.8	308.7	377.4	252.2
Private Sector	..	100.0	117.5	61.7	131.0	107.9	202.7	273.9	254.8	299.9	344.4	247.3

\* As figures for employment for the year 1971 were not available, the 1970 figures were taken.

The ratios and indices have been computed with the data given in *Indian Labour Statistics, 1973*, table 10.5.

Table VIII

MAN-DAYS LOST PER WORKER IN PUBLIC AND PRIVATE SECTORS  
TOTAL EMPLOYMENT

<i>Year</i>	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
<i>Number of man-days lost :</i>											
Public Sector ..	0.030	0.072	0.035	0.088	0.079	0.136	0.264	0.201	0.141	0.199	0.210
Private Sector ..	0.934	1.083	0.549	1.248	0.954	1.845	2.185	2.341	2.669	2.763	2.114
<i>Index</i>											
Public Sector ..	100.0	240.0	116.6	293.3	263.3	453.3	880.0	670.0	470.0	663.3	700.0
Private Sector ..	100.0	115.9	58.8	133.6	102.1	197.5	233.9	250.6	285.8	295.8	226.3

Computed. For Sources of the data, see Tables I and II.

Table IX

NUMBER OF WORKERS INVOLVED TO TOTAL EMPLOYMENT RATIOS  
FOR THE PUBLIC AND PRIVATE SECTORS

<i>Year</i>	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
<i>Number of workers involved to total employment :</i>										
Public Sector	0.017 (1.73)	0.009 (0.85)	0.018 (1.82)	0.011 (1.14)	0.026 (2.56)	0.038 (3.82)	0.044 (4.42)	0.033 (3.34)	0.42 (4.23)	0.034 (3.39)
Private Sector	0.111 (11.18)	0.091 (9.09)	0.152 (15.18)	0.147 (14.71)	0.172 (17.18)	0.168 (16.79)	0.189 (18.93)	0.225 (22.55)	0.207 (20.75)	0.185 (18.51)
<i>Index</i>										
Public Sector	100.0	52.9	105.9	64.7	152.9	223.5	258.9	194.1	247.1	200.0
Private Sector	100.0	81.9	136.9	132.4	154.9	151.3	170.3	202.7	186.5	166.6

— Computed: For sources of the data see Tables I and II.

— Figures in brackets are percentages, i.e., number of workers involved as percentage of total employment.

— Since the 1961 figures of workers involved for the two sectors separately were not available, 1962 has been taken as the base year for computing the indices.

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