



REPORT
OF THE
NATIONAL COMMISSION
ON LABOUR



GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT AND REHABILITATION
1969



National Commission on Labour
Government of India
1969

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NATIONAL COMMISSION ON LABOUR

Appointed on: December 24, 1966.

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CONTENTS

	PAGES
MAIN CONCLUSIONS AND RECOMMENDATIONS	vii-xxxv
1. INTRODUCTION	
Appointment and Terms of Reference—Questionnaire—Liaison Arrangements—Recording of Evidence—Committees, Study/Working Groups—Seminars and Conferences—International Cooperation—Cooperation from the Press—Scheme of the Report	1-5
2. FRAMEWORK OF INDIAN SOCIETY	
Developments prior to Independence—the Constitution—Political and Administrative Changes—Progress since Independence—Distributional Aspects—Annexure	6-17
3. ECONOMIC TRENDS SINCE INDEPENDENCE	
Production Trends—Price Trends—Fiscal and Monetary Factors—Employment Trends	18-28
4. INDIAN WORKER—ADAPTATION TO CHANGE	
Industrial Change—Evolution of Labour Policy—Impact of Political and Social Forces—Evolution of Industrial Labour—Worker in His Setting—the New Worker; Aspirations and Attitudes—Worker in Small Industry—Rural Labour	29-38
5. PERSPECTIVE FOR DEVELOPMENT	
Goals of Development—Employment Prospects—Prospects of Development—Effect on Policy—Possible Inter-actions—Rural Change—Annexure	39-45
6. OUR APPROACH	
Goal set by the Constitution—Quest for Industrial Harmony—Search for Rational Synthesis : Illustrative Major Recommendations—Annexure	46-66
7. RECRUITMENT--AGENCIES AND PRACTICES	
Recruitment—Pre-Independence—Sources of Recruitment—Agencies of Recruitment—Post-Independence—Plan Policies; N.E.S: Other Agencies—Employment Service Administration—Employment of Handicapped and Disabled Persons—Sons of the Soil—Annexure	67-79
8. TRAINING, INDUCTION AND WORKERS' EDUCATION	
Vocational Training—the Central Training Institutes—Apprenticeship Schemes—Quality of Training—Induction—Promotion—Workers' Education—Annexures	80-94
9. WORKING CONDITIONS	
1946 Programme for Labour—Plan Policies and Implementation—Inspection and Safety—Hours of Work—National and Festival Holidays—Industrial Health—The Central Labour Institute—National Safety Council—Working Conditions and Social Attitudes—Annexures	95-110

	PAGES
10. LABOUR WELFARE— <i>I</i>	
Scope of Welfare—Government Policy—Sanitation—Washing Facilities—Creches—Rest shelters and Canteens—Drinking Water—Enforcement—Welfare Officers—Annexures	111-131
11. LABOUR WELFARE— <i>II</i>	
Facilities prior to Independence—Assessment of Policies—Statutory Welfare Funds—Fair Price Shops—Activities of State Governments—Excursions—Transport to and from the Place of Work—Adult Education—Family Planning—Cooperative Stores/Fair Price Shops—Cooperative Credit Societies—Role of Workers' Organisations—Annexure	132-144
12. HOUSING	
Conditions prior to Independence—Housing Policy—Subsidised Industrial Housing Scheme—Housing Schemes for Miners—Plantation Labour Housing Scheme—Housing Scheme in Ports and Docks—Village Housing Project Scheme—Changes in Housing Conditions—Our Impressions—Annexures	145-161
13. SOCIAL SECURITY <i>J</i>	
Evolution of Social Security—Operation and Assessment of Schemes—Workmen's Compensation—Maternity Benefit—Employees' State Insurance Scheme—Provident Fund Schemes—Pension Scheme—Lay-off and Retrenchment Compensation—Integrated Social Security—Annexures	162-182
14. WAGES AND EARNINGS—A FACTUAL REVIEW	
Sources of Information—Wage Differentials—Trends in Money and Real Earnings—Components of Earning—Inter-State Differentials—Inter-Industry Differentials—Inter-sectoral Comparison—Standardisation of Wages—Annexures	183-219
15. WAGE POLICY—ASSESSMENT AND ISSUES	
Early History—Policy Statements since Independence—Indicators of Assessment—Industrial Harmony—Levels of Living—Changes in Productivity—Impact on Prices—Share of Wages	220-229
16. MINIMUM WAGE	
Wage Concepts—Early History—Minimum Wage (Statutory/Non-Statutory)—Assessment of the Working of the Act—National Minimum Wage—Need-based Minimum—Approach of the Second Pay Commission—The 'Norms' of the 15th ILC—Dearness Allowance—Annexures	230-246
17. INCENTIVES AND BONUS	
Incentives—Historical—Labour Bureau Findings—the NPC Study—Public Sector Arrangements—Experience of Wage Boards—Responsibility of Government—Bonus—Historical—the Committee on Profit Sharing—the LAI Formula—the Bonus Commission—the Bonus Act	247-256
18. RATIONALISATION AND AUTOMATION	
The Concept—Economic Effects—Problem of Capital—Effect on Labour—Policy Considerations—Progress in Rationalisation—Progress in Automation—Sharing Gains of Productivity	257-267

	PAGES
19. MACHINERY FOR WAGE FIXATION/PROTECTION	
Wage-fixing Machinery in Sweated Industries—Machinery for Wage Fixation in the Organised Sector—Wage Boards—Implementation of Wage Board Recommendations—Foreign Experience—Machinery for Protection of Wages—Annexure	268-276
✓ 20. WORKERS' ORGANISATIONS	
Growth of Unions—Trade Union Structure—Trade Union Finances—Role and Functions of Unions—Outsiders in Unions—Inter-union and Intra-union Rivalry—Union Security—Trade Union Legislation	277-297
21. EMPLOYERS' ORGANISATIONS	
Origin and Growth—Industrial Associations—Aims and Objects of Federations—Role and Functions of the Employers' Organisations—Obligations to Constituents—Finances—Communication—Social Responsibilities—International Affiliations	298-306
22. STATE AND INDUSTRIAL RELATIONS	
International Practices—Role of the State—Practice in India—Tripartite Consultations—The Indian Labour Conference and the Standing Labour Committee—Industrial Committees—Labour and the Constitution—the Common Labour Code	307-318
✓ 23. INDUSTRIAL RELATIONS—I	
Evolution of the Industrial Relations Policy—Industrial Relations Machinery—Collective Agreements—Conciliation—Voluntary Arbitration—Adjudication—Strike/Lock-out—Recognition of Unions—Rights of Recognised and Other Unions—Our Approach—Industrial Relations Commission—Labour Courts—Unfair Labour Practices—Annexures	319-341
✓ 24. INDUSTRIAL RELATIONS—II	
Joint Consultation—Works Committees/Joint Committees—Joint Management Councils—Code of Discipline—Grievance Procedure—Disciplinary Procedures—Annexures	342-354
25. LABOUR IN PUBLIC SECTOR	
Issues Concerning Labour—Recruitment—Promotions—Standing Orders—Working Conditions—Wage Differentials—Labour Relations—State Enterprises—Annexures	355-368
26. GOVERNMENT (INDUSTRIAL) EMPLOYEES	
Union Recognition—Industrial Relations—Joint Consultative Machinery—Right of Strike—Joint Consultative Machinery and Industrial Relations Commission—Wages—Minimum Wage and Need-based Minimum—State Government (Industrial) Employees	369-378
27. EMPLOYMENT OF WOMEN AND CHILDREN	
Pattern of Women Employment—Developments since 1947—Training—Wages—Legislative Measures for Women Workers—Women and Trade Unions—Employment of Women : A Perspective—Employment of Children—Legislation Relating to Child Workers—Extent of Child Labour—Annexures	379-391

28. AGRICULTURAL LABOUR

Its Place in the Economy—Unemployment/Under-employment—Policies since 1947 : An Assessment—Rural Works Programme—Labour Corps—Minimum Wage—Organisation and Leadership—Sarvodaya Movement—Impact of Changes in Rural Society—The New Strategy : Scarcities and Famines—Bonded Labour : Its Disintegration—Administration—Tripartite Consultation—Social Change—Forest Labour—Forest Cooperatives and Nationalisation—Annexures

V
PAGES

392-416

29. UNORGANISED LABOUR

Assessment of Policies—Contract Labour/Construction Workers—Casual Labour—Labour in Small-scale Industries : Our Survey—Handloom/Powerloom Workers—Bidi Workers—Workers in Shops and Commercial Establishments—Sweepers and Scavengers—Workers in Tanneries and Leather Goods Manufactories—Tribal Labour—Labour in the Cooperative Sector—Unprotected Labour—Annexure

417-437

30. LABOUR ADMINISTRATION

Evolution of Labour Administration—Agencies for Implementation—The Central Labour Ministry—State Labour Machinery—The Labour Secretary/Commissioner—Autonomous Corporations—Implementation—Annexures

438-455

31. LABOUR STATISTICS, RESEARCH AND INTELLIGENCE

Labour Statistics—Historical Review—Labour Bureau—the CSO and Other Agencies—Sources and Shortcomings—Availabilities and Gaps—Social Statistics—Consumer Price Index—Labour Research—Labour Intelligence—Annexures

456-471

32. INDIA AND THE ILO

ILO : Early History—Structure and Activities—Operational Programmes—Procedure for Ratification of ILO Conventions—Implementation of ILO Recommendations by India—Recommendations for Further Progress—Annexures

472-480

33. LEGISLATIVE AMENDMENTS

481-484

ACKNOWLEDGEMENTS

485-486

MINUTE OF DISSENT

487-498

EXPLANATORY NOTE

499-503

APPENDICES

A1-A166

INDEX

A167-A178

LIST OF ANNEXURES

S.No.	Title	Pages	S. No.	Title	Pages
(1)	(2)	(3)	(1)	(2)	(3)
1	India : Progress under the Three Five Year and Annual Plans 1950-51 to 1968-69	14-17	21	Per Capita Annual Money Earnings of Employees Earning less than Rs. 200 per month. Manufacturing Industries : 1956 to 1964 By States.	203
2	Requisite Production of Selected Important Commodities : 1967-68 to 1980-81	45	22	Per Capita Annual Money Earnings of Employees Earning less than Rs. 400 per month Manufacturing Industries : 1961 to 1967.	204
3	Directive Principles of State Policy	65	23	Per Capita Annual Money Earnings of Employees Earning less than Rs 400 per month Manufacturing Industries : 1961-67 By States	205
4	Statement showing the vacancies notified to and placements effected by the Employment Exchanges	79	24	Annual Average Earnings during 1958-64 of the Employees Earning less than Rs. 200 per month in Manufacturing-by Industries and States	206-07
5	Five Year Programme for Labour-1946	93	25	Earnings of Workers in Mines 1951 to 1967.	208
6	Statement showing the seating capacity of Industrial Training Institutes	94	26	Money Earnings of Workers in Non-Coal Mines : Index Numbers - 1952 to 1967	209
7	Statement showing the number of Industrial Injuries in Factories and the Frequency Rates per 1000 workers employed, 1951-67	108	27	Earnings of Workers in Tea Plantations	210
8	Statement showing the number of Industrial Injuries in Mines, and the Frequency Rates per 1000 workers employed, 1951-67	109	28	Average Per Capita Annual Earnings in Plantations in different States : 1962-1965	211
9	Review of changes in working conditions since 1944-46 (ventilation, temperature and lighting) in some selected industries	110	29	Labour Wages : Basic Rates from 1-4-1966	212
10	Data on welfare facilities collected for the survey of Labour conditions undertaken by the Labour Bureau-1960-66.	121-31	30	Wage Rates Recommended by the Central Wage Board for Rubber Plantation industry as modified by Central Government—Daily Rates of Wages	213-14
11	Welfare Centres run by State Governments/ Union Territories	143-44	31	Statement showing existing wages and recommended wages in Coffee Plantation Industry	215-16
12	Percentage distribution of families by general characteristics of the building in which dwellings were located—1958-59	160	32	Annual Average Earnings of Class IV Employees in Indian Government Railways 1916-47 to 1967-68	217
13	Percentage distribution of dwellings by various characteristics 1958-59	161	33	Average Monthly Earnings of Workers employed by Bombay, Calcutta, Madras, Visakhapatnam and Cochin Dock Labour Boards 1954-55 to 1967-68.	218-19
14	Progress of Employees' State Insurance Scheme	179	34	Comparison of the Nutritive Value of Food Stuffs Actually Consumed with the Requirements	244-45
15	Statement showing number of employees/beneficiaries and amount of benefit paid	180	35	Estimated cost of Need based Minimum Wage in selected centres	246
16	Progress of Coal Mines Provident Fund and Bonus Schemes Act	181	36	Statutory Wage Boards in Maharashtra and Gujarat States	276
17	Progress of Employees' Provident Fund Scheme	182	37	Work-Steppages	337-39
18	Employment in Selected Organised Sectors	200	38	Unfair Labour Practices	340-41
19	Per Capita Annual Money Earnings of Employees Earning less than Rs. 200 per month. Manufacturing Industries : 1950 to 1964.	201	39	Functions of Joint Management Councils	352
20	Per Capita Annual Money Earnings of Employees Earning less than Rs. 200 per month Manufacturing Industries: 1947 to 1955. By States.	202			

S.No.	Title	Pages	S.No.	Title	Pages
(1)	(2)	(3)	(1)	(2)	(3)
40	Statement showing number of Establishments required to frame Standing Orders and Establishments having certified Standing Orders .	353-54	50	Maharashtra Mathadi, Hamal and other Manual Workers (Regulation of Employment and Welfare) Bill 1958—Salient Features .	436-37
41	List of Statutory Corporations and Government Companies under direct Central Government management	366-67	51	Organisation of the Department of Labour and Employment and its Attached and Subordinate Offices and its Autonomous and Ad-Hoc Bodies	451-53
42	Industrial Policy Resolution, 1956—Schedules A & B	368	52	Organisational Chart—Labour & Employment Department—March 1968	454
43	Percentage distribution of Female Workers 1901-61.	388	53	Number of changes in the incumbents to the posts of Labour Secretaries and Labour Commissioners in various States	455
44	Average Daily Employment of women in Factories	389	54	Important surveys conducted by the Labour Bureau during the Plan period	469
45	Average Daily Employment of women in Mines	390	55	Components of wages under various Acts etc.	470
46	Percentage of Women in Unionised Workers	391	56	Typical Time Factors for the Publication of Selected Items of Labour Statistics	471
47	Chart showing distribution of Population and Workers for All-India by Rural and Urban Areas and also by Sectors of Activity according to 1961 census	414	57	Statement indicating the ILO Conventions ratified by India and the Dates of Registration of their Ratification	479
48	Distribution of land to landless agricultural workers through state agency.	415	58	ILO Recommendations which have been fully implemented by India	480
49	Requirement of Mandays in Agriculture	416			

MAIN CONCLUSIONS AND RECOMMENDATIONS

(Recommendations which are not unanimous or which are subject to a minute of dissent are marked with an asterisk ()).*

INDIAN WORKER—ADAPTATION TO CHANGE

1. Over the last twenty years, the trend towards stabilisation of industrial labour has strengthened. A worker today is far more urban in taste and outlook than his predecessor. The idyllic notion of a "village nexus" has receded to the background.

4.10

2. A vast majority of the workers in cities is committed to factory employment. In older industries a second or even third generation of workers has emerged. A self-generating working class with its roots in the industrial environment in which a worker is born and bred is growing in strength.

4.11

3. The industrial worker of today has acquired a dignity not known to his predecessor. He has now a personality of his own. He shares the benefits, albeit meagre, which a welfare state with a vast population and inadequate resources can at present offer.

4.12

4. With the changing industrial landscape, growth of new industrial townships and dispersal of activity, a process of industrial 'culturisation' of working class has set in.

4.13

5. The process of urbanisation has led to difficulties in four areas: (a) housing, (b) transport, (c) civic amenities and (d) distribution controls, all these having affected workers' attitudes.

4.18

6. A worker is now conscious that education is essential for improved earnings. He is keen about self-education at adult literacy centres. He is even more keen about the education of his children and their future. The role of political parties and trade unions in making workers aware about their surroundings has been significant.

4.27

7. The handling of labour-management relations is getting increasingly professionalised, though such professional handling by itself is not adequate.

4.33

8. Disputes between employers and workers have been taking a legalistic turn, mainly because of the emphasis on adjudication through industrial tribunals and courts. Litigious attitude on the part of both employers and workers creates situations in which the employers gain because implementation of awards is sometimes postponed, and lose because the unsettled issues pending before tribunals/courts also unsettle workers and introduce inhibitions in improving production.

4.34

9. With rapid growth of small industries and the difficulty in organising labour, many unfair labour practices to the disadvantage of labour have thrived.

4.38

10. Over the years, the profile of agricultural labour has perceptibly changed. He is politically conscious. His aspirations are higher than before; he is responsive to the opportunities for change and development. Attachment to land and the rural way of life, so common with the village elders, do not hold the same fascination for the village youth. There is some restlessness, among those who aspire to migrate, about the slow pace of development of non-agricultural work.

4.41 & 4.42

RECRUITMENT-AGENCIES & PRACTICES

Recruitment Methods

11. On the whole, impersonal methods of recruitment are gradually gaining ground in the organised sector. Recruitment through contractors still operates, though on a reduced scale, in mines and plantations. The exploitative character of such agencies of supply is on the decline because of the spread of awareness among those seeking employment.

7.29

NOTE: Figures at the end of each recommendation indicate paragraph numbers in the body of the Report.

12. (a) Over the last twenty years, the National Employment Service has played a useful role in bringing together employers and work-seekers. (b) With the development of related programmes like collection and dissemination of employment market information, employment counselling and vocational guidance, occupational and job research, and preparation and application of aptitude tests, the National Employment Service has developed into a multi-functional placement agency. (c) The National Employment Service should be extended in a phased manner over the next ten years to all towns with a labour force of ten thousand and more so that rural workers may take increasing advantage of this service.

7.30 & 7.32

13. (a) The National Employment Service has to be a free and voluntary organisation. Employers should not be required to pay for the assistance given to them in the matter of recruitment. Expenditure on items of work which are an integral part of the Service should be a charge on Government. (b) Every effort should be made to abolish the operation of unauthorised agencies in recruiting labour from eastern U.P. for mines in West Bengal, Bihar, Orissa, Andhra Pradesh and Madhya Pradesh.

7.24 & 7.26

Employment Service Administration

14. Uniform standards, policies and procedures will be needed in all States to enable the National Employment Service to work as a well-knit and coordinated organisation throughout the country. Programmes for (i) occupational research, (ii) vocational guidance and employment market information, (iii) special surveys and studies, and (iv) forecasting of manpower supply and demand, should be speeded up.

7.34

15. The National Employment Service has to be strengthened to help efficient utilisation of manpower and particularly critical skills required for planned economic growth. The national character of the service should be fostered and strengthened for this purpose.

7.35

16. Provision of gainful employment to physically handicapped/disabled persons should form part of an enlightened social policy. To the extent possible, employers should accept it as a matter of industrial ethics to rehabilitate persons disabled because of industrial accidents. Rehabilitation Homes for the physically handicapped should be provided jointly by employers and Government.

7.37 & 7.38

"Sons of the Soil"

17. A solution to the problem of "sons of the soil" has to be sought in terms of the primacy of common citizenship, geographic mobility and economic feasibility of locating industrial units on the one hand and local aspirations on the other.

7.50

18. Young persons from families whose lands are acquired for industrial use should be provided training opportunities for employments likely to be created in new units set up on these lands.

7.52

19. To remove unjustified apprehension among local candidates, the following steps should be taken to supervise implementation of the directive of the Government of India on recruitment in public sector projects :

(i) While recruiting unskilled employees, first preference should be given to persons displaced from the areas acquired for the project; next should be preferred those who have been living within the same vicinity.

(ii) Selection of persons to posts in lower scales should not be left entirely to the head of the unit. It should be through a recruitment committee with a nominee of the Government of the State within which the unit is located as a member of the committee.

(iii) In the case of middle-level technicians where recruitment has to be on an all-India basis, a member of the State Public Service Commission should be associated in making selection in addition to the State Government Official on the Board of Directors.

(iv) Apart from the report sent to the concerned Ministry at the Centre, the undertaking should send a statement to the State Government at regular intervals, preferably every quarter, about the latest employment and recruitment position.

7.53

20. The steps recommended above should apply equally to recruitment in the private sector, though the mechanism to regulate recruitment in the private sector will necessarily differ from that in the public sector.

7.54

TRAINING, INDUCTION AND WORKERS' EDUCATION**Training**

21. (a) The Training and Employment Organisations in the State should be under the State Labour Department. (b) There should be uniform minimum qualifications and comparable enhancement prospects for instructional staff and uniform vocational standards of training in all States. (c) A sustained publicity of the programmes and achievements of the employment and training services should be organised in order to convey their full importance to employers/trainees and the public.

8.25, 8.26 & 8.28

22. (a) Both shortages and surpluses reflected in the employment exchange statistics are somewhat unreal in certain trades/areas. Where shortages are reported, the employer does not necessarily accept a trained worker; a reported surplus is, at times, due to lack of inclination on the part of a trained worker to move out. (b) The National Classification of Occupations of the Directorate-General of Employment and Training should be put on a basis which will help a better assessment of supply from training institutes and demand from employers. (c) A closer liaison than at present between employers' organisations and persons who represent them on trade committees of the National Council for Training in Vocational Trades is required to make technical training need-based.

8.14 & 8.18

23. The main burden of training of workers should necessarily fall upon industry. The States should supplement rather than supplant the activities of employers in this matter. It should step in only in such fields and areas where employers cannot undertake training programmes. The State Apprenticeship Adviser should be appointed as the Authority for registering the training schemes organised by employers.

8.21 & 8.24

24. Introduction of new machines renders traditional skills obsolete and possibly creates shortages in new ones. Facilities should be provided by the plant authority for retraining of employees. A system of granting study leave to a worker to equip himself for senior levels of responsibility should be introduced; this will facilitate internal promotion and make for better industrial relations.

8.16 & 8.19**Induction**

25. It will add to the satisfaction of a new worker if relevant facts about his place of work, management and its policies are communicated to him through the management itself.

8.33**Promotion**

26. (a) Where promotions are not based on known standards, the management should evolve a promotion policy in consultation with the recognised union where it exists. (b) As a general rule, particularly among the operative and clerical categories in the lower rungs, seniority should be the basis for promotion. In respect of middle-management, technical, supervisory and administrative personnel, seniority-cum-merit should be the criterion. For higher managerial, technical and administrative positions, merit alone should be the guiding factor.

8.36 & 8.37**Workers' Education**

27. (a) The present scheme of workers' education, like any other scheme, is not altogether perfect and there is need for improving and strengthening it. (b) The programme for production of literature by the Central Board of Workers' Education should be not only intensified but improved. (c) As an aid to the workers' education programme the Government should undertake an extensive adult literacy programme for eradicating illiteracy among workers.

8.48 & 8.52

28. (a) The Central Board of Worker's Education should, as early as possible, allow the programme of workers' education to be formulated and implemented by trade unions. (b) For this purpose, current procedures and rules for giving aid to unions for workers' education should be simplified and adapted to the structure and needs of unions consistent with accountability of public funds. (c) Employers should cooperate with unions by giving workers such facilities as are made available by them for the programme under the Board.

8.55

29. National trade union centres should draw up a suitable programme for union officials and union organisers in collaboration with universities and research institutions. It should cover practical field work and education in the fundamentals of trade unionism, industrial relations, labour laws and evolution of the country's economy. The Government should encourage universities to provide extension courses for the benefit of union leaders and organisers.

8.56

30. (a) The Board of Governors of the Central Board of Workers' Education should be presided over by a nominee of the trade unions. The Director of the Scheme should also be a trade union nominee. (b) The Central Board should have on it a representative of the public sector; in granting this representation, the present arrangement by which the largest single representation on the Board is ensured for workers should not be disturbed. (c) Subject to the changes in the constitution and functions of the Board as proposed, the Board should be put on a continuing basis in respect of its tenure.

8.57 & 8.59

WORKING CONDITIONS

Safety

31. (a) Statutory provisions about safety and safety equipment are adequate. Effective enforcement is what is needed. (b) A safety officer should be appointed in all factories employing 1,000 or more workers or where the manufacturing process involves special industrial hazards. (c) A standing committee consisting of users of machines, machine manufacturers and safety experts should be set up to introduce built-in safety features at the stage of manufacture of equipment and machinery. (d) States which have not yet formed safety councils or introduced safety awards should do so. Safety councils should be set up for all major industries and for those involving hazardous occupations.

9.24(i) & (x); 9.26(i) & 9.48

32. Employers' organisations and trade unions should take more interest in safety promotion. Safety Committees should be set up in every factory employing 100 or more workers. The factory inspectorate should advise and assist employers in drawing up induction and training programmes in safety. The training programme should cover managerial personnel, supervisors and workers. Periodic training courses in accident prevention designed for safety officers, supervisors and middle management should be organised by the factory inspectorates.

9.24(v), (viii) & (ix); 9.25 (i) & (iii)

33. The workers should be compensated for loss of wages suffered by them during closures of mines on account of violation of safety standards.

9.27

34. A fully qualified Safety Officer should be appointed at each port. The Dock Workers' (Safety, Health and Welfare) Scheme, 1961 and the Indian Dock Labourers' Regulations, 1948 should be merged into one enactment covering all workers.

9.28 (i) & (iii)

Inspectorate

35. (a) The frequency of inspection of factories has not been adequate. About a fifth of the units go uninspected. (b) The 'norm' of 150 factories per inspector for determining the strength of the inspectorate should be re-examined. (c) The factory inspectorate requires diversification with staff drawn from different academic disciplines. For routine functions and follow-up, it should be possible to use persons with non-engineering qualifications. (d) The inspection and registration fees should be fully used by the State Governments for expanding the inspectorate and making it more efficient.

9.17, 9.10, 9.11 & 9.14

Hours of Work

36. (a) The current requirements of the economy do not permit immediate reduction in working hours. As conditions improve, working hours should be brought down to 40 a week but in two stages; in the first they should be brought down to 45. (b) Working hours during the night shift should be reduced. A credit of ten minutes should be given for each hour of work in the night shift. Six hours' work should thus entitle a worker to extra payment for one hour. (c) It is not necessary to relax restrictions on the duration or nature of overtime work.

9.36 & 9.40

37. The Plantations Labour Act, 1951 should be amended to reduce the prescribed hours of work from 54 to 48.

9.38

38. The Railway Administration should examine once in five years all cases of classification of railway servants under the Hours of Employment Rules in Railways.

9.39

Holidays

39. Uniformity in the number of paid national and festival holidays is desirable. Every employee should be allowed in a calendar year 3 national and 5 festival holidays.

9.43

40. The penal provisions should be made stringent so that their deterrent effect is felt. Serious offences should be made cognisable.

9.22

LABOUR WELFARE

41. The concept of labour welfare is dynamic; its content will be different from region to region even within a country.

10.4

42. Contract labour should be entitled to use the welfare facilities which are meant for direct workers under the existing legislation. The standard of facilities for direct workers should not suffer on this account.

10.31

43. Inspection of welfare aspects of the law does not require any technical knowledge or engineering qualifications. This can be best handled with the assistance of the recognised union or with the help of a works committee where it operates.

10.31

Welfare Officers

44. The welfare officer has to be a maintenance engineer on the human side; he does not have job satisfaction at present, since welfare is not accorded adequate importance in an industrial unit. His presence is treated more as a statutory requirement to be tolerated. The officer should not be made to handle, on behalf of management, disputes between management and workers.

10.23 & 10.40

Creches

45. (a) The standard of creches in a majority of factories and mines needs to be improved. (b) The limit of 50 women workers, which makes the provision of creche obligatory in factories and plantations, should be brought down. The limit should be prescribed taking into account local considerations or on the basis of 20 eligible children of working mothers who are to avail of this facility. Children of women workers employed by contractors should also be covered by this facility.

10.32 & 10.33

Canteens

46. (a) Even after years of development, canteen and rest shelters have not received adequate attention from management. (b) The present employment limit for making the employer set up a canteen compulsorily should be brought down to 200 in units where there is an established demand for a canteen from a majority of workers. (c) It should be automatically obligatory on the employer to provide a canteen whenever the employment exceeds the prescribed limit. The need for notifying the establishment should be done away with. (d) Establishments which operate over a wide area should consider the running of a mobile canteen. (e) Canteens should provide at least one balanced meal a day.

10.25 & 10.35

47. (a) Workers should preferably run the canteens themselves on a cooperative basis. In

any case, they should be associated with canteen management. (b) Wherever canteens are run on a cooperative basis, employers should give subsidies in the shape of free accommodation, fuel and light, utensils and furniture.

10.35

48. Habitual non-compliance with statutory provisions regarding sanitation, first-aid boxes, washing and bathing facilities, facilities for storing and drying clothes, rest shelters, drinking water and seating facilities should attract penalties.

10.36

Factories

49. (a) Effective steps should be taken for periodic medical examination of factory workers so that timely diagnosis and treatment of occupational diseases will be possible. This should be a charge on the employer; in respect of non-occupational diseases, medical examination and treatment should be the responsibility of the Employees' State Insurance Corporation. (b) Standards of schooling facilities available in the welfare centres run by Government should be improved and new schools set up. Employers should provide scholarships to deserving children of their workers.

11.19

Mines

50. (a) A General Miners' Welfare Fund should be created to undertake welfare activities in medical, educational and recreational fields in respect of workers in all mines. (b) Finances for the Fund should be arranged by the levy of a cess based on the prices which the minerals fetch. (c) What has been said in (b) above should not delay the setting up of welfare funds for certain minerals, the proposals for which are under examination of Government.

11.22 & 11.23

51. Periodic medical check-up of coal miners should be a part of the activity of the Coal Mines Labour Welfare Fund. Funds should be allotted more liberally for acquiring essential apparatus for detecting and curing diseases.

11.21

52. There should be no discrimination in welfare facilities between persons recruited through the Gorakhpur Labour Organisation and those selected locally. Also, workers recruited through the GLO should have all the privileges which workers selected through other agencies have.

7.25 & 11.24

Plantations

53. (a) The Plantations Labour Act, 1951 should be extended in a phased manner to cover as many plantations as possible. (b) Disparities exist, even within the same region, in the standard of medical facilities to plantation workers. (c) Even where detailed rules under the Plantations Labour Act, 1951 have been laid down, non-observance of the rules is a matter of complaint. (d) To ensure that hospitals in plantation areas are properly equipped and disparities in standards of medical facilities are reduced, the State Governments should prescribe a list of drugs, medicines and equipment for the hospitals. (e) Suitable arrangements need to be made for detection and treatment of occupational diseases among plantation workers. (f) Priority should also be given to family planning programmes. (g) State Governments should ensure that facilities for education of children of plantation workers are provided by the employers.

10.37, 11.11(a) & 11.25

Ports and Docks

54. (a) Welfare facilities provided under the Dock Workers' (Safety, Health and Welfare) Scheme, 1961 should be strictly enforced by the Port Authorities and the Dock Labour Boards. These facilities should be extended to casual and contract workers. (b) Welfare activities undertaken by the Port Trust Employees' Welfare Fund should also be extended to cover casual and contract workers. (c) Sufficient financial powers should be delegated to the management of canteens in Ports and Docks to ensure their smooth running. (d) Canteen facilities should be provided by the Port Authorities and Dock Labour Boards to night shift workers and workers who have to perform duties mid-stream. (e) Launches should be provided to port workers who are required to work mid-stream. (f) Port authorities and Dock Labour Boards should either open schools or arrange adequate transport for workers' children where schooling is not available within a convenient distance of the housing colony.

10.38, 11.26 & 11.29

Road Transport

55. Government should persuade employers to provide jointly basic amenities to transport workers, such as canteens, and rest shelters, at places where their headquarters are located.

10.39

Adult Education

56. Special efforts are required to be taken by the State to remove illiteracy among workers in plantations and mines.

11.30

Family Planning

57. (a) While many employers voluntarily provide additional incentives to workers to promote family planning, there is need for other employers to follow this example. (b) Financial assistance provided under the schemes for promoting family planning should become available to hospitals run by the employers. (c) Employers' and workers' organisations doing family planning work should be eligible to receive direct assistance from the Government in the same manner as other voluntary organisations.

11.31

Co-operatives Stores/Credit Societies

58. (a) Government should start fair price shops. Setting up of cooperative shops should be encouraged. Accommodation should be given by the employer. (b) In the initial stages, employers should give financial assistance to cooperative credit societies.

11.32 & 11.33

Labour Welfare Boards

59. (a) Constitution of tripartite and autonomous Statutory Labour Welfare Boards, as in some States, has resulted in efficient management of welfare centres and in workers taking adequate interest in the activities of such centres. (b) Similar Boards should be set up elsewhere. (c) Trade unions doing approved welfare work should be given subsidies by the Board.

11.27 & 11.34

Transport to and from the Place of Work

60. (a) The State and the local bodies should improve the local transport services to enable the worker to reach his place of work in time. (b) Special transport services should be arranged for the convenience of night shift workers. (c) Working hours in different units situated in major industrial centres like Bombay and Calcutta should be suitably staggered to enable the State or the local body to provide transport services.

11.29 & 12.62

HOUSING

61. Housing for industrial workers requires on the one hand the resources of the employer who wants to use them for more production and, on the other, the resources of the State where considerations of equity make it difficult for industrial housing to secure adequate priority. It is necessary, for progress in this matter, that Government should take the responsibility with

assistance from employers. Also, higher priority should be given to housing in the country's plans.

12.1, 12.47 & 12.48

Provision of Land

62. The State Governments and local authorities should undertake the responsibility for speedy development of land for housing and make it available in a large measure to approved construction agencies at economic cost. Effective coordination to control all land development, town planning and house building activities at the State level is necessary.

12.56 & 12.57

Housing Boards

63. (a) Housing Boards should be set up in States where they do not exist. The Central Government should continue to finance these Boards as at present, but on a much larger scale. (b) A Central Housing Board should also be set up to coordinate the activities of the State Boards. (c) All these Boards should be broad-based in their composition. They should represent a cross-section of the community, including labour. (d) Housing Boards should continue charging the rent at the present scale *i.e.*, about $7\frac{1}{2}$ per cent of the cost but minus the subsidy. (e) The tenants in the tenements constructed by the Boards should be encouraged to buy over houses on hire-purchase system so that capital is recouped and becomes available for new construction.

12.52 to 12.55 & 12.60

Housing Cooperatives

64. The State should encourage the development of Cooperative Housing Societies among industrial workers. Both Government and the employers should advance loans to the cooperative societies or their members at concessional rate of interest.

12.58 & 12.59

Urban Housing

65. (a) The existing Subsidised Industrial Housing Schemes should continue, though its progress in the last fifteen years has not been satisfactory. (b) Adequate fiscal and monetary incentives should be provided to employers to encourage them to build houses for their employees. (c) Incentives for workers' housing by employers should be so designed as to keep rents within a range of 10 per cent of the workers' earnings.

12.50 & 12.60

66. There should be no extension of the area of legal compulsion on employers in the matter of housing beyond what exists today. However where legal compulsion already exists, as in the mining industry in Bihar and Orissa, similar compulsion should be extended to the same industry in other States also.

12.46 & 12.64

Housing in Mines

67. Housing activities of the Coal Mines Labour Welfare Fund Organisation may have to be supplemented by those of State Housing Boards or local bodies. The proposed General Miners' Welfare Fund should offer assistance to employers in the shape of subsidy for housing.

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Housing in Plantations

68. The Plantations Labour Act, 1951 should be amended suitably so as to provide houses for such plantation workers who do not reside within 5 kilometres from the periphery of the estate but who wish to be accommodated on the estate.

12.65

Rural Housing

69. The existing housing schemes for backward and depressed classes, whether in rural or urban areas, should continue and should be implemented expeditiously.

12.66

SOCIAL SECURITY

Workmen's Compensation

70. All workmen, including supervisors employed in the occupations covered under the Workmen's Compensation Act, 1923, should be eligible for compensation for work injury. Wage limit for eligibility should be removed.

13.22

71. A scheme of Central Fund for Workmen's Compensation should be evolved. All employers who are subject to the Workmen's Compensation Act should pay to this fund a percentage of total wage as monthly contributions to cover the cost of the benefit and of administration. The fund should be controlled by the Employees' State Insurance Corporation. Periodic cash payments may be made to injured workers and their dependents by the Corporation through its local offices in the same way as payments are made at present for various benefits under the ESI Scheme. Medical care to injured workers should be provided by the Corporation. A similar

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arrangement in respect of mines may be made by the Welfare Commissioners who control various welfare funds for coal, mica and iron ore mines.

13.24

72. (a) Under the present conditions, while an able-bodied worker can claim and obtain retrenchment compensation for being surplus, an injured or disabled workman is thrown out without adequate payment because accident or disease has incapacitated him. This legal anomaly requires to be removed. (b) A worker should be entitled to higher compensation for disablement resulting from industrial accidents. It should be in the form of subsistence allowance in cases where the worker remains unemployed because of the disablement.

13.25

Maternity Benefit

73. A scheme of Central Fund may be evolved for maternity benefit on the lines suggested for workmen's compensation. Pending the creation of this Fund, the Maternity Benefit Act, 1961 should be adopted in all States as early as possible.

13.26 (iii)

Employees' State Insurance Scheme

74. The recommendations made by the ESIC Review Committee should be implemented expeditiously.

13.43

75. Full-fledged medical colleges should be started at places where there are large and well-equipped ESI hospitals, either directly by the ESI Corporation or by the State with help from the Corporation. In case the Corporation contributes financially to medical training, the trainees should be under an obligation to serve the ESI Scheme for a specified period which should not be less than 5 years after achieving full qualifications. The ESI hospitals should also be utilised for the training of nurses and other para-medical staff.

13.45

76. Surplus beds, if any, in ESI hospitals may be made available for the use of the general public, on payment by the State Governments.

13.46

77. The wage limit for exemption from payment of employees' contribution should be raised to Rs. 4 per day.

13.45

78. A scheme of 'no-claim bonus' for insured persons who do not claim any benefit during a year should be evolved.

13.50

79. The constitution of regional boards should be amended for giving increased representation to employers and employees and for nomination by the ESI Corporation of Chairmen of the Boards by rotation. The Boards should be given adequate powers to enable them to exercise effective control on the working of the scheme in the respective regions.

13.51

80. The ESI Corporation should make a suitable contribution to the National Safety Council as part of its programme of integrated preventive and curative services.

13.52

Provident Funds

81. The Act at present does not apply to establishments employing between 10-20 persons. It should be extended to these establishments and the minimum rate of contribution therein fixed at 6½ per cent.

13.60

*82. (a) Wherever the present rate of contribution is 6½ per cent, it should be raised to 8 per cent; and where the existing rate of contribution is 8 per cent, it should be raised to 10 per cent. (b) Conversion of a part of provident fund into retirement-cum-family pension is desirable. In cases where the rate of contribution is raised to 10 per cent from employers and employees, a portion of the contribution should be converted into pension. Pensionary benefits should be worked out on the basis of 4 per cent to start with; the remaining 16 per cent should be paid back as provident fund accumulations.

13.60 & 13.62

83. Power should be vested in the Provident Fund Commissioners and other officers of the Organisation to sanction prosecutions and issue certificates for the recovery of provident fund dues through the Collectors as arrears of land revenue. Penalties for defaults in payment of P. F. dues should be made more stringent. Defaults should be made cognizable under the I.P.C. Arrears of provident fund should be made the 'first charge' on the assets of an establishment/factory at the time it is wound up.

13.60

84. The provident fund accumulations should be invested in securities yielding higher interest as far as possible consistent with the security and

safety of funds, to enable the members to get a higher rate of interest.

13.61

Lay-off and Retrenchment Compensation

85. A long-term solution for the contingency of unemployment lies in adopting a scheme of unemployment insurance for all employed persons. The present provisions for retrenchment and lay-off compensation should continue during the transition period.

13.66 (iii)

The Dock Workers (Regulation of Employment) Act, 1948

86. A comprehensive statute should be enacted bringing together the various provisions of the Indian Dock Labourers Regulation, 1948 and the Dock Workers (Safety, Health and Welfare) Scheme, 1961 for safety, health and welfare of dock workers. The definition of 'dock worker' in Dock Workers (Regulation of Employment) Act, 1948 should be amended with a view to making it more explicit and comprehensive.

13.67 (vi) & 9.28 (iii)

Integrated Social Security

87. (a) The aim should be to work gradually towards a comprehensive social security plan by pooling all the social security collections into a single fund from which different agencies can draw upon for disbursing benefits according to needs. (b) It should be possible over the next few years to evolve an integrated social security scheme which will, with some marginal addition to the current rate of contribution, take care of certain risks not covered at present. This will be limited to the benefits of (i) provident fund and retirement/family pension, and (ii) unemployment insurance.

13.72 & 13.75

WAGES AND EARNINGS

A Factual Review

88. Subject to the limitations of statistics of wages and earnings, it would appear that among the industrial workers the maximum gain in real wages in the last twenty years was secured by coal miners. Plantation workers also gained, though not to the same extent. Workers in mines other than coal, factory workers and railway employees followed in that order. Bank employees among the 'white collar' workers secured better scales of pay in the latter part of the period.

14.37

89. (a) Arrangements for standardisation of occupational nomenclature and a periodic wage census should be made. (b) Steps should, therefore, be taken, wherever necessary, to standardise job classifications and reduce differentials to suitable limits on a scientific basis.

14.40 & 15.31

WAGE POLICY—ASSESSMENT AND ISSUES

90. Developments in the field of wage/salary structure in Government influence the wage fixing authorities in the industrial sector and *vice versa*. It is possible that this aspect of inter-relationship will continue to have an impact on any policy leading to remuneration for work.

15.9

91. Increases in money wages of industrial workers since Independence have not been associated with a rise in real wages nor have these been commensurate with improvements in productivity. Wage costs as a proportion of total costs of manufacture have registered a decline and the same is true about workers' share in value added by manufacture.

15.18

92. (a) In any economy, sectoral productivities are bound to differ due to differences in skills, technology and capital. Wage differentials are inevitable, but the extremes that reflect imperfections of the market and inadequacies of measurement should be avoided. (b) While changes in real per capita income reflect changes in productivity of the economy as a whole, wage variations in any particular sector may not always be based on productivity changes. (c) The disparity between industrial and other wages may not be due to the fact that the former are disproportionately high, but because the latter are disproportionately low. A certain amount of disparity between industrial and agricultural wages is necessary and must continue for the general health of the economy. (d) The earnings of the self-employed persons cannot be taken as a criterion to determine wages of a worker required to put in full-time work.

15.22, a, b, & c.

93. Wage changes beyond a certain level must reflect productivity changes. The application of this principle presents difficulties as contribution to productivity levels and changes therein are not easy to measure.

15.22 (d)

94. (a) Issues concerning wage policy are inter-related on the one hand with broader economic decisions and on the other with the goals set for social policy. (b) The wage policy has to be framed taking into account such factors as the price level which can be sustained, the employment level to be aimed at, requirements of social justice and capital formation for future growth. (c) It has also to take into account the structural features of the economy and has to be in accord with the pattern of income generation and distribution as envisaged in the development plans.

15.24, 15.26 & 15.27

95. (a) Commensurate with checks and restraints on consumption required for sustaining the growth process, the standard of living of the worker has to improve. A democratic society with ideals of social justice will have to reconcile considerations of equity and fairness with economic compulsions. (b) Wage policy should aim at a progressive increase in real wages. At the same time, any sustained improvement in real wages cannot be brought about without increasing productivity.

15.28 & 15.30

96. Our economy will have to be for long a dual economy with a large range of capital and labour intensive techniques. Wage policy should foster an appropriate choice of techniques so as to maximise employment at rising levels of productivity and wages.

15.29 & 15.31

97. (a) The present practice for mitigating hardship due to rise in cost of living is to pay dearness allowance over and above the basic pay. It is possible that this practice of adjustment of wages may conceivably lead to inflation. Keeping living costs under check should therefore form an integral part of wage policy. (b) Social considerations cast an obligation to mitigate through some adjustment mechanism the hardships caused by price increase to at least the vulnerable sections of labour.

15.34 & 15.35

98. Different institutional arrangements for wage fixation may be needed for different groups. In one case, it could consist of Commissions/Boards for framing wage awards; in others, bipartite arrangements between workers and employers may work. In still other cases, a tripartite machinery may be appropriate. All these can co-exist, depending upon the tradition and experience which are built up for utilising them.

15.37

99. The main aim of wage policy as envisaged is to bring wages in conformity with the expectations of the working class and in the process seek to maximise wage employment.

15.38

MINIMUM WAGE

Statutory Minimum Wage

100. Once the minimum rates of wages are fixed according to the procedure prescribed under the Minimum Wages Act, 1948, it is the obligation of employers to pay the said wages irrespective of the capacity to pay.

16.2

*101. The appropriate Government should revise wages prescribed under the provisions of the Act at least once in every three years. If as a result of adverse price situation wage rates require adjustment within three years the local authority should make such adjustment.

16.13

102. The Schedules to the Minimum Wages Act should be periodically revised so that employment(s) which cease to employ sweated labour are deleted and such employment(s) as employ sweated labour are added to the Schedule. The employment limit for enabling a State Government to fix minimum wage for a particular employment included in the Schedule to the Act should be reduced from 1000 to 500 in the whole State.

16.14

103. The criteria in regard to minimum wage fixation will necessarily have to be flexible. Laying down a rigid cash equivalent of the content of statutory minimum wage, whose coverage is essentially transitional under conditions of development, would not serve any useful purpose.

16.15

National Minimum Wage

104. A national minimum wage in the sense of a uniform minimum monetary rate of remuneration for the country as a whole is neither feasible nor desirable. It may be possible, however, that in different homogeneous regions in each State, a regional minimum could be notified. An effort should be made to fix such regional minima.

16.17

Need-based Minimum

105. The need-based minimum wage and the wages at the higher levels of fair wage, may and

can be introduced by convenient and just phasing, keeping in mind the extent of the capacity of the employer to pay the same. This has to be a pragmatic process which the wage-fixing authorities will have to keep in mind. In fixing the need-based minimum which is in the range of the lower level of fair wage, the capacity to pay will have to be taken into account. Every worker in organised industry has a claim to this minimum and the onus of proving that the industry does not have the capacity to pay it should lie on the employer.

16.31

Dearness Allowance

106. There should be periodic adjustment of wages taking into account changes in cost of living. It would be best to leave it to the wage fixing authorities to choose the index (local or all-India) they consider suitable for the purpose of linking dearness allowance. Neutralisation at the rate of 95 per cent should be granted against the rise in cost of living to those drawing the minimum wage in non-scheduled employments. This rate of neutralisation for minimum wage earners in non-scheduled employments should not be allowed to have any adverse effect on the rates of dearness allowance already prevailing on the basis of agreements/awards. The higher rates of neutralisation already achieved should be protected. The capacity to pay is not a relevant consideration for payment of dearness allowance at the minimum level. A five point slab with reference to the consumer price index (base year 1960) on the basis of the current all-India series or the current (1960) centre series would be appropriate for adjustment in dearness allowance. This recommendation should not affect employees who are at present getting point to point neutralisation.

16.36, 16.43, 16.47,
16.48, 16.51 & 16.52

107. The amount of dearness allowance to be paid to employees having emoluments higher than the minimum wage should be the same as given to employees at the minimum. Employees who are getting dearness allowance at present higher than what is admissible on the basis now suggested will not be deprived of that; though for any additional increases in the cost of living, they will be entitled only to the same amount of dearness allowance as is given to persons receiving the minimum wage.

16.49

108. It would be more practical to merge dearness allowance with basic wage at the base year of the revised series of working class consumer price indices which will be constructed on the

basis of family living surveys proposed to be conducted in 1969-70. In the interim, (i) all future wage claims should be dealt with on the basis of the 1968 price level and (ii) ground should be prepared for introducing a consolidated wage (basic+D.A.) as at the base period of the proposed (1969-70) series of consumer price index numbers. The aim of such merger should be to rationalise the existing wage structure and make basic wages more realistic than at present. This merger should not be construed to imply *ipso facto* any basic change in real wages or conferment of additional benefit. The piece-rates would have to be adjusted to the merged wage in such a way that current differentials in the total wage are not unduly disturbed.

16.41

INCENTIVES AND BONUS

Incentive

109. (a) The application of incentive schemes has generally to be selective and limited to industries and occupations in which it is possible to measure, on an agreed basis, the output of workers or a group of workers concerned and in which it is possible to maintain a fair degree of control over the quality of production. (b) Incentive schemes should cover as many employees of an undertaking as possible and need not be confined only to operatives or direct workers. The inclusion of supervisory personnel as beneficiaries of incentives can have a vital role in improving efficiency. (c) A careful selection of occupations should be made for introduction of incentive schemes with the assistance of work study teams, the personnel of which commands the confidence of both sides. (d) The scheme should be simple so that workers are able to understand its full implications. (e) Managements should take steps to guard against the impact on incentive schemes of certain unfavourable external factors such as non-availability of raw materials, components, transport difficulties and accumulation of stocks. (f) Production should not be organised in a manner which will give incentive wage on one day and unemployment on the next. A fall-back wage can be a safeguard against it.

17.9 & 17.12

110. The objective of increasing productivity must be raised to the level of a high national purpose.

17.13 & 17.15

111. The system of annual bonus has come to stay and may continue in future. While the quantum of bonus can be settled by collective bargaining, the formula which may serve as a

guideline for such settlement has to be statutory. The Payment of Bonus Act, 1965 should be given a longer period of trial. Some establishments which used to pay bonus before the passing of the Payment of Bonus Act have stopped paying bonus because the Act does not apply to them. These establishments should not stop bonus payments merely on this account. Government should consider the feasibility of making a suitable amendment to the Act in respect of such establishments.

17.31 & 17.33

RATIONALISATION AND AUTOMATION

112. (a) Though rationalisation and automation could be regarded as two separate concepts, the effect they have on employment and labour is similar, though not of the same magnitude. In a sense, automation could be considered a part of the wider concept of rationalisation. (b) Rationalisation and automation have an important role to play in the developing countries. They are expected to stimulate economic development; mass production will create more demand for raw materials and components, and in the process help generate employment in the long run. (c) The extent to which automation will lower prices and raise wages may depend on how the gains in the productivity are shared. (d) Automation has to be socially guided so that the country's resources are properly allocated and disequilibrium in its factor-goods markets is not aggravated.

18.3, 18.5, 18.7 & 18.8

113. (a) Impact on employment is the most important short-term economic aspect of automation. Employment for any level of output declines with automation. (b) If the general rate of growth of the economy is high and the level of output is increasing while arrangements for retraining are pre-planned, re-deployment of the unemployed will be possible, though locational adjustments will still be necessary. (c) Adequate care will have to be taken to see that the traditional labour-intensive sector which provides employment to a large labour force continues to exist, and in fact thrives, side by side with the development of the modern large-scale capital intensive sector. (d) This dualism will have to continue for quite some time to come. (e) The effect of selective introduction of labour-saving techniques on total employment is not likely to be harmful as is usually apprehended, provided the rate of growth is sufficient to absorb the surplus labour. (f) A phased introduction of more advanced technological and labour-saving techniques and

devices has to be initiated guaranteeing simultaneously that employment opportunities do not suffer. (g) The phasing has to be gradual so long as the economy does not enter an expansionary phase in which the rate of growth will be adequate to absorb the labour force.

18.10, 18.25 & 18.28

114. Any scheme of automation should satisfy the following conditions :

- (i) it accommodates labour that may be rendered surplus ;
- (ii) it results in higher productivity and efficiency ;
- (iii) it improves the level of earnings of the workers by ensuring to them an equitable share in the gains due to automation, and
- (iv) it leads to reduction in cost and benefits the community.

18.25

115. Automated processes which depend upon indigenous equipment would be preferable to those which require foreign equipment. Stress should be laid on manufacturing indigenous machinery of the improved type.

18.27

116. The process of automation and rationalisation should be introduced in consultation with the workers' representatives and carried out in suitable stages. It should, however, be ensured that the country's technological advance is not impaired.

18.28

117. A quantitative basis for sharing the gains of productivity is provided by the National Productivity Council formula reproduced below. While the percentages in it could be settled by mutual agreement, the underlying principles appear to be sound.

"After making a provision in the interest of the consumers which should not exceed 20% wherever this is necessary, out of the balance of the gains of productivity, labour will receive half in those industries where their wages clearly correspond to a fair or living wage except that (a) where the wages are at a level below either the fair wage or the need-based minimum wage, the share of labour will be larger to be decided by mutual agreement, and (b) where the industry has clearly built up a large free reserve, the share of labour will also be higher than the 50% mentioned above. Of the share thus available for distribution after a provision for consumers and labour

has been made a portion will be reserved for the development of the industry and the rest will be available for remunerating capital."

NOTE : Where no provision is actually made for the consumer, the amount will be available for distribution to labour and capital.

18.36 & 18.32

MACHINERY FOR WAGE FIXATION/ PROTECTION

Wage Fixing Machinery in Sweated Industries

118. (a) The Committee method of fixation of minimum wages under the Minimum Wages Act, 1948 which gives satisfaction to the parties because of their having a part in deciding what to pay or what to accept should be followed in preference to the method by which wages are notified by authorities. (b) There should be a common Chairman for Committees set up for fixation or revision of minimum wages in allied scheduled employments to facilitate expeditious decision and better coordination. (c) The Committees so set up should be required to report within three months. (d) There should be a common permanent secretariat for these committees to expedite fixation and revision of minimum wages. It should be entrusted with the task of prior collection and collation of relevant data.

19.4 & 19.5

Machinery for Wage Fixation in the Organised Sector

119. (a) Wage Boards have done some useful work and they should continue. (b) They have attempted fixation of wages within the broad framework of the Government's economic and social policy.

19.10, 19.20 & 19.26

120. There need be no independent persons on the Wage Board. If considered necessary, an economist could be associated with the Board, but only as an assessor.

19.26(i)

121. (a) The Chairman of the Wage Board should be appointed by common consent of the parties, wherever possible. (b) For appointment of Chairmen of Wage Boards, an agreed panel of names should be maintained by the proposed National/State Industrial Relations Commissions. (c) He should preferably be drawn from the members of the proposed National or State Industrial Relations Commissions. (d) In case a Chairman is appointed by the consent of both the parties, he should arbitrate if no agreement is reached in the Wage Board. (e) Where the Commission is unable to prepare a

panel of agreed names, Government will appoint the Chairman. (f) A person should not be appointed as Chairman of more than two Wage Boards at a time.

19.26(ii)

122. The Wage Boards should normally be required to submit their recommendations within one year of their appointment. The date from which the recommendations should take effect should be mentioned in the recommendations itself. The recommendations of a Wage Board should remain in force for a period of five years.

19.26 (iii) & (iv)

123. (a) A Central Wage Board Division should be set up in the Union Ministry of Labour and Employment on a permanent basis to service all wage boards. (b) This Division should lend the necessary staff to the wage boards and also supply statistical and other information needed by them for expeditious disposal of the work.

19.26(vi)

Machinery for Protection of Wages

124. (a) The operation of the Payment of Wages Act has benefited the working class. Non-payment of wages or even unauthorised deductions are now not as common as before. (b) Mal-practices, however, do prevail but mostly in the unorganised and small scale industries, where the arm of law does not reach and where workers have little awareness of their rights. (c) Where payment is on the basis of piece rates, there is no guarantee that work is properly measured/weighed. The incidence of such practices particularly in mines and plantations requires to be checked. (d) The purpose of laying down a machinery for evolving a proper wage structure is defeated if mal-practices in the payment of wages cannot be checked.

19.27, 19.31 & 19.32

125. (a) While it is necessary that strict quality standards should be maintained, a remedy has to be found for unfair deductions. (b) Cases where sub-standard work is not paid for, and yet the product is sold in the market at a slightly lower rate yielding a margin for the employer even after paying a wage for it at a reduced rate do exist in small establishments. These call for a suitable remedy.

19.33

126. Implementing authorities should be more vigilant in case of units where mal-practices are likely to be common. In small establishments in the more traditional industries, mal-practices

could be cancerous and in such cases more drastic remedies should be thought of.

19.34

127. Government should have the necessary powers to raise, as and when required, the present limit of Rs. 400 per month below which the Payment of Wages Act, 1936 is applicable.

19.36

WORKERS' ORGANISATIONS

128. The basis on which a trade union should be organised is a matter to be determined by workers themselves, in the light of their own needs and experience. They have to grow according to the dictates of their members, but within the constraints set on them by the law of the land.

20.19

129. (a) Formation of craft/occupation unions should be discouraged. Craft unions operating in a unit/industry should amalgamate into an industrial union. (b) Where there is already a recognised industrial union, it should set up sub-committees for important crafts/occupations so that problems peculiar to the crafts receive adequate attention.

20.21

130. Formation of centre-cum-industry and national industrial federations should be encouraged.

20.22

131. Apart from paying attention to the basic responsibilities towards their members, unions should also undertake social responsibilities such as (i) promotion of national integration, (ii) influencing the socio-economic policies of the community through active participation in the formulation of these policies, and (iii) instilling in their members a sense of responsibility towards industry and the community.

20.38

132. (a) There should be no ban on non-employees holding positions in the executive of the unions. (b) Steps should be taken to promote internal leadership and give it a more responsible role. (c) Internal leadership should be kept outside the pale of victimisation. (d) To hasten the process of building up internal leadership, the permissible limit of outsiders in the executives of the unions should be reduced. (e) Ex-employees should not be treated as outsiders.

20.50, 20.52 & 20.53

133. Unity in the trade union movement has to grow from within. Our recommendations regarding recognition of a union as a sole bargaining agent by statute, building up of internal leadership, shift to collective bargaining as the main method of settlement of disputes and the institution of an independent authority for union recognition will hasten the process of reducing inter-union rivalries.

20.58

134. Intra-union rivalries are best left to the central organisation concerned to settle. The Labour Court should step in at the request of either group or on a motion by the appropriate Government, in cases where the central organisation is unable to resolve the dispute.

20.58 & 20.84

135. (a) Closed shop is neither practicable nor desirable. Union shop may be feasible, though some compulsion is in-built in this system also. (b) Neither should be introduced by statute. Union security measures should be allowed to evolve as a natural process of trade union growth. (c) An enabling provision to permit check-off on demand by a recognised union would be adequate.

20.64, 20.65 & 20.70

136. Trade union registration should be made compulsory for all plant unions/industrial federations, but not for the central organisations.

20.76

137 (a) The minimum number required for starting a new union should be raised to 10 per cent (subject to a minimum of 7) of regular employees of a plant or 100, whichever is lower. (b) The minimum membership fee of a union should be raised from the present level of 25 paise per month to Re. 1 per month.

20.29 & 20.78

138. The Registrar should be time-bound to take a decision regarding grant/refusal of registration. He should complete all preliminaries leading to registration within thirty days of the receipt of application, excluding the time which the union takes in answering queries from the Registrar.

20.82

139. The registration of a union should be cancelled if (i) the annual return discloses that its membership fell below the minimum prescribed for registration, (ii) the union fails to submit its annual return wilfully or otherwise, and (iii) the annual return submitted is defective in material

particulars and these defects are not rectified within the prescribed period.

20.78, 20.80 & 20.81

140. (a) An appeal should lie to the Labour Court over the Registrar's orders of cancellation of registration. (b) Application for re-registration should not be entertained within six months of the date of cancellation of registration.

20.81 & 20.83

EMPLOYERS' ORGANISATIONS

141. Public sector undertakings should be encouraged to join their respective industrial associations. There is an equally strong case for cooperatives to join such associations.

21.8

142. Registration of employers' organisations should be made compulsory. Arrangements should be made through the Industrial Relations Commission for certification of employers' organisations at industry/area level for purposes of collective bargaining.

21.9 & 21.15

143. (a) Multiplicity of organisations at the national level has not been a problem with employers' organisations. The main organisations have come together under the Council of Indian Employers, but the All-India Manufacturers' Organisation is outside the Council. It will be desirable if the Council of Indian Employers brings this organisation also within its fold. (b) Multiplicity of organisations within an industry is not conducive to collective bargaining. Wherever at present there is more than one organisation dealing with an industry, these should be amalgamated into a single organisation and the first step in this direction would be the constitution of Joint Committees to deal with problems of the industry as a whole or to negotiate on behalf of the industry at that level.

21.7 & 21.15

144. Employers' organisations should encourage collective bargaining. They should also encourage voluntary arbitration and wean away reluctant employers from recourse to third party intervention.

21.24

145. Regular and scientific arrangements for training of supervisors and middle management personnel in the art of handling labour should receive due attention from employers' organisations.

21.25

146. Employers' organisations should build up their internal consultation system in such a manner that all matters which have far-reaching impact on members are scrutinised by the constituents prior to any decisions that might be taken at the national level.

21.31

147. From the view-point of labour-management relations, employers' associations should:

- (i) undertake promotion of collective bargaining at various levels;
- (ii) encourage observance and implementation by their members of bipartite and tripartite agreements in real spirit and form;
- (iii) expedite implementation of wage awards by members;
- (iv) work towards elimination of unfair labour practices by employers;
- (v) encourage adoption by members of personnel policies conducive to productivity and industrial peace;
- (vi) promote rationalisation of management or organisation to improve productivity;
- (vii) arrange employers' education (a) in the concept of labour partnership in industry, (b) for ensuring identity of interests of labour and management, and (c) for promoting harmony in the goals of industry and the community, and
- (viii) work towards the collective welfare of its members through training, research and communication in the field of labour-management relations.

21.26

STATE AND INDUSTRIAL RELATIONS

Role of the State

148. Industrial relations affect not merely the interests of the two participants, labour and management, but also the social and economic goals to which the State addresses itself. To regulate these relations in socially desirable channels is a function which the State is in the best position to perform; such regulation has to be within limits.

22.8

149. Where standards of good employment are disparate, the State seeks to set them with a view to influencing employers in the private sector.

22.12

150. Consultation with State Governments in the formulation and implementation of labour policy becomes essential in a country with a federal constitution with 'labour' in the 'Concurrent List'.

22.13

Tripartite Consultations

151. (a) Tripartite consultation has its value for setting uniform 'norms' to guide industrial relations. The Indian Labour Conference/Standing Labour Committee/Industrial Committees which have been set up in recognition of this fact must remain advisory in character. The conclusions/recommendations reached by them should be treated as deserving every consideration. (b) To make the process of reaching consensus more consultative, the Government should restrict its influence on tripartite deliberations.

22.29 & 22.30

152. Tripartite decisions should be taken in two stages on the lines of the procedure followed by the International Labour Organisation. There should be a preliminary but detailed discussion on the subject in the first stage. The conclusions recorded at this preliminary discussion should be widely publicised and comments on them encouraged. On the basis of these comments, the tripartite should frame its recommendations in the second round of discussions.

22.30

153. Industrial Committees should meet more often to examine specific issues connected with the concerned industry. Such general decisions as are taken in the ILC/SLC should be tested for their applicability in industrial committees and difficulties in implementation taken back to the general forum.

22.31

154. Tripartite discussions should last longer and should be supported by a good deal of spade work in the Committees of the Conference. The SLC should meet more often and the ILC less frequently but for longer duration.

22.32

155. The representation at the tripartite should be restricted as a first step to those central organisations only which have a membership of at least 10 per cent of the unionised labour force in the country. There should be a review every three years to accord representation to organisations on this basis.

22.33

156. A fairly senior officer of the Labour Ministry should be designated as Secretary to

the Conference. He should have adequate staff support; his functions will be to project and meet the informational needs of the ILC/SLC and industrial committees, as well as to coordinate the information available.

22.36

Common Labour Code

157. Considering the variety of subjects, presently covered under labour legislation it will not be practicable to formulate a common labour code, having uniform definitions all through and applying to all categories of labour without any distinction. Since 'labour' will continue in the 'Concurrent List', adjustments to suit local conditions in different States will have to be allowed. These adjustments in some cases may not necessarily conform to the letter of a common code.

22.48

158. In order to bring about a feasible degree of simplification and uniformity in definitions, it should be possible to integrate those enactments which cover subjects having a common objective. This will mean a simplification of the existing framework of labour laws.

22.49

159. There appears to be no valid ground for narrowing the scope of the definition of 'industry' under the I. D. Act, 1947, as it stands today. In fact, there is a case for enlarging its scope so as to cover teaching or educational institutions or institutes, universities, professional firms and offices, etc., whose employees are at present denied the protection of the provisions of the Industrial Disputes Act. However, the definition of 'industry' should be extended in scope by stages and in a phased manner over a reasonable period, depending upon the administrative arrangements which could be made to meet the requirements of the law and upon the consideration of a number of other relevant factors. The arrangement for settlement of disputes may have to be different in such employments.

33.6

160. The definition of the word 'workman' under the I. D. Act should be based on functional as well as remuneration criteria. While only managerial and administrative personnel may be excluded irrespective of their salary, supervisory and other personnel whose remuneration exceeds a specified limit could also be reasonably excluded. This limit, which is Rs. 500 p.m. at present, could be raised in such a way as to put an end to the present anomaly of very highly paid personnel resorting to industrial action and seeking protection under the provisions of the Act. Raising of the wage ceiling will be particularly justified in view

of the fact that in industries using advanced technology wages of many of the workers, particularly in the supervisory cadres, are found to be very much in excess of the prescribed maximum of Rs. 500.

33.12

161. The definition of the term 'strike' under the I. D. Act is quite comprehensive and may not require any change. The forms of labour protest such as 'go-slow' and 'work-to-rule' may be treated as misconduct or unfair labour practices under the Standing Orders.

33.16

162. Items like bonus, contributions to provident fund, and other benefits and gratuity on termination of service (where gratuity has become a term of service under an award or settlement), have all become regular elements of workers' remuneration and should, therefore, be included as part of a worker's wage.

33.19

INDUSTRIAL RELATIONS—I

Collective Agreements—Collective Bargaining

163. In the absence of arrangements for statutory recognition of unions except in some States and provisions which require employers and workers to bargain in 'good faith', it is no surprise that reaching of collective agreements has not made headway in our country. Nonetheless, the record of reaching collective agreements has not been as unsatisfactory as it is popularly believed. Its extension to a wider area is certainly desirable.

23.12 & 23.14

164. There is a case for shift in emphasis and increasingly greater scope for and reliance on collective bargaining. Any sudden change replacing adjudication by a system of collective bargaining is neither called for nor is practicable. The process has to be gradual. A beginning has to be made in the move towards collective bargaining by declaring that it will acquire primacy in the procedure for settling industrial disputes.

23.36

165. Conditions have to be created for promotion of collective bargaining. The most important among them is statutory recognition of a representative union as the sole bargaining agent. The place which strike/lock-out should have in

the overall scheme of industrial relations needs to be defined; collective bargaining cannot exist without the right to strike/lock-out.

23.37

Conciliation

166. (a) Conciliation can be more effective if it is freed from outside influence and the conciliation machinery is adequately staffed. The independent character of the machinery will alone inspire greater confidence and will be able to evoke more cooperation from the parties. The conciliation machinery should, therefore, be a part of the proposed Industrial Relations Commission. This transfer will introduce important structural, functional and procedural changes in the working of the machinery as it exists today. (b) There is need for certain other measures to enable the officers of the machinery to function effectively. Among these are: (i) proper selection of personnel, (ii) adequate pre-job training, and (iii) periodic in-service training.

23.22

Voluntary Arbitration

167. With the growth of collective bargaining and the general acceptance of recognition of representative unions and improved management attitudes, the ground will be cleared, at least to some extent, for wider acceptance of voluntary arbitration.

23.26

Gherao

168. 'Gherao' cannot be treated as a form of labour protest since it involves physical coercion rather than economic pressure. It is harmful to the working class and in the long run may affect national interest.

23.41

169. In certain essential industries/services where a cessation of work may cause harm to the community, the economy or to the security of the nation itself, the right to strike may be curtailed but with the simultaneous provision of an effective alternative, like arbitration or adjudication, to settle the disputes.

23.43

170. The effects that flow from cessation of work warrant the imposition of certain restrictions on work-stoppages. Every strike/lock-out should be preceded by a notice. A strike notice to be given by a recognised union should be preceded

by a strike ballot open to all members of the union concerned and the strike decision must be supported by two-thirds of members present and voting.

23.44 & 23.45

Union Recognition

171. It would be desirable to make recognition compulsory under a Central law in all undertakings employing 100 or more workers or where the capital invested is above a stipulated size. A trade union seeking recognition as a bargaining agent from an individual employer should have a membership of at least 30 per cent of workers in the establishment. The minimum membership should be 25 per cent if recognition is sought for an industry in a local area.

23.50

172. The proposed National/State Industrial Relations Commission (Recommendations 175-177) will have the power to decide the representative character of a union, either by examination of membership records, or if it considers necessary, by holding an election by secret ballot open to all employees*. The Commission will deal with various aspects of union recognition such as (i) determining the level of recognition—whether plant, industry, centre-cum-industry—to decide the majority union, (ii) certifying the majority union as a recognised union for collective bargaining and (iii) generally dealing with other related matters.

23.56

173. The recognised union should be statutorily given certain exclusive rights and facilities, such as right of sole representation; entering into collective agreements on terms of employment and conditions of service, collection of membership subscription within the premises of the undertaking, the right of check-off, holding discussions with departmental representatives of its worker members within factory premises, inspecting, by prior agreement, the place of work of any of its members, and nominating its representatives on works/grievance committees and other bipartite committees.

23.57

174. The minority unions should be allowed only the right to represent cases of dismissal and discharge of their members before the Labour Court.

23.59

Industrial Relations Commission

175. The present arrangement for appointing *ad hoc* industrial tribunals should be discontinued.

An Industrial Relations Commission (IRC) on a permanent basis should be set up at the Centre and one in each State for settling 'interest' disputes. The IRC will be an authority independent of the executive.

23.61

176. The National Industrial Relations Commission should be appointed by the Central Government for industries for which that Government is the appropriate authority. The National IRC would deal with such disputes which involve questions of national importance or which are likely to affect or interest establishments situated in more than one State. Its scope should be broadly the same as that of National Tribunals under the Industrial Disputes Act, 1947.

23.63(i)

177. Each State should have an Industrial Relations Commission for settlement of disputes for which the State Government is the appropriate authority.

23.63(ii)

178. The main functions of the National/State IRCs will be (a) adjudication in industrial disputes, (b) conciliation, and (c) certification of unions as representative unions.

23.63(iii)

179. The Commission should be constituted with a person having prescribed judicial qualifications and experience as its President and an equal number of judicial and non-judicial members; the non-judicial members need not have qualifications to hold judicial posts, but should be otherwise eminent in the field of industry, labour or management. Judicial members of the National Industrial Relations Commission, including its President, should be appointed from among persons who are eligible for appointment as judges of a High Court.

23.63(v & vi)

180. The Conciliation Wing of the Commission will consist of conciliation officers with the prescribed qualifications and status. There will be persons with or without judicial qualifications in the cadre of conciliators. Those who have judicial qualifications would be eligible for appointment as judicial members of the Commission after they acquire the necessary experience and expertise. Others could aspire for membership in the non-judicial wing.

23.63 (xii)

181. The functions relating to certification of unions will vest with a separate wing of the National/State IRC.

23.63 (xv)

182. The Commission may provide arbitrators from amongst its members/officers in case parties agree to avail of such services. The Commission may permit its members to serve as Chairman of Central/State Wage Boards/Committees, if chosen by the appropriate Government for such appointment.

23.63 (xiii and xiv)

183. After negotiations have failed and before notice of strike/lock-out is served, the parties may agree to voluntary arbitration and the Commission will help the parties in choosing a mutually acceptable arbitrator. Alternatively, either party may, during the period covered by the said notice, approach the Commission for naming a conciliator within the Commission to help them in arriving at a settlement.

23.64 (i and ii)

184. In essential industries/services, when collective bargaining fails and when the parties to the dispute do not agree to arbitration, either party shall notify the IRC with a copy to the appropriate Government, of the failure of negotiations whereupon the IRC shall adjudicate upon the dispute and its award shall be final and binding upon the parties.

23.64 (iii)

*185. In the case of non-essential industries/services following the failure of negotiations and refusal by the parties to avail of voluntary arbitration, the IRC after the receipt of notice of direct action (but during the notice period) may offer to the parties its good offices for settlement. After the expiry of the notice period, if no settlement is reached, the parties will be free to resort to direct action. If direct action continues for 30 days, it will be incumbent on the IRC to intervene and arrange for settlement of the dispute.

23.64 (iv)

*186. When a strike or lock-out commences, the appropriate Government may move the Commission to call for the termination of the strike/lock-out on the ground that its continuance may affect the security of the State, national economy or public order and if after hearing the Government and the parties concerned the Commission is so satisfied, it may, for reasons to be recorded, call on the parties to terminate the strike/lock-out and file their statements before it. Thereupon the Commission shall adjudicate on the dispute.

23.64 (v)

187. It should be possible to arrange transfer of cases from the National IRC to the State IRC and *vice versa* under certain conditions.

23.64 (vi, vii and viii)

188. (a) The Commission will have powers to decide to pay or withhold payments for the strike/lock-out period under certain circumstances. (b) If during the pendency of the strike or thereafter, the employer dismisses or discharges an employee because he has taken part in such strike, it would amount to unfair labour practice, and on proof of such practice, the employee will be entitled to reinstatement with back wages.

23.64 (ix, x, xi, xii, xiii and xiv)

189. All collective agreements should be registered with the IRC.

23.64 (xv)

190. An award made by the IRC in respect of a dispute raised by the recognised union should be binding on all workers in the establishment(s) and the employer(s).

23.64 (xvi)

Labour Courts

191. (a) Standing Labour Courts should be constituted in each State. The strength and location of such courts will be decided by the appropriate Government. (b) Members of the Labour Court will be appointed by Government on the recommendations of the High Court. Generally, the Government should be able to choose from a panel given by the High Court in the order in which the names are recommended.

23.65 (i and ii)

192. (a) Labour Courts will deal with disputes relating to rights and obligations, interpretation and implementation of awards and claims arising out of rights and obligations under the relevant provisions of law or agreements as well as disputes in regard to unfair labour practices and the like. (b) Labour Courts will thus be the Courts where all disputes specified above will be tried and their decisions implemented. Proceedings instituted by parties asking for the enforcement of rights falling under the aforesaid categories will be entertained in that behalf. Appropriate powers enabling them to execute such claims should be conferred on them.

23.65 (iii and iv)

193. Appeals over the decisions of the Labour Court in certain clearly defined matters may lie with the High Court within whose jurisdiction/area the Court is located.

23.65 (v)

Unfair Labour Practices

194. Unfair labour practices on the part of both employers and workers' unions should be detailed and suitable penalties prescribed in the industrial relations law for those found guilty of committing such practices. Labour Courts will be the appropriate authority to deal with complaints relating to unfair labour practices.

23.67

INDUSTRIAL RELATIONS—II

Works/Joint Committees

195. (a) Works committees may be set up only in units which have a recognised union. The union should be given the right to nominate the worker members of the works committee. (b) A clear demarcation of the functions of the works committee and the recognised union, on the basis of mutual agreement between the employer and the recognised union, will make for a better working of the committee.

24.7

Joint Management Councils

*196. When the system of union recognition becomes an accepted practice, managements and unions will be willing to extend cooperation in matters they consider to be of mutual advantage and set up a Joint Management Council. In the meanwhile, wherever the management and the recognised trade union in a unit so desire, they can by agreement enhance the powers and scope of the works committee to ensure a greater degree of consultation/cooperation. The functions of the two in this latter situation can as well be amalgamated.

24.15

Code of Discipline

197. The Code worked in its initial stages with a certain measure of success and then fell into disuse. With the removal of the important provisions relating to recognition of unions, setting up of grievance machinery and unfair labour practices from the Code and incorporating them in the proposed legislation, the Code will have no useful function to perform.

24.20 to 24.22

Grievance Procedure

198. Grievance procedure should be simple and have a provision for at least one appeal. The procedure should ensure that it gives a sense of (i) satisfaction to the individual worker, (ii) reasonable exercise of authority to the manager,

and (iii) participation to unions. A formal grievance procedure should be introduced in units employing 100 or more workers.

24.29 & 24.30

199. A grievance procedure should normally provide three steps: (i) submission of a grievance by the aggrieved worker to his immediate superior, (ii) appeal to the departmental head/manager, (iii) appeal to a bipartite grievance committee representing the management and the recognised union. In rare cases where unanimity eludes the committee in (iii), the matter may be referred to an arbitrator.

24.31

Dismissal/Discharge

200. The Industrial Disputes (Amendment) Bill, 1966 (Bill No. XVIII of 1966) as it stands should be enacted without delay. To minimise delays in adjudication proceedings and further delay in appeals, adoption of the procedure which obtains in the Small Causes Courts and abolition of appeals to higher courts may be provided. To make the procedure more effective, the following provision should be made:

- (i) In the domestic enquiry the aggrieved worker should have the right to be represented by an executive of the recognised union or a workman of his choice.
- (ii) Record of the domestic enquiry should be made in a language understood by the aggrieved employee or his union.
- (iii) The domestic enquiry should be completed within a prescribed period, which should be necessarily short.
- (iv) Appeal against employer's order of dismissal should be filed within a prescribed period.
- (v) The worker should be entitled to subsistence allowance during the period of suspension as per agreement in the tripartite.

24.40

LABOUR IN PUBLIC SECTOR

201. Suitability of the candidate and his availability for at least 5 years should be the criteria for selection for a senior position in a public undertaking. The chairman of the Union Public Service Commission and persons with known industrial experience should be associated with the selection committee which currently consists

of senior Secretaries to the Government of India. Persons on the verge of retirement should not be placed in charge of the public undertaking.

25.10

202. At the supervisory level, recruitment has to be on an all-India basis since the quality of personnel is a crucial factor. Where there is a choice between two persons who are equally qualified, the person who is a 'local' will, it is expected, get preference automatically.

25.13

203. Disparities in regard to items like working conditions, working hours and holidays as between workers/staff recruited at different times have become a cause of complaint in certain units. It should be possible for new units to avoid such difficulties in future by adopting procedures which have worked well in similar public sector establishments.

25.18

204. In order that the assessment of the profitability of a public undertaking is not distorted, investment on townships should not be a charge on the public undertaking and should come out of a separate fund.

25.20

205. Strict enforcement of labour laws should be ensured by the person in charge of the undertaking. Since the public sector is considered a model employer, breach of statutory provisions should not be countenanced in that sector.

25.17 & 25.30

206. Each fair-sized public undertaking should develop a good personnel department to enable proper understanding of the view-point of the unions on different matters. The levels of management at which decisions can be taken on different issues should be clearly laid down and made known to workers.

25.32 & 25.33

207. State Electricity Boards should come together periodically and exchange experiences with a view to drawing up a phased programme for decasualising labour engaged by them.

25.37

208. All casual workers employed by the State Electricity Boards who have put in a specific period of service, to be determined by the Boards in consultation with the State Labour Departments, should be allowed the benefits available to regular employees on an appropriate scale.

25.37

GOVERNMENT (INDUSTRIAL) EMPLOYEES

209. Our recommendations in regard to trade unions would be equally applicable to unions of Government (Industrial) employees. The position in the departmental undertakings is not so fundamentally different from that in other undertakings, as to warrant a change in principle in regard to union recognition.

26.13

210. In case of Government industrial employees engaged in essential services, the prohibition of strike would be justified. Such prohibition of strike will, however, have to be accompanied by the provision of an effective alternative for settlement of unresolved disputes. This will ultimately lead to settlement of disputes by negotiations and agreements. All the same, there will be need for a statutory arbitration machinery.

26.28

211. There should be a wider scope for discussion in the Joint Consultative Machinery on all matters which can be brought constitutionally within its purview. The limited scope provided in a Joint Consultative Machinery for arbitration is a deficiency which should be removed if the industrial employees of Government are to be treated on the same footing as other industrial employees. The present arrangement in the JCM under which Government is the final authority to decide whether an issue can or cannot go for arbitration requires to be modified.

26.29

212. It is important that arrangements for Government (Industrial) employees and others in similar non-governmental employment (essential services) should have as extensive a common ground as possible in matters concerning the settlement of disputes.

26.30

213. A Pay Commission to review the wages and other conditions of service of industrial employees of Government should be appointed without delay. The quantification of the need-based minimum wage in money terms or the task of deciding the question of Government's capacity to pay, which is a relevant consideration for determining the need-based minimum wage, is best left to the Pay Commission to be set up. No modification in the concepts of 'minimum wage', 'need-based minimum wage' and 'living wage' and other terms is required in their applicability to Government's industrial employees.

26.32 & 26.35

214. Pending consideration of the issue of D.A. by the proposed Pay Commission, no change in the recommendations of the Dearness Allowance Commission (May, 1967) is necessary except that at the lowest range of emoluments, the neutralisation percentage should not be less than 95.

26.36

EMPLOYMENT OF WOMEN AND CHILDREN

215. The right of a woman to employment should in no way be considered subordinate or secondary to that of a man. The necessary training facilities should be created/augmented. Vocational guidance programmes will serve a useful purpose in giving required information to women. It will be desirable to give preference to women for training in those trades and occupations for which they have special aptitude.

27.9 & 27.13

216. Implementation of the principle of equal pay for equal work should be more satisfactory than at present.

27.14

217. (a) Women will have to be absorbed more and more in skilled categories of work to make their employment more economic to the employer. (b) With proper skill generation and rational distribution of women labour force as a part of social and economic planning, it should be possible for an employer to follow a non-discriminatory policy in employing women.

27.19 & 27.27

218. (a) Employment of children has of late been on the decline in organised industries; but it is still common in the unorganised sectors of the economy. (b) The employment of children is more an economic problem than anything else. Even then, where it results in denial of education to them, employment hours of children should be so fixed as to enable them to attend to schooling. (c) Where the number of children is adequate, the employers with the assistance of the State Governments should make arrangements to combine work with education.

27.36 & 27.39

AGRICULTURAL LABOUR

219. There cannot be a unilinear approach for improving conditions of agricultural labour. Remedies lie in bringing about fundamental changes in the agrarian structure and social relationships in rural areas.

28.11

220. The highest priority should be given to developmental measures for raising agricultural productivity through labour-intensive scientific farming. The emphasis should be particularly on organisational and institutional reforms that would make scientific technology accessible to the small farmers and its benefits shared equitably between agricultural workers and the farmers.

28.16

221. (a) The Fourth Plan lays emphasis on labour-intensive schemes, e.g., road building, minor irrigation, soil conservation, area development, and rural electrification. This would enlarge non-farm rural employment and relieve agricultural under-employment. (b) The building up of the infra-structure through labour-intensive techniques should be undertaken through organisation of labour cooperatives to provide employment to the surplus rural labour force. The programme may be integrated with the progressive building up of the educational/social overheads to provide employment to educated youth.

28.21 & 28.23

222. There should be periodic revision of minimum wages in agriculture through tripartite consultative bodies consisting of the representatives of agricultural labour, employers and State Governments at the State and district levels. The Minimum Wages Act should be extended gradually beginning with low wage pocket areas to others. A way should be found to involve the village panchayats in the task of implementation of the Act.

28.33, 28.66 & 28.34

223. With the development of agriculture, spread of education and political consciousness, agricultural labour will become more organised in course of time. The State Governments, as a special measure, should provide such facilities as may be necessary to organisations of agricultural labour.

28.37

224. A departmental agency under officers with suitable experience and aptitude should be provided to execute and supervise employment programmes in backward areas where weaker sections preponderate. The work of this authority should be closely linked with that of the revenue authority.

28.37

225. Distribution of lands particularly where the statute recognises these gifts should be speeded up. Similarly the pace of "re-settlement" schemes should be accelerated.

28.43

226. A fair section of agricultural labour consists of small cultivators. Of late, eviction of small cultivators has been on the increase as a result of resumption of land for direct cultivation by land-owners. Such evictions should be stopped.

28.51

227. (a) Suitable arrangements should be made to direct the flow of a part of the cooperative or other institutional credit to the small cultivator-worker to enable him to benefit from the new agricultural developments. (b) For small cultivators who own petty holdings, the prices fixed for agricultural commodities play the same role as wage rates for workers outside agriculture. The wage content of agricultural costs has also to be given due weight in formulating agricultural price policies.

28.57 & 28.58

228. Delay in the enactment of tenurial reforms has acted as a damper to the new agricultural strategy because the land is not recorded in the name of the tiller. Tillers who belong to the category of small cultivators cannot invest their meagre savings under this new programme in the land for which they have no title. The tenurial reforms should be expedited so that small farmers are fully involved in reaching production targets.

28.58

229. Landless workers should be put in ownership of the house sites where their huts stand. Colonies of agricultural labour, away from the present insanitary and unhygienic conditions, should be established, keeping in view the integrated character of the rural community and the need for promoting social equality.

28.59

230. Agricultural labour as the most vulnerable section of the rural community has suffered from the ravages of scarcities and famines in different parts of the country. As a long-term measure, there should be an intensive approach to development of the areas that are chronically susceptible to drought or famine.

28.60 & 28.61

231. Formation of labour corps, organisation of agricultural labour, and fixation, revision and enforcement of their wages have important policy and administrative implications. Coordination is needed at suitable levels of the vertical administration. There should be one coordinating agency at the Centre and another at the State level. The location of the agency should be left to the discretion of the Central and State Governments.

28.65

232. A major section of the agricultural labour comes from scheduled castes and scheduled tribes. The problem of giving them social status is deep-rooted and there is no short-term solution to it. It can and must be tackled only by the energetic and continued processes of strict enforcement of social legislation and sustained efforts at education.

28.67 & 28.69

Forest Labour

233. Forest labour is largely made up of labour from tribal communities which have deep ecological and economic links with the forests they live in. Forest labour in general, and tribal labour in particular, should be treated with understanding. There is greater scope for employment of the members of these communities as fire watchers, forest guards and rangers.

28.80

234. The welfare of forest labour cannot be divorced from that of other communities similarly placed. All operations connected with the exploitation of forest produce in which these communities are engaged, and trade in major and minor produce should be nationalised to ensure enduring benefits to forest labour and also to the State.

28.81

235. Forest labour cooperative societies through which workers are trained and equipped to organise themselves should be encouraged. They should be kept away from the pale of influence of contractors. There should be a coordinated support for them from different departments of Government. Such managerial assistance, training and marketing facilities, as they need, should be made available to them in the initial stages.

28.83

236. The procedures for grant of compensation on account of disability and injury to the worker during the course of employment should be set right to obviate rigidity in the matter of payment.

28.84

237. The Minimum Wages Act, 1948 should be extended to cover forest labour. Suitable procedures should be evolved for prompt payment of wages. The forest manual should be modified to deal with irregularities in the matter of payment. Rules should be framed under appropriate legislation to provide a wage card to each worker wherein advances given and adjustments against payment for work should be indicated. State Governments may consider involving local panchayats or action bodies of local communities in the task of enforcement of wage contracts on the employers of forest labour.

28.85

238. The forest department/contractors should make available such facilities as fair-price shops for distribution of foodgrains to forest labour particularly during the difficult months when these areas are cut off from the normal sources of supply.

28.86

UNORGANISED LABOUR

Contract Labour

239. A stricter regulation of contract work than at present is called for. The general direction of policy should be towards abolition of contract labour in due course. The Central Bill providing for regulation and abolition of contract labour currently under consideration should be enacted soon.

29.14 & 29.15

Construction Workers

240. The possibility of introducing a decasualisation scheme should be explored to ensure greater security of employment for construction workers.

29.18

241. The cost on amenities to labour should be accepted as a permissible item in the tender. Where this item is admitted, it should be the responsibility of the agency which supervises work to see that the expenditure allowed is actually incurred and amenities provided.

29.19

242. Mobile dwellings should be provided for construction workers at work sites.

29.19

243. A periodic review of the content of fair wage in the 'fair wage clause' and a strict enforcement of the clause should be the responsibility of the departmental agency entrusted with construction projects. A specific target of inspection should be laid down for all categories of inspecting officers to secure proper enforcement.

29.21

244. To guard against non-payment or delayed payment of compensation to the worker or to the next of kin, in case of fatal accidents, maintenance of attendance registers showing permanent and local addresses of labour employed by the principal contractor or sub-contractor should be enforced.

29.22

Casual Labour

245. (a) There should be a better regulation of conditions of casual labour. A beginning should be made in this direction in all undertakings,

public and private, through periodic review and consultations among representatives of Government, employers and workers. (b) If employment is discontinued for a short period and the worker is re-employed, this short period should not be treated as a break in service. After a casual worker completes a stipulated period of service he should be allowed the same benefits which a regular worker enjoys.

29.23 & 29.29

Small-Scale Industries

246. Many unfair labour practices have developed in the wake of rapid expansion of small industries. Apart from efficient functioning of the labour inspectorate, a devoted leadership is necessary to remedy the situation.

29.32

Bidi Workers

247. Formation of cooperatives of bidi and cigar workers should be encouraged. All persons engaged in bidi making, irrespective of their place of work, should be treated as workers for the purpose of the Minimum Wages Act, 1948.

29.47

Workers in Shops and Commercial Establishments

248. (a) Working conditions in shops and commercial establishments are at present governed by State enactments. (b) The Central Government should enact a comprehensive legislation for the purpose. It should be applicable to units which have a stipulated minimum number of employees or have an annual turnover above a stipulated limit. (c) The present legislation is implemented by local bodies. The implementation is unsatisfactory. It should be transferred to the office of the State Labour Commissioner.

29.48 & 29.50

Sweepers and Scavengers

249. State Governments should enact suitable legislation regulating service conditions of sweepers and scavengers and set up an adequate inspectorate for the purpose.

29.60 (i)

250. Recruitment should be strictly regulated and detailed records of seniority of substitute workers, registration of candidates and issue of call-letters and appointment orders should be maintained. Abolition of 'customary rights' should be sought through persuasion and with the assistance of social workers. An alternative programme for rehabilitation of families affected by this reform should be drawn up.

29.60 (ii) & 29.61

251. The Provident Funds Act, 1952 should be made applicable to the sweepers and scavengers employed by local bodies. The applicability of the Employees' State Insurance Act should be examined.

29.60 (iii) & (iv)

252. The practice of carrying night soil as head-loads should be abolished.

29.60 (v)

Workers in Tanneries

253. The workers in tanneries and leather goods manufactories seem to be in the same plight as their counterparts who work for small employers in other industries. Malpractices such as short payments, unwarranted deductions and even extra deductions for absenteeism add to the other difficulties which these workers face. Unhealthy surroundings in which the workers engaged in tanning live and work should be improved by setting up separate industrial estates.

29.63, 29.64 and 29.65

Tribal Labour

254. (a) There should be development of a consistent and integrated policy towards involving members of backward communities in the industrial processes at work around them. (b) Employment prospects of tribal labour have improved of late, but mere reservation of posts will no longer help if steps are not taken to make them fit for the jobs likely to be available. (c) Registration and placement procedures in the employment exchanges should be simplified, particularly in the case of illiterate tribal candidates. (d) Local tribal labour, especially displaced labour should get reasonable opportunities for recruitment to unskilled and semi-skilled jobs. (e) It should be the duty of the management to arrange for training and education of these workers for skilled positions when new employment opportunities are created or are available in industrial units in the area.

29.66

Labour in the Cooperative Sector

255. For labour in the large units in the cooperative sector, the recommendations made by us under different heads throughout our report will apply with equal force. A cooperative unit should not seek exemption from the operation of labour laws nor should the Government grant it.

29.72

256. There should be a comprehensive study of the working and living conditions of labour in the cooperative sector in order to understand the position *vis-a-vis* labour in corresponding units where the nature of entrepreneurship is different.

29.72

257. The recommendations in regard to labour in the small scale and unorganised sectors and agricultural labour will apply to labour engaged by small cooperatives and workers engaged by individual members of the cooperatives for agricultural operations respectively.

29.73

Unprotected Labour

258. Where employment of unprotected labour is of some magnitude, legislation on the lines of the Maharashtra Mathadi Hamal and other Manual Workers (Regulation of Employment and Welfare) Act, 1968 may be considered by other State Governments for enactment.

29.75

General Recommendations about Unorganised Labour

259. A better understanding of the problems of different categories of unorganised labour is essential to the formulation of suitable ameliorative measures. Detailed surveys about conditions of work in these employments should be undertaken.

29.76 (i)

260. The State will have to play an increasingly important role in providing legislative protection for unorganised/unprotected labour. The requirements of legislation and revision of existing measures should be under constant review.

29.76 (ii)

261. Legislative and administrative procedures applicable to small establishments should be simplified to facilitate their understanding and implementation. The machinery for the enforcement of law and welfare measures should be strengthened.

29.76 (iii) & (v)

262. The difficulties of small employers, who find it difficult to employ separate staff to look after various formalities and keep accounts are genuine. Government should take appropriate measures to mitigate them.

29.76 (v)

LABOUR ADMINISTRATION

263. Industrial relations in mines attached to factories and factories attached to mines should be brought under the purview of the same agency—Central or State.

30.11

264. The extension of jurisdiction of the Central Government to industrial relations in industries which cut across State boundaries or which are of importance to the economy, should be left to the discretion of Parliament.

30.12 & 30.15

265. Inter-State collaboration for handling matters of labour administration has taken place so far under the auspices of the Central Government. It should be possible for neighbouring States to come together more frequently for evolving a common line of approach on problems to mutual advantage.

30.22

266. The tenure of office for the State Labour Secretary/Commissioner should be longer. There should be an arrangement by which the Labour Department can have the benefit of at least two years experience of either the Labour Secretary or the Labour Commissioner at any point of time. An Officer, who in the early stages of his career worked as Labour Commissioner, should preferably be chosen as Labour Secretary.

30.24

267. The term of an officer from the administrative service, when appointed for running the employment service, should not be short.

30.25

268. Autonomous Boards/Corporations which have been set up to administer labour laws or voluntary arrangements should have a greater feeling of independence than at present in carrying out their functions.

30.26

269. Improving social consciousness should make the parties concerned avoid deliberate delays in the implementation of laws. Courts should show greater firmness in handling intransigence in these matters.

30.28

270. Greater vigilance on the part of Government is necessary for improving implementation of labour laws in small units.

30.29

271. When labour legislation is passed, common responsibility for its implementation by Central and State Governments is assumed. Arrangements for implementation should, therefore, be a matter of routine.

30.33

272. (a) Persons recruited to the junior-most technical posts in the inspectorate under any legislation should spend some time with an office of an industrial association and a well-organised office of a trade union. They should also acquire familiarity with the working of industrial establishments and visit the dwelling places of workers. All this will be a part of their initial training. (b) A manual of office procedure should be prepared by each office of the Labour Ministry/Department for the benefit of new entrants.

30.34 & 30.35

273. (a) The senior officers should have arrangements to understand the broader perspective within which they have to establish their utility to the public. (b) New incumbents in senior positions should be enabled to attend collective bargaining sessions, trade union meetings and discussions organised by trade unions and professional organisations like management associations, the Indian Institute of Personnel Management/the National Institute of Labour Relations, Local Productivity Councils and the like.

30.35

274. Refresher courses are necessary for officers who are permanently located in the office of the Ministry/Department. There should be institutional arrangements for this purpose. The concerned institutions require to be strengthened with a view to making them more useful as training grounds for officers at different levels.

30.36

275. Supervision of construction work given on contract should be not only with regard to physical output, but also for seeing what the contract stipulates as to the needs and conditions of employment. This should form part of training to the new entrants in the engineering services of various Departments like the Railways, Public Works Department and Irrigation Department and of public corporations and autonomous bodies like State Electricity Boards and State Transport Undertakings.

30.37

276. Public Works Departments in the States and at the Centre, as also the Forest Department, should consult the respective Labour Commissioners before settling contractors' claims.

30.37 & 30.38

277. (a) Penalties for non-implementation of labour laws should be deterrent enough for habitual defaulters. A minimum penalty is not suggested, but it is expected that authorities awarding penalties will take a serious view of repeated breaches of law by the same defaulters. (b) Utmost restraint and discretion should be exercised by the appropriate authorities in the matter of withdrawal of prosecutions once launched.

30.43 & 30.44

278. (a) The responsibility for the administration of Shops and Establishments Act should vest with the office of the Labour Commissioner. (b) Supervisory jurisdiction over all inspectorates which look after conditions of work should vest in the Labour Commissioner.

30.48 & 30.49

279. The field agency for the implementation of the Minimum Wages Act for agricultural labour should be the Zila Parishad and its functionaries at the village level. State Labour Departments should coordinate their implementational activities. The operative agency for this purpose will be the office of the Labour Commissioner.

30.49

280. The cadre of Central Government Labour Officers maintained by the Labour Ministry to look after the welfare of labour in Government industrial establishments should be transferred to the Chief Labour Commissioner's office. The Evaluation and Implementation functions of the Labour Ministry should also be transferred to the office of the Chief Labour Commissioner.

30.50

LABOUR STATISTICS, RESEARCH AND INTELLIGENCE

281. Timely publication of statistics should be an important aim of all agencies collecting data and information.

31.13

282. There is need for standardised concepts and definitions of the absenteeism statistics compiled at present by the Labour Bureau, State Governments and employers' associations.

31.14

283. (a) Statistics of industrial disputes should be collected statutorily under the Collection of Statistics Act, 1953. While publishing them under the new system, more details of the break-up of statistics according to causes should be provided. (b) Arrangements should be made for regular collection of statistics on work stoppages

not connected with industrial disputes, such as, stoppages due to breakdown of machinery, shortage of raw-materials and lack of demand for products. If necessary, separate rules under the Collection of Statistics Act, 1953, should be framed for the purpose. (c) Statistics of disputes settled by collective agreements, conciliation machinery, industrial tribunals, or otherwise should be compiled on a regular basis. The Labour Bureau should examine and initiate arrangements for the collection and processing of these statistics in consultation with the authorities concerned. (d) Statistics about loss of working time, loss of production and other related details in the case of go-slow, work-to-rule and other forms of labour protests are difficult to compile. The Labour Bureau should explore, in consultation with the concerned authorities, how these difficulties could be overcome.

31.16 & 31.17

284. Deficiencies in labour statistics arise *inter alia* from:

- (i) inaccuracy and unreliability owing to (a) poor response, (b) failure of primary agencies to send accurate reports, (c) handling of data by untrained staff and (d) inadequacy of staff;
- (ii) variety of definitions of the same term in different statutes;
- (iii) varying response from agencies which supply data; and
- (iv) delayed publication

Steps should be taken to remove these deficiencies.

31.19 & 31.20

285. (a) The load on employers and trade unions for submission of statistical returns can be substantially reduced through rationalisation of forms. An exercise in this regard was attempted by a committee appointed by the Maharashtra Government; similar steps should be taken by other State Governments. (b) To secure uniformity in the work of such committees when set up, it would be useful to associate a technical officer of the Labour Bureau. (c) This matter should receive expeditious consideration from the Central and State Governments.

31.21

286. Statistics are collected by Central and State agencies purely to fulfil statutory or administrative requirements; some of the data as collected are not even compiled. To avoid such unplanned collection of data, a Standing Council consisting

of agencies of Government in charge of collection of statistics, representatives of employers' and workers' organisations and research institutions should be constituted to review periodically the requirements of statistics to be collected.

31.22

287. There is pressing need for bringing out important economic indicators like the index numbers of employment, wage rates and earnings at quarterly intervals. Expeditious action should be taken to organise these series on a statutory basis.

31.25

288. Gaps in labour statistics exist in regard to employees in the unorganised sectors, such as, in small shops, commercial establishments and small scale industries. The matter should be examined by the Central Government in consultation with State Governments with a view to evolving remedies.

31.25

289. The periodic surveys undertaken by Government to understand the rural situation should be continued and intensified. The need for action-oriented statistics for this section of labour is more than for any other.

31.25

290. Collection of social and sociological data on workers' life should find a place in the future programme for development of statistics.

31.26

291. The Labour Bureau has proposals for conducting fresh family living surveys during 1969-70 to bring out a new all-India Index on that basis. With the experience gained so far and with the improved facilities now available for tabulation, the switch-over from the 1960 series to the proposed 1969-70 series should be expedited.

31.35

292. (a) The authorities compiling consumer price index numbers should show readiness to supply the necessary technical information to the users on a regular basis. (b) A formal avenue of consultation should be provided at the time of planning the family budget inquiries or inquiries in all matters pertaining to industrial employment. (c) A chart of prices collected during the week area-wise should be displayed in the office of the Labour Commissioner. Users could raise doubts about the prices displayed with the authority in charge of compilation and the authority should get these doubts clarified through an

appropriate check by an officer who is senior in rank to the one who collects the prices. The prices used in the final compilation should also be published. (d) The manner of introducing changes in (i) the commodities included in the index, (ii) the technical problems involved and (iii) the way they are proposed to be tackled should be explained to the users through the usual channels open to the authority compiling the index.

31.34 & 31.37 (i, ii and iv)

293. Before the indices are released, they should be checked for their correctness by a committee consisting of the Director, Labour Bureau, and a representative each of the Central Statistical Organisation and the office of the Economic Adviser (Ministry of Industrial Development and Company Affairs). This procedure should not, however, result in delays in releasing the indices.

31.37 (iii)

294. The family budget inquiries which form the basis of determining the 'weights' for an index should be undertaken once in ten years and the work on linking the old and new series should be completed before the old series is discontinued. The process should be ordinarily over within two years of the completion of the inquiry.

31.37 (v)

295. The Government of India has set up a Council of Social Science Research, an autonomous body which will coordinate researches in all social sciences and promote systematic research by providing financial assistance to universities and research institutes for approved schemes. This Council should recognise labour research as one of its important branches and introduce the necessary coordination in labour research within the overall discipline of social science research.

31.39

296 (a) There should be wider collaboration among Government, universities and research institutions, and employers' and workers' organisations in the field of labour research. (b) The responsibility of providing necessary leadership and resources in the field of labour research should rest primarily with the Department of Labour and Employment, Government of India. It should re-examine the difficulties which cropped up in the way of proper functioning of the proposed Central Institute of Labour Research and activate the Institute.

31.42 & 31.43

INDIA AND THE ILO

297. (a) India's participation in the I.L.O. over the years has been meaningful. (b) To be better equipped for the country's participation in the annual conferences and also industrial Committees of the I.L.O., the choice of delegates (Government, employers and workers) should be made well ahead of time. (c) A preparatory meeting with the participation of all delegates and advisers to discuss agenda items should be convened by the Labour Minister. It should help participants to evolve the stand that our delegates should take, though employers' and workers' representatives will naturally work in the ILO in close collaboration with their international organisations. (d) A flexible approach should be followed in fixing the strength of the delegation taking into account the complexity of the subjects to be discussed in the conference.

32.10

298. Our country, while receiving technical assistance from other countries through the ILO, has also offered assistance to the international community. There is greater scope than at present for improving this two-way traffic.

32.15

299. (a) The Government should, over a period, seek to ratify the Conventions which may have been held up because of technical and administrative difficulties. (b) Some of the conventions dealing with fundamental human rights have not yet been ratified by our country. There should be a reassessment by the Government with a view to their formal ratification.

32.22 & 32.25

300. International obligations which devolve on India as a result of our long association with the ILO have to be discharged in several directions :

- (i) by adopting the aims and objects of the ILO for national action ;
- (ii) by cooperating at the international and regional levels in the programmes of the ILO ; and
- (iii) by progressive implementation of the standards set up by the ILO.

Our country has made adequate progress in all these directions and this process should continue to gain momentum.

32.30

CHAPTER 1

INTRODUCTION

Appointment and Terms of Reference

We were appointed by the Government of India Resolution No. 36/14/66-I&E, dated the 24th December, 1966, issued by the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment)¹. Our terms of reference are:

- (1) To review the changes in conditions of labour since Independence and to report on existing conditions of labour;
 - (2) To review the existing legislative and other provisions intended to protect the interests of labour, to assess their working and to advise how far these provisions serve to implement the Directive Principles of State Policy in the Constitution on labour matters and the national objectives of establishing a socialist society and achieving planned economic development;
 - (3) To study and report in particular on—
 - (i) the levels of workers' earnings, the provisions relating to wages, the need for fixation of minimum wages including a national minimum wage, the means of increasing productivity, including the provision of incentives to workers;
 - (ii) the standard of living and the health, efficiency, safety, welfare, housing, training and education of workers and the existing arrangements for administration of labour welfare—both at the Centre and in the States;
 - (iii) the existing arrangements for social security;
 - (iv) the state of relations between employers and workers and the role of trade unions and employers' organisations in promoting healthy industrial relations and the interests of the nation;
 - (v) the labour laws and voluntary arrangements like the Code of Discipline, Joint Management Councils, Voluntary Arbitration and Wage Boards and the machinery at the Centre and in the States for their enforcement;
 - (vi) measures for improving conditions of rural labour and other categories of unorganised labour; and
 - (vii) existing arrangements for labour intelligence and research; and
- (4) To make recommendations on the above matters.

NOTE.—For the purposes of the Commission's work the term 'labour' and 'worker' will include, in addition to rural labour, all employees covered by the Industrial Disputes Act, 1947.

1.1 The original composition of the Commission underwent the following changes: (i) Shri G. D. Khandelwal, the then Member (Staff), Railway Board, was elevated to the Chairmanship of the Railway Board, and his place was taken over by Shri B. C. Ganguli on February 17, 1967; (ii) two additional Members, Dr. Bharat Ram and Dr. Baljit Singh, were appointed on April 18, 1967; (iii) Shri D. C. Kothari was appointed in place of the late Shri N. K. Jalan on September 20, 1967; (iv) Shri S. A. Dange resigned on September 17, 1968; and (v) Dr. B. N. Ganguli resigned on March 3, 1969.

Completion of Preliminaries

1.2 We assembled for the first time in Bombay on January 18, 1967 and had the benefit of listening to the inaugural address by the then Minister for Labour, Employment and Rehabilitation, Shri Jagjivan Ram², and the response to it, by the Chairman of the Commission³. Since these two speeches provide the main guidelines for our work, they have been appended to the Report.

¹ Appendix I

² Appendix II In the unavoidable absence of the Labour Minister, his inaugural speech was read out by Shri P. M. Nayak, Additional Secretary, Department of Labour and Employment.

³ Appendix III

1.3 Three eminent persons associated with the Royal Commission on Labour, 1929—1931 (referred to hereafter as the Whitley Commission), two of them as Members and one as Joint Secretary, still continue to be active in public life. They are Shri G. D. Birla, a noted industrialist, Diwan Chaman Lal, a senior trade union leader and Shri S. Lall, a distinguished civil servant (now retired). They met us on our invitation. Discussions with them about the manner in which the Whitley Commission set about its task and on the problems in the area to be covered by our inquiry were very useful.

Informational Base

1.4 Our starting point, according to the terms of reference, was to assess the situation as it developed since Independence. However, for understanding the situation prevailing in 1947 and for maintaining continuity with the work of the Whitley Commission, we considered it appropriate to refer to the period 1931—47 wherever necessary. One of our earlier tasks was, therefore, to assess the availability of information connected with our inquiry. As compared with the task of the Whitley Commission, ours was more extensive in terms of the number of workers involved, the aspects of conditions of work and the nature of employment. Inter-actions between labour and management and relations between Governments on the one hand and the two parties on the other have become more intricate because of fundamental changes in the social framework of our country.

1.5 In a sense, we consider ourselves more fortunate than the Whitley Commission in respect of availability of published material. Literature on labour and allied subjects in the last forty years, and more particularly in the period since Independence, has been voluminous. Apart from the Report of the Whitley Commission, 1931, and the extensive studies made by the Labour Investigation Committee, 1946 (thereafter referred to as the Rege Committee), there have been reports of committees appointed by different Provincial/State Governments which reflected the conditions prevailing at the time of their reporting. In the same category could be placed official surveys of labour conditions in several industries and areas, but undertaken in different years. To cite a few, we had the reports of the two enquiries on agricultural labour, reports on labour conditions in industries, reports on the family budget inquiries, and the wage censuses.

Reports of minimum wages advisory committees, wage boards and special committees appointed to study changes in conditions of work in different sectors of employment including industries, small and large, transport of all types, trade and service organisations, financial institutions of different types, the two Pay Commissions, the Dearness Allowance Commissions, the Bonus Commission and Committees and Courts of Inquiry were other useful sources of material. The Annual Reports of Ministries of the Central Government and Departments of State Governments and the annual reports of employers' and workers' organisations which discussed the topical problems that affected the respective groups contained information, albeit subjective. The record of discussions in the Indian Labour Conference, the Standing Labour Committee, the Industrial Committees, Evaluation and Implementation Committees and similar bodies at the State level could also be put to some use. A fair measure of legislation was undertaken in the field of labour, particularly in the early years of Independence. Debates in Parliament and State Legislatures, leading to these enactments, formed equally valuable source material. On the interpretational side of the legislation, apart from the pronouncements of the Supreme Court and High Courts, we had for our analysis the awards of the industrial tribunals, industrial courts and labour courts.

1.6 The Research Programmes Committee set up by the Planning Commission in 1953 has been instrumental in sponsoring research on various aspects connected with economic development; labour research has been a part of this activity. Researches in cognate areas like city surveys, economics of small industries, assessment of land reforms, benefits of irrigation and the like have relevance to some aspects of our work. Labour in India has been a subject of study in recent years by a number of scholars within the country and abroad. Professional organisations in the field of labour have increased their activities; special institutions for labour research have been set up; some universities, and institutions enjoying similar status, have organised special cells to study labour with or without Governmental assistance. Their research activities as well as special seminars/meetings organised by them have helped in our understanding of local experiences. The library of the Department of Labour and Employment prepared bibliographies on selected topics for our use. Similar assistance was made available by the International Labour Office, Geneva, on international experience.

1.7 On the statistical side, the annual publication of the Labour Bureau 'Indian Labour Statistics' and similar publications by State Labour Departments came in handy for some aspects of our work. We have used the data published by Government, the Reserve Bank of India and the financial journals, to understand the general behaviour of the economy. For a major part of the work of interpreting changes in the conditions of manufacturing industries, the financial structure of different industries, the wage component, employment and the like, information culled out from the Census of Manufacturing Industries (1946—58) and the Annual Survey of Industries (since 1959) could be used with advantage. A statistical analysis of these data is published separately. The results of the surveys conducted by the Directorate of the National Sample Survey were analysed, wherever necessary, to understand the changes in conditions of labour in relation to changes in the life of the community as a whole. Even with this fund of statistics, special efforts had to be made to comprehend changes which had taken place with regard to certain categories of labour, particularly in agriculture and small scale industries. In some other areas, where statistical support was not available, we had to rely on the assessment of experts.

1.8 To supplement these informational resources, we requested the Central and State Governments and central organisations of employers and workers to prepare material for our use under the following broad headings: (1) wages, earnings and productivity; (2) social security; (3) conditions of work; (4) industrial relations; (5) rural and other unorganised labour; (6) labour research and intelligence; (7) organisation and functions of the Department of Labour;¹ (8) international obligations; (9) tripartite consultative machinery and its impact on labour policy; and (10) employment and training. (These heads were broadly expected to cover the whole area of our inquiry). We also requested them to send to us such reports as they thought would be useful to the Commission. The response from the Central and State Governments to this request was satisfactory. The central organisations of employers and

workers considered it appropriate to cover these topics in the exhaustive memoranda they sent.

Questionnaire

1.9 Our next task was to frame a Questionnaire. We sought to emphasise in the circular issued with the questionnaire² the need for re-examining, in particular, the principles on which the current labour policy was framed. In view of the exhaustive nature of the inquiry, the questionnaire had to be elaborate and yet leave persons/organisations free to add to the issues we posed, if they so desired. The questionnaire was widely circulated within the country. Some copies were also distributed in foreign countries among persons conversant with the Indian labour scene. Several institutions/persons responded to it³. The replies were processed in two ways. Manual tabulation was undertaken to bring out a qualitative assessment of the views of different categories of respondents. Services of a computer were availed of to bring out the quantitative dimension of category-wise responses to the various issues. The tables so prepared are being published separately.

Liaison Arrangement

1.10 We were conscious that the task expected of us could not be completed satisfactorily unless adequate local arrangements were made to ensure a smooth flow of information. For this purpose, we found it convenient to request all employing Departments⁴ of the Central Government and other Departments with which we were concerned, the State Labour Departments⁵, major public sector undertakings and central organisations of employers and workers to nominate a person in the Department/undertaking/organisation as a liaison officer⁶ for our work. In particular the liaison officers of the State Governments, mostly State Labour Commissioners, had to bear the main brunt of meeting the constant demands for information made by us. It was with the assistance of State Labour Secretaries/Labour Commissioners

¹ This was not relevant to non-official organisations.

² Appendix IV

³ Appendix V

⁴ Employing Departments are those which control Government employees who come within the definition of the term 'workman' under the Industrial Disputes Act, 1947.

⁵ Includes Labour Departments of Union Territories also.

⁶ Appendix VI.

that appropriate arrangements could be made for our visits to State headquarters and places of industrial importance. To ensure that our requirements were uniformly appreciated by the liaison officers, we held two conferences in the early stages of our work, the first with Labour Secretaries and Labour Commissioners of State Governments, and the second with officers of Central Ministries and public sector undertakings associated with them.

Recording of Evidence

1.11 For recording evidence at State headquarters, our sessions usually opened with a discussion with local union leaders in the State, followed by a round covering more or less the same range of topics with employers' organisations or groups of individual employers. We then met persons in public life who included vice-chancellors of universities, university teachers, research scholars and persons who have been associated in some capacity with workers, employers or their organisations. In several States, members of local legislatures gave us the benefit of their advice. The final session at each State headquarters was devoted to the Government Departments/State Corporations and State public sector undertakings, ending up with the State Labour Minister and other ministers and officials of the Labour Department. Such clarifications as were needed on the evidence were sent to us in writing by many persons/organisations who appeared before us. Where a deeper probe into certain points mentioned in the evidence was necessary, we deputed suitable officers from our Secretariat for making an on-the-spot inquiry and preparing a report for us. We undertook many observational visits, in addition, to acquaint ourselves with local situations. It was possible, through this process, to have a better appreciation of the issues raised during the course of our inquiry.

1.12 We followed these discussions by meetings with the central organisations of employers and workers. On many general issues or issues of all-India importance, the affiliates of these organisations in different States had expressed tentative views or explained local situations. Apart from what the central organisations had to tell us about the issues before us, the points arising out of the evidence of their State affiliates were brought up for

clarifications in these meetings. A similar procedure was followed in recording the views of employing Departments of the Central Government and the Central public sector undertakings.

1.13 Shri V. V. Giri, then the Vice President of India, gave us the benefit of his experience in a paper he sent to us and in the talks we had with him. Our Chairman and some members called on Acharya Vinoba Bhave mainly to discuss the problems of the rural and unorganised sections of the working class.

1.14 We thought that our series of consultations would be incomplete if we did not have the benefit of advice from the Members of Parliament¹ belonging to different political parties. Among them there are many who take keen interest in problems connected with labour—urban and rural. Through the good offices of the Minister for Parliamentary Affairs and leaders of different parliamentary groups, we obtained a list of Members of Parliament who would help us. For these meetings our Secretariat put together the trend of evidence recorded on some important areas of our inquiry with a view to making our dialogue with the representatives of the people more fruitful.

1.15 Before we settled down for framing conclusions, we had meetings with the Secretaries to the Government of India and with the officials of the Ministry of Home Affairs and the Department of Labour and Employment. Our final round of discussions were with the Planning Commission and the Governor of the Reserve Bank of India.

1.16 The list of organisations/persons who tendered oral evidence before us is appended².

Committees, Study/Working Groups

1.17 We set up three Committees, thirty Study Groups and five Working Groups³ to investigate various issues connected with our terms of reference. Each group drew upon (a) the expertise of its members, (b) the relevant material on the whole area of the Commission's work in the concerned industry or subject, and (c) information which would help project its thinking on the problems in the area in the years to come. It was free to evolve its own procedure for work and for framing its report.

¹Appendix VII

²Appendix VIII

³Appendix IX.

Several committees/study groups reached unanimous conclusions. In some, there were differences in emphasis; and in others, the divergences were of a serious nature requiring dissenting minutes. The bearing which these conclusions have on our report is indicated in the Chairman's Foreword to the reports of these committees and groups, wherein he has stated that while the views expressed in the reports are the views of the Committees/Groups, in examining them for framing its final recommendations, the Commission will attach due importance to these views, coming as they do from knowledgeable persons. Indeed, as our Report will show, we have not accepted some of the suggestions made by these Committees/Study Groups.

Seminars and Conferences

1.18 Another recognised method to seek expert guidance was through participation by the Commission in seminars¹, organised by academic institutions interested in labour problems. In some cases, such seminars/conferences were sponsored by the Commission; in others, a measure of assistance was made available to institutions for the discussions arranged by them. In the case of conferences, the procedure followed was (1) to request a known expert to prepare a paper on the basis of his expertise and technical information, (2) to seek written comments from experts to be invited to it on this paper, and (3) to reach conclusions after detailed discussions on the basis of (1) and (2). We used this method for proper appreciation of various problems connected with (a) working conditions, (b) labour statistics, and (c) agricultural labour.

International Cooperation

1.19 To understand the latest developments in the field of labour in the international context, our Secretariat, at an early stage of its work, established liaison with the International Labour Office (ILO) through the Department of Labour and Employment, Government of India. The ILO was good enough to nominate one of its senior officers to help clearance in good time of our references to that office. Embassies and High Commissions of different countries located in Delhi assisted us with whatever information we needed from their respective countries. The Australian Government provided facilities to our Member-Secretary

and the Member-Secretary of our Study Group on Labour Legislation to visit Australia and have discussions with a cross-section of public opinion in that country and also with persons/organisations and governmental institutions which helped in maintaining industrial harmony. We had similar invitations from the ILO, the USA and the USSR, but these could not be availed of because of the time-table we had set for ourselves. Towards the close of our work but before reaching final conclusions, we deputed the Member-Secretary to Geneva for discussions at the ILO headquarters on international experience. Our special thanks are due to the ILO and to the foreign Governments who provided/offered to provide liberal facilities for studying international/national experience.

Cooperation from the Press

1.20 Throughout our inquiry, the Press was extremely cooperative. It provided adequate coverage to the Commission's programmes before we visited any State and to the press conferences which usually followed the completion of our work in that State. The study group reports, proceedings of the conferences, seminars, special discussions, etc., received wide publicity and evoked editorial or other comments in important dailies and journals.

Scheme of the Report

1.21 Our report first deals with the general background of changes which have taken place in the economy since Independence. We then indicate our approach in dealing with the task entrusted to us, followed by chapters on different subjects covered by our terms of reference. Our conclusions and recommendations are brought together in the final chapter.

1.22 Apart from the Committee/Study Group/Working Group reports and the statistical volumes which have been released to the public, we have authorised the publication of three other companion volumes, the first dealing with industry, in its wider connotation, the second on the changing profile of labour in different States, and the third which contains the results of mechanical tabulation of evidence. The status of these publications in relation to our conclusions/recommendations is explained in the Foreword to each of these volumes.

¹Appendix X

CHAPTER 2

FRAMEWORK OF INDIAN SOCIETY

We consider it necessary to provide a synoptic view of the main features of the Indian society as they have emerged since Independence. Notwithstanding the significance of individual issues, referred to us, a comprehensive view of labour problems covering all wage labour engaged in primary, secondary and tertiary activities, whether organised or otherwise, protected or unprotected, we believe, should not be taken in isolation from the trends of developments in the system as a whole.

2.1 Our country is inhabited by over 514 million people with a population density varying from 1,792 persons per square kilometre in the Union Territory of Delhi, to 435 in Kerala, 59 in Rajasthan and 8 in the Andamans. Over the forty years 1901 to 1941 the population witnessed an increase of about 34 per cent; the increase since has been 13.3 per cent in 1941—51 and 21.5 per cent in 1951—61. It threatens to be more than 2.5 per cent per annum during the current decade. The rate of population growth in recent years has been influenced by a continued high birth-rate coupled with a declining death rate. The sex ratio of the population is in favour of males; in 1961 there were 941 females per thousand males. The age structure reveals characteristics typical of a population which has potentialities of a high rate of growth; 41 per cent of the population is accounted for by boys and girls below the age of 15. The rural/urban ratio as revealed in 1961 was 82:18. This represents a small change as between the years 1951 and 1961.

2.2 Several languages and dialects are spoken in different parts of the country. Each language has developed, in varying degrees, its own literature and each dialect its folk-lore. The 1961 Census records that 24 per cent of the population was literate as against 16.6 per cent in 1951. The percentage of literacy in 1961 worked out at 34.4 per cent for males and 12.9 per cent for females.

2.3 We refer briefly to the land, water and mineral resources. The country has a geographical area of 3.27 million square kilometres, with a land frontier of 15,168 kilometres and a coast-line of about 5,700 kilometres. It has a variety of soils ranging from the rich alluvium

of the Indo-Gangetic plains in the north, noted for its response to irrigation and manuring, to black, red and laterite structures in the peninsular region, suited for a variety of crops. The soils have determined the cropping pattern and, to some extent, the structure of local industry. India has well distributed water resources consisting of rivers and streams, about a third of which has been harnessed. It is rich in mineral resources. Reserves of coal are estimated at over 120,000 million tonnes. Potential oil-bearing areas so far explored aggregate a million square kilometres and more, with oil reserves of over 100 million tonnes. Iron ore deposits of about 22,000 million tonnes account for a fourth of the total world reserves. Besides, there are sizeable quantities of gypsum, manganese, bauxite and mica. Small belts of copper, chromite and gold lying at different depths are being exploited.

Developments Prior to Independence

2.4 India became independent on August 15, 1947. The struggle leading to Independence and the long history associated with it are by themselves significant in tracing the evolution of the Indian society in the last twenty years. The freedom movement, mainly directed at the overthrow of the foreign yoke, developed its own social and economic ethos, in consequence of the growing awareness that without social reform and economic development, political independence will not take the country far. While this was the trend of nationalist thought upto the thirties, an aspect which overshadowed all political discussions and public controversies thereafter was the need to bring about a workable integration between the two major communities comprising undivided India. These have influenced significantly the institutional framework which free India has given to herself for conducting the affairs of the nation.

2.5 India inherited from her erstwhile British rulers a unified system of administration, a rule of law, a measure of synthesis of eastern and western ideas, inadequately developed agriculture, an industrial setting though limited in its diversity, a system of transport and communications which for a developing country could be considered modern, a press which had in it the main elements of free and fearless comment on the events of the day, a foundation of liberal

education and scientific and technological institutions, and an independent judiciary which could be trusted to interpret the wishes of the legislature faithfully. The strengthening of the better elements in this inheritance was at once a challenge and an opportunity brought to the country's leadership on the eve of Independence. It evoked responses from the people in the form of nationalism and political unity based on economic and cultural integration of the country.

2.6 Development of agriculture had not received its due priority, though the country was essentially agricultural. The needs of growing numbers were always more than what was produced. Successive changes in the geographical boundaries over the years reduced India to the position of an importer of foodgrains. Agriculture stabilized at a low level of efficiency and low productivity per hectare of utilized land and per person employed in agriculture. Within the country, the small dose of industrialisation with newer forms of transportation made rural areas less insular and more dependent on products of large scale industries. And these also showed tardiness in their growth. Employment in organised industry on the eve of Independence was not more than a few millions in spite of the industrial growth spread over a century. Even to reach this stage, the major impetus had to come from the two World Wars and a measure of tariff protection which the industry could secure under an alien rule. The process of industrialisation remained inhibited due to the apathy of Government, lack of financial resources, lack of savings on the part of the community, inadequate development of the infra-structure and indeed the sluggish pace of growth of the economy as a whole. The total effect of the events prior to Independence was such that the economy in the post-Independence era displayed typical features of an under-developed economy. This is not to suggest that no developed pockets existed; but the few which were there served merely to arouse in others the aspirations which lay dormant in the pre-Independence phase.

2.7 The Indian National Congress (Congress), the dominant political organisation in the country, was not unaware of the needs of the time. Its annals reveal resolutions on what Government should and should not do to alleviate the miseries of the people. Its action programme acquired a radical character only when, with the philosophy of nationalism, it blended an economic content which appealed

to the masses. This process could be noticed even before the resolution on economic programme was adopted at the Karachi Congress in 1931. A trend seen in the early years was against Government's policy of *laissez faire* which operated in favour of interests outside the country. The popular leadership favoured conscious governmental action to tackle the deep-rooted problems of under-development. The economic objectives became more definite when the struggle for Independence acquired a sharper edge in the thirties. Indeed, on the assumption of limited political power under the Government of India Act, 1935, the Congress initiated work at non-official level for preparing a blue-print for development on a comprehensive analysis of the economic problems in relation to the resources of the country. This was about ten years prior to Independence, and over a dozen years prior to inauguration of formal planning in the country in 1950.

2.8 The cessation of hostilities in 1945 and the steps taken by the new British Government for transfer of power to the people of India were developments to be noted after the militant postures struck by the war-time British Government. On the economic plane, the threat of a fall in the level of employment without abatement of pressure on prices and the inadequacy of wages resulted in a high degree of industrial unrest in the years 1946 and 1947. The transition from war-time to peace-time economy and dislocations and distortions resulting from the partition of the country, which had functioned till then on the basis of inter-dependence between the regions, added to these difficulties. It was only after their magnitude could be brought to a size the people could live with that Government could devote attention to nation-building activities which had been at a standstill for years.

The Constitution

2.9 The plan for transfer of power by the British envisaged the early setting up of a Constituent Assembly. In the very first session of the Constituent Assembly set up in pursuance of this plan, the then Prime Minister of India, the late Shri Jawaharlal Nehru, moved on December 13, 1946, a resolution which envisaged the Indian Union as an 'Independent Sovereign Republic' consisting of autonomous units:

“(5) WHEREIN shall be guaranteed and secured to all the people of India justice, social, economic and political:

equality of status, of opportunity, and before the law; freedom of thought, expression, belief, faith, worship, vocation, association and action, subject to law and public morality; and

- (b) WHEREIN adequate safeguards shall be provided for minorities, backward and tribal areas, and depressed and other backward classes; ...¹

For the nation, according to Shri Nehru, the Resolution was "a declaration, a pledge and an undertaking before the world, a contract with millions of Indians and therefore in the nature of an oath which we must keep". The Assembly accepted the Resolution and from it flowed important guidelines for the work of the Constituent Assembly. Shri Nehru further underlined the sentiments behind the Resolution in his speech in the Assembly on the night which ushered in a Free India.

2.10 The Constitution was adopted and enacted on November 26, 1949 with the following Resolution:—

"WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a **SOVEREIGN DEMOCRATIC REPUBLIC** and to secure to all its citizens:

JUSTICE, social, economic and political;

LIBERTY of thought, expression, belief, faith and worship;

EQUALITY of status and of opportunity; and to promote among them all

FRATERNITY assuring the dignity of the individual and the unity of the Nation;

IN OUR CONSTITUENT ASSEMBLY this Twenty-sixth day of November 1949, do **HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION**".

The Resolution became the Preamble to the Constitution of our country. Some of its articles came into force at once; the Constitution as a whole started its course on January 26, 1950.

2.11 The Constitution provides for a single and uniform citizenship for the whole of India. It confers the right of vote on every person

who is a citizen of India and who is not less than 21 years of age on a fixed date and is not otherwise disqualified under the Constitution or any law of the appropriate legislature on grounds of non-residence, unsoundness of mind, crime or corrupt or illegal practice.

2.12 Citizens have been given certain "Fundamental Rights" under the Constitution: Right to Equality, Right to Freedom, including the Right to form societies/unions, Right against Exploitation and the like. Fundamental Rights are justiciable and any citizen can approach the competent court for seeking redress against the infringement of these Rights². The Constitution also contains the "Directive Principles of State Policy". These principles, though not justiciable, are nonetheless regarded as 'fundamental in the governance of the country'. They cast a duty on the State in fulfilment of which the performance of the Government in power can be judged. Since the Directive Principles have a special relevance to our enquiry, they have been discussed in some detail in a later chapter.³

2.13 The Constitution lays down *inter alia* the legislative and administrative relationship between the State and the Union. Three Legislative Schedules—the first exclusively for the Union, the second exclusively for the State, and the third for both the Union and States—have been drawn up and provision has been made to avoid difficulties likely to be created by concurrent jurisdiction. Residuary legislative functions rest with the Union. 'Labour' is an item included in the Concurrent List. Thus labour legislation in the States has to operate within the constraints laid down for legislation on the Concurrent List in the Constitution. State Legislatures cannot enact a law which is repugnant to an Act passed by the Parliament. In practice, however, the working of Constitutional provisions have not created any special difficulty in labour matters even at the time when Union-State relationship in other aspects of their respective functions had to undergo a severe strain.

Political and Administrative Changes

2.14 Immediately prior to 1947, the Indian political scene was dominated mainly by two parties, the Indian National Congress which comprised all communities and the Muslim League which had a major following in the

¹Jawaharlal Nehru's Speeches, Volume I (1946—49), p. 6.

²It is only when the President proclaims Emergency that these rights can be suspended for the period of operation of the Proclamation.

³Chapter 6—Our Approach

second largest religious group in the population. Since Independence, the Congress has commanded a comfortable majority both in the Parliament and State legislatures. With notable exceptions in some States for varying periods, this situation continued till 1967. Within the party in power, however, there developed splinters of different sizes. In the early stages, major opposition in the Union Parliament/State Legislatures came from some politically well-knit groups. But over the years, barring exceptions, these also were affected by splits, groupings and re-groupings. The picture which has emerged after the last General Election seems to point to a pattern in which the Union and State Governments could belong to different political persuasions. The federal structure¹ of the Constitution is, in a way, being put to test now.

2.15 The essential structure of Government administration was again inherited from the pre-Independence period. At the higher level of policy-making and administration the functions were discharged both in the States and at the Centre by members of selected services. A major expansion, however, came with Independence. The problems, which a popular Government had to face, imposed a strain on the administrative set-up. The period between 1947—51, which saw considerable changes in the functions of Government, brought out a number of reviews on the working of the administrative system as also expansion in the administrative cadres all over. With the initiation of the planning process, the tasks of developmental administration were added on to the normal administrative but expanding functions, both at the Central and at the State levels. The system as a whole required a thorough examination, and this task is now under study by a separate Commission, the Administrative Reforms Commission.

Progress Since Independence

2.16 Under the process of planning initiated in 1950-51, development and harnessing of the country's resources have gained momentum (Annexure). We see evidence of a transformation and refashioning of the traditional pattern of Indian economy, which had experienced only a marginal change since the beginning of

the century in terms of per capita real income. Progress recorded so far has added fresh dimensions both to the nature and scale of developmental activities in the country. On this score one can be confident that the material and human resources of the country are capable of further development and more intensive and efficient utilisation. Both in terms of employment and contribution to the national product, agriculture and allied activities continue to predominate, but there is now a fairly developed and diversified industrial base and an organised net-work of transport and communications. The institutional framework and the system of socio-economic overheads of the economy are on the way to being purposively reshaped. Under the first three plans, the country's net national income increased by about 69 per cent or at a compound rate of 3.8 per cent per year at constant prices. The per capita income in real terms increased during the same period by 28 per cent or at an average annual rate of about 1.8 per cent. An inter-regnum commenced, even within this period, after 1964-65, due to adverse monsoons and the conflicts with our neighbours. Recovery started in 1967-68 when national income increased by 8.9 per cent over that of the previous year.

2.17 This rate of advance compares favourably with the growth rates achieved by some of the now developed countries in their early stages of economic growth, though in an age of technological reorientation a more rapid progress could have been expected. As against this expectation, one has to allow for the country's inability to be fully in tune with modern technology because of unfavourable demographic factors and problems of unemployment and under-employment attendant on it, apart from other difficulties already referred to.

2.18 With the growth of aggregate national production, its composition has not significantly changed. Agriculture, animal husbandry and allied activities continue to contribute about half the net national product, 1966-67 being an exception. The relative shares of 'mining, manufacturing and small enterprises', 'commerce, transport and communications' and 'other services' have shown changes *inter se* as the following table would reveal:

¹We ought to make it clear that we are using the word 'federal' in a general sense. We are aware that several constitutional lawyers, including Dr. Ambedkar, who played an important role in the drafting of the Constitution, have said that the Indian Constitution is not federal in the strict sense. Having regard to the powers which are vested in the Parliament and the Union Government by the Constitution, particularly in relation to emergencies as prescribed in Parts XVIII the Constitution of India, in a technical sense, in federal-cum-unitary. However, it is not necessary for our purposes to enter into a discussion of this aspect of the matter.

TABLE 2.1 : *Percentage Distribution of Net National Output at 1948—49 Prices*

	1948-49	1950-51	1955-56	1960-61	1966-67	1967-68 ¹
1	2	3	4	5	6	7
1. Agriculture, animal husbandry and ancillary activities ⁽²⁾	49.1	49.0	47.9	46.4	38.4 ⁽³⁾	41.6
2. Mining, manufacturing and small enterprises	17.1	16.7	16.8	16.6	18.2	16.7
3. Commerce, transport and communications	18.5	18.8	18.8	19.3	20.0	19.2
4. Other services ⁽⁴⁾	15.5	15.7	16.5	18.1	24.7	23.8
5. Net domestic product at factor cost	100.2	100.2	100.0	100.4	101.3	101.3
6. Net factor income from abroad	-0.2	0.2	0.0	-0.4	-1.3	-1.3
7. Net national product at factor cost	100.0	100.0	100.0	100.0	100.0	100.0

⁽¹⁾ Provisional. Figures have been obtained from the Central Statistical Organisation.

⁽²⁾ Including forestry and fishery.

⁽³⁾ With better harvests in the two years following 1966-67, the relative share of agriculture has again come to near about a half.

⁽⁴⁾ Comprising professions and liberal arts, Government Service (Administration).

Source: Economic Survey 1968—69.

In recent years, the large fluctuations in the levels of agricultural production due to adverse climatic conditions, coupled with the slack in industrial production, have somewhat distorted the composition of the net domestic product; but there is little doubt that gradually the shares of the secondary and tertiary sectors have been moving up.

2.19 Agriculture has shown a significant expansion. Between 1950-51 and 1966-67 the gross acreage under cultivation is estimated to have gone up by 23 per cent. Over the same period, the volume of agricultural production registered an increase of about 46 per cent and the average yield per hectare improved by about 19 per cent. Operationally, however, Indian agriculture still continues along traditional lines, though use of fertilizers and mechanical aids, and cultivation of high-yielding varieties have been getting popular in more recent years. Tractors and pumping sets are not entirely unknown to rural areas as they were some years ago.

2.20 Electricity generated has increased from 6.6 billion Kwh in 1950-51 to 49.6 billion Kwh in 1968-69. Of the total sales of electric energy in 1968-69, industry bought about 73 per cent and commercial users another 5 per cent. Approximately 8 per cent of the sales were for domestic consumption and about 6 per cent for

irrigation. The remaining 8 per cent of the sales represents other uses such as public lighting and public works and sewage pumping. In recent years, the pattern of electricity consumption has shown little change except for the fact that about 69,000 villages have been electrified by the end of March 1969 as against 3,677 in the beginning of the First Plan. Presumably, the use of electrical energy for agricultural operations has also been on the increase.

2.21 The industrial base of the economy could now be considered as fairly well-developed. Simultaneously, the industrial structure has been greatly diversified and strengthened. In addition to the traditional large-scale industries, viz., cotton and jute textile, sugar, tea, paper and paper board and cement, a number of new industries including heavy electricals, heavy chemicals, petro-chemicals, fertilizers, machine tools, automobiles and mechanical engineering industries have been established. The production of iron and steel has been substantially raised. Refineries have been set up. Aircraft manufacture has made progress. Railway rolling stock is being constantly augmented, almost all from indigenous sources, to meet the expanding requirements of rail transport.

2.22 External economic relations have also shown noteworthy developments. Before the

out-break of the Second World War, India's foreign trade followed the pattern of a colonial country. The major portion of our trade was with the United Kingdom and other Commonwealth countries. The country used to export raw material and import finished products. The value of exports more or less balanced, or was made to balance, with the value of imports. Occasional and small surpluses in balance of payments were not unknown. The special conditions created by the Second World War and the post-war years converted Independent India into a substantial creditor country with comfortable foreign exchange reserves. The situation has now changed both in regard to the pattern of imports and exports and the countries with which we trade. In 1950-51, total imports amounted to about Rs. 651 crores against exports of about Rs. 601 crores. By 1955-56, the level of imports rose to nearly Rs. 774 crores, but the exports remained almost stationary at Rs. 609 crores. The adverse trade balance which amounted to only Rs. 50 crores in 1950-51 went on increasing to about Rs. 423 crores in 1968-69. Thus, the overall deficit in balance of payments has grown and, in the process, has highlighted the problems of financing external obligations.

2.23 In our transport system, the railways have a pride of place—India's railway system with a route kilometrage of 59,300 being the second largest single railway network in the world. It is also the biggest nationalised undertaking in the country. The thirty-seven railway systems which existed in India in 1949 have now been grouped into nine zones. Over

the three plans, the passenger traffic increased by nearly 70 per cent and goods traffic by about 120 per cent. Since 1947, there has also been considerable progress in road construction. Compared with 0.2 million motor vehicles in March 1947, over a million were plying on our roads by the end of March 1965.

2.24 The country has now eight major ports. The traffic handled by these ports during 1967-68 was 55.0 million tonnes as compared to 16.9 million tonnes in 1947-48. Our coastline is also served by a large number of minor ports which together handle a coastal and overseas traffic of about 9.8 million tonnes. Civil air transport operates through a network of 85 aerodromes and carried 1.66 million passengers in 1966-67 as compared to merely 0.52 million in 1954-55; similarly cargo lifted by aircraft increased from 113 million kgs. in 1954-55 to 518 million kgs. in 1966-67. The overseas communication service is responsible for the management of India's external telecommunication service. Besides two sub-marine telephone cables, 29 direct wireless telephone links, 35 direct radio telephone links, 7 radio photo services and 6 direct international telex services are now operating. Most of this is a post-Independence development.

2.25 At the beginning of the First Plan, 4 out of every 10 children in the age group 6—11 years went to school. Today the ratio has almost been doubled. Facilities for higher education, especially technical education, have been enlarged. The following table shows the progress made so far:

TABLE 2.2 : *Progress of Education (1950—1969)*

	Unit	1950-51	1965-66	1968-69 (estimate)
1	2	3	4	5
1. <i>School-going children as per cent of children in the respective groups :</i>				
(i) Primary stage (6-11 years)	Per cent	42.6	74.9	77.9
(ii) Middle stage (11-14 years)	„ „	12.7	30.3	33.5
(iii) Secondary stage (14-17 years)	„ „	5.8	16.7	19.4

2.26 Substantial progress has been made in controlling diseases and in extending health facilities. This is reflected in a falling death rate and a rising life expectancy rate. The death rate per thousand of population declined

sharply from 27 in 1951 to 18 in 1961. The average life expectancy at birth rose from 32 years in the forties to 41 years in the fifties. Indications are that it has continued to rise in the current decade also. From the point of

view of the Commission's work, expectation of life at age 21 is more relevant. In this regard, whereas in the decade 1941—51 a male worker at 21 was expected to live for another 32 years, in the decade 1951—61 he was expected to live for another 36 years.

2.27 Social welfare schemes and schemes for welfare of backward classes, including Scheduled Castes and Scheduled Tribes, is another area where rapid strides have been made. With a modest beginning in August 1953, when the Central Social Welfare Board was set up, the expenditure on Social Welfare in the Third Five Year Plan aggregated to about Rs. 19 crores. Similarly, the plan programmes have made specific provisions for welfare of backward classes. As against an actual expenditure of about Rs. 26 crores in the First Plan and Rs. 91 crores in the Second Plan, the outlay in the Third Plan period was of the order of Rs. 101 crores. The emphasis in the programme has been to supplement the facilities in respect of the development of agriculture and cottage industries, education, medical and public health, so as to uplift the population falling in this category. In the field of education, in particular, almost all the State Governments and Union Territories have taken steps to exempt the Scheduled Castes and Scheduled Tribes students from payment of tuition fees at various stages of education. Concessions have also been allowed to them for admission to technical and educational institutions.

Distributional Aspects

2.28 Thus, in the years since Independence, the Indian economy has entered an expansionary phase and its productive potential has been augmented. The average levels of money incomes have risen appreciably. The distributive aspects have, therefore, acquired significance both from the standpoint of the goals of social policy and management and regulation of money flows. The official series of national income accounts do not give a break-up of the total national product in terms of factor incomes. Estimates worked out from time to time by research workers indicate that the share of profits, rental and interest incomes in the total income has been growing somewhat faster than that of wages and salaries. This is borne out by data on the relative shares of 'wages and salaries' and 'profits before tax' (inclusive of interest and managing agent's remuneration) in the total net output, in so far as the organis-

ed industrial sector is concerned. In 1952-53, for example, the salaries and wages constituted 78 per cent and profits before tax 22 per cent of the net output of the industrial sector. As against this, the respective percentages were 65 and 35 in 1964-65¹. This does not imply that per capita earnings of workers have gone down. The percentage of profits after tax to net worth has remained more or less constant over this period. New entrepreneurship has been developing as the old has been remodelling itself as a result of egalitarian pressures.

2.29 While these changes on the distributional side have been taking place in our towns and cities, villages too have not simply been silent spectators. The emergence of peasant communities in different parts of the country with a tradition of land ownership, personal cultivation or at least personal supervision over such operations, is another prominent feature of the current scene. These groups, Bhumihars and Rajputs, Kammas and Reddis, Lingayats and Vokkaligas, Kumbhis, Nayars and Tilayans, Jats and Aheers, and Kallans and Nadars have acquired a new focus in rural society. They provide local leadership in most cases and control rural institutions which have been set up after Independence. A constant upward mobility of social groups and individuals right from the lower rungs of the ladder, and 'modernisation' and 'secularisation' of social life and culture have also been witnessed.

2.30 The foregoing account of India's development raises hopes and aspirations, as much as it creates fears and apprehensions. On the credit side is the fact that a long run annual growth rate of the order of 5.8 per cent has been achieved in spite of the difficulties of the last twenty years e.g., bad agricultural seasons, difficulties in setting up industrial units and the reconditioning of those already set up, shortages of industrial raw materials resulting in increased unutilised capacity, widening of the foreign exchange gap, distractions on account of international tensions which used up latterly a portion of resources that would have been normally spent on development, increased population pressure, despondence in the younger generation because of inadequate employment openings, shortages of scientific and technical skills, and difficulties introduced by rising prices. As one moves around in the country, one sees signs of increasing self-reliance, whether it is in agricul-

¹Report on 'A Framework for Incomes and Prices Policy' Reserve Bank of India 1967, p. 73.

ture or in small industry; in the more sophisticated areas of industrial development or in producing rolling stock for transportation; in complicated areas of ship-building or enlarging port facilities; or in building up institutions of higher learning and scientific or technological research. The achievements within the constraints of a developing economy have, however, been overshadowed by what the people had expected to happen or were made to believe would happen. There has been, since Independence, a growing consciousness and a rising level of aspirations for better life all round. The more the democratic institutions reach out to the newly awakened, the stronger will be their urge to build up the country's economy and share the fruits of development. Given the impetus which the

developmental effort of the community has imparted and the sizeable gains achieved in the productive potentials of the economy, we feel that notwithstanding temporary set-backs and difficulties inherent in the very process of growth, the momentum and pace of growth in the country would show a marked improvement in the coming years over what has been the case so far. It will open larger opportunities to the people for their economic betterment and social amelioration.

2.31 We do not propose to discuss here the implications of these developments in the economy on the tasks assigned to us. We would rather they unfold themselves in the pages to follow.

ANNEXURE

INDIA : Progress Under the Three Five Year and Annual Plans 1950--51 to 1968--69

	Unit	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68	1968-69 (Estimates)
1	2	3	4	5	6	7	8	9
<i>General</i>								
1. Population	Million	361	392	439	495	502	514	..
2. Per capita income	Rupees (1960-61 prices).	284	306	326	315	313	334	..
3. Index of national income	Base 1950-51.	100	118.4	143.8	165.3	170.0	186.6	NA†
4. Index of agricultural production.	Do.	100	122.2	146.1	160*	NA†	NA†	..
5. Index of industrial production.	Do.	100	133.8	189.5	275*	NA†	NA†	..
6. Investment as per cent of national income.	..	5.0	8.0	11.0	14.15*	NA	NA	..
7. Domestic savings as per cent of national income.	..	5.0	7.0	8.5	11.12*	8.0‡	NA	..
8. Tax revenue as per cent of national income.	..	6.6	7.7	9.6	14*	NA	NA	..
<i>Agriculture</i>								
1. Foodgrains	Million tonnes.	54.9	69.2	82.0	72.0	75.0	95.0	98.0
2. Oilseeds	Do.	5.1	5.6	7.0	6.3	6.4	6.4	8.5
3. Sugarcane (in terms of gur)	Do.	6.9	7.3	11.2	12.1	9.5	10.0	12.0
4. Cotton	Million bales§	2.9	4.0	5.3	4.8	5.0	5.6	6.0
5. Jute	Do.	3.5	4.5	4.1	4.5	5.4	6.4	6.2
6. Tea	Million Kgs.	277	299	321	365	369	380	418
7. Nitrogenous fertilizers consumed.	Thousand tonnes of N.	56	107	210	550	840	1150	1400
8. Phosphatic fertilizer consumed.	Thousand tonnes of P ₂ O ₅	7	13	70	130	250	400	400

	Unit	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68	1968-69 (Estimates)
1	2	3	4	5	6	7	8	9
<i>Irrigation ¶ and Power</i>								
1. Potential at outlets—gross	Million acres.	23.8¶	6.5	11.7	17.3	18.9	20.9	23.1
2. Potential utilised—gross	Do.	23.8¶	3.1	8.3	13.6	15.2	17.5	19.3
3. Electricity generated	Billion Kwh.	6.6	10.8	20.1	36.8	35.0	..	49.6
4. Electricity capacity	Million Kw.	2.3	3.4	5.6	10.2	11.4	13.1¶	14.5
<i>Minerals</i>								
1. Iron ore	Million tonnes.	3.0	4.3	11.0	24.5	26.3	27.0	26.0
2. Coal	Do.	32.8	39.0	55.7	67.7	70.9	71.9	69.5
3. Petroleum refining capacity	Do.	0.2	3.4	6.1	9.8	11.9	13.7	16.1
4. Crude oil	Thousand tonnes.	260	340	410	3020	4800	5800	5850
<i>Industry</i>								
1. Cotton cloth	Million metres.	4215	6260	6738	7440	7304	7509	NA
2. Rayon yarn	Thousand tonnes.	2.1	13.5	43.8	75.6	80.6	92.2	108.0
3. Paper and paper board	Do.	116	190	350	560	580	628	640
4. Sugar	Thousand tonnes.	1134	1890	3029	3500	2147	2248	2900
5. Nitrogenous fertilizers (in terms of N).	Do.	9	80	101	232	308	367	550
6. Phosphatic fertilizers	Do. of P ₂ O ₅	9	12	53	123	145	195	220
7. Sulphuric acid	Thousand tonnes.	101	167	368	662	702	846	1020
8. Caustic soda	Do.	12	36	101	218	233	275	314
9. Cement	Million tonnes.	2.73	4.67	8.0	10.8	11.1	11.5	12.5
10. Steel ingots	Do.	1.5	1.7	3.5	6.5	6.6	6.3	6.5
11. Aluminium (virgin metal)	Thousand tonnes.	4.0	7.4	18.2	62.1	72.9	100.4	120.0
12. Machine tools	Rs. million.	3	8	70	294	354	283	250
13. Cotton textile machinery	Do.	NA	40	104	216	154	115	170
14. Sugar mill machinery	Do.	..	2	44	77	94	84	120

	Unit	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68	1968-69 (Estimates)
I	2	3	4	5	6	7	8	9
15. Mining machinery . . .	Rs. million.	..	..	0.6	55*	NA	NA	NA
16. Diesel engines . . .	Thousand Nos.	5.5	10.4	44.7	93	112.2	113.0	125.0
17. Metallurgical equipment . . .	Thousand tonnes.	..	..	..	11	14.3	18.0	2.0
18. Power driven pumps . . .	Thousand Nos.	35	37	109	244	311	269	325
19. Electric motors . . .	Thousand hp.	99	272	728	1753	2095	2029	2000
20. Aluminium conductors . . .	Thousand tonnes.	1.7	9.4	23.6	40.6	52.7	74.0	70.0
21. Bare copper conductors . . .	Do.	5.0	8.7	10.1	3.1	1.7	0.7	NA
22. Automobiles . . .	Thousand Nos.	16.5	25.3	55.0	70.7	75.2	67.9	95.0
23. Railway wagons . . .	Do.	..	15.3	8.2	23.5	15.0	11.9	22.0
24. Locomotives :								
Steam . . .	Nos.	7	179	272	203*	180	153	130
Electrical . . .	Do.	..	..	..	64*	59	37	75
Diesel . . .	Do.	..	..	..	58*	55	126	170
25. Bicycles . . .	Thousand Nos.	99	513	1071	1574	1719	1673	1900
26. Electric fans . . .	Do.	199	287	1059	1358	1364	1372	1500
27. Sewing machines . . .	Do.	33	111	303	430	400	367	400
28. Radio receivers . . .	Do.	54	102	282	600	761	931	1300
<i>Transport and Communications</i>								
1. Railways Freight carried . . .	Million tonnes.	93	116	156	203	202	197	203
2. Commercial vehicles on road . . .	Thousand Nos.	116	166	225	333	351	NA	380
3. Roads (surfaced) . . .	Thousand KM.	157	196	236	287	295	NA	317
4. Shipping . . .	Million GRT.	0.4	0.5	0.9	1.5	1.8	1.9	2.1
5. Post Offices . . .	Thousand Nos.	36	55	77	97	..	..	102
6. Telephones . . .	Do.	168	280	465	981	..	..	1100

	Unit	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68	1968-69 (Estimates)
1	2	3	4	5	6	7	8	9
<i>Education</i>								
1. Students in schools . . .	Million Nos.	23.5	31.3	44.7	64.8	71.7	75.2	75.2
2. School-going children as per cent of children in the respective age-groups:								
(a) Primary stage : 6-11 years.	..	42.6	52.9	62.4	74.9	79.9	79.2	77.9
(b) Middle stage : 11-14 years	..	12.7	16.5	22.5	30.3	33.9	34.2	33.5
(c) High/Higher Secondary stage : 14-17 years.	..	5.8	7.8	11.1	16.7	19.0	19.0	19.4
3. Annual intake of engineering institutions : of which	Thousand Nos.	10.0	16.4	39.6	72.7	79.0	73.6	73.6
degree level	Do.	4.1	5.9	13.8	24.7	28.0	25.0	25.0
diploma level	Do.	5.9	10.5	25.8	48.0	51.0	48.6	48.6
4. Admission to medical colleges	Do.	2.5	3.5	5.8	10.5	..	..	11.5
<i>Health</i>								
1. Expectation of life at birth .	Years	35.3	41.3	45.8	50.3*	51.9	51.9	NA
2. Hospital beds	Thousand Nos.	113	125	186	240	247	250	256
3. Doctors (Practising)	Do.	56	65	70	86	90	96	103
4. Nurses (Registered)	Do.	15	18.5	27.0	45.0*	50.0	55.0	61.0
5. Family Planning Centres . .	Nos.	..	147	1649	12138	19684	24523	28448
6. Primary Health Centres . . .	Nos.	..	730	2800	5223	5323	4928	4840
Villages covered by National Extension Services	Thousand Nos.	..	143	364	565*	..	..	NA
Towns and villages electrified	Do.	3.7	7.4	24.2	52.3	55.2	61.2	NA

NA. Not available.

* Estimated figures.

† Not available on 1950-51 base.

‡ As given in the Approach to the Fourth Five-Year Plan.

§ Bale=180 Kgs.

¶ Position before the commencement of the Plan. Subsequent figures represent progressive totals.

|| After allowing for obsolete plants.

CHAPTER 3

ECONOMIC TRENDS SINCE INDEPENDENCE

The overall growth of the economy since Independence has affected the working class in more ways than one. A larger per capita availability of goods and services might help raise living standards provided the wage can buy these goods and services. This will depend upon the cost at which they are produced and made available. Both would require an analysis of the general production and price movements, the behaviour of the consumer price index numbers, the state of monetary and fiscal discipline and balance of payments in the system. We propose to view these trends together to provide a better understanding of the changes in the Indian economic situation.

Economic growth has also had its effect on employment. To the extent increase in employment has lowered the dependency ratio per earner, it may have raised living standards. Employment trends have a special significance to the working class even otherwise; these are discussed separately in the latter part of the chapter.

Production Trends

3.1 Table 3.1 below sets out the index numbers of agricultural production as well as production of foodgrains since Independence.

TABLE 3.1: Indices of Foodgrains/Agricultural Production

(1949-50=100)
July-June

Year	Production of food-grains	Agricultural production	Year	Production of food-grains	Agricultural production
1	2	3	1	2	3
1947-48	98.1	99.2	1961-62	140.3	144.8
1948-49	95.3	93.6	1962-63	133.6	139.6
1949-50	100.0	100.0	1963-64	136.5	143.1
1950-51	90.5	95.6	1964-65	150.2	158.5
1951-52	91.1	97.5	1965-66	120.9	132.7
1952-53	101.1	102.0	1966-67	123.8	132.0
1953-54	119.1	114.3	1967-68	159.9*	161.8*
1954-55	115.0	117.0			
1955-56	115.3	116.8			
1956-57	120.8	124.3			
1957-58	109.2	115.9			
1958-59	130.6	133.5			
1959-60	127.9	130.3			
1960-61	137.1	142.2			

*Final estimates.

Source : Economic Survey, 1968-69.

Agricultural production as well as the output of foodgrains has been subject to sharp annual fluctuations due to variations in weather conditions. In the years immediately after Independence, variations in annual agricultural output and output of foodgrains were moderate. This was also the period when the statistical tools available at the disposal of Government were less refined than in later years. The period of the First Plan (1951—56) turned out to be one of sustained improvement resulting in a measure of optimism about the country's goal of self-sufficiency in food. Since the beginning of the Second Plan, production trends have been erratic in spite of an increase in the area under irrigation and other steps to improve production. The years 1965—67 wit-

nessed a sharp decline in the production of foodgrains and agricultural output in general. The difficulties created by shortage of foodgrains are too well known to be narrated. The high level of foodgrains output achieved in 1967-68 and sustained in the year 1968-69 has improved the current outlook on the food front. It is hoped that given a concerted effort on the agricultural front, it would be possible to wipe out the country's food deficit in the years to come and to minimise the instabilities arising on this account.

3.2 To have a better idea of the change, we should look at the five yearly moving averages of foodgrains production presented in the table below:

TABLE 3.2 : Trends in Foodgrains Production (Agricultural Years)

(Five-Year Moving Averages)

(Figures in million tons)

Years	Output	Years	Output	Years	Output
1	2	1	2	1	2
1950-54 *	56.4	1954-58	67.3	1960-64	80.4
1951-55	59.0	1955-59	70.7	1961-65	82.9
1952-56	62.2	1956-60	72.7	1962-66	80.9
1953-57	66.4	1957-61	75.2	1963-67	79.4
		1958-62	77.3	1964-68	82.4
		1959-63	80.1		

* Against 1950-54 the average for the years from 1949-50 to 1953-54 has been shown.

3.3 It is obvious that foodgrains production in the country has increased substantially from 56 million tons at the beginning of the fifties to 82 million tons in 1964—68. Still, this rising trend in the level of foodgrains production has not made the imports of foodgrains less important. We started with a food deficit on the eve of Independence and have not caught up since with the production required for our growing population. Whenever there has been a decline in foodgrains production, the pressures on marketable supplies have mounted both because of the desire in rural areas to

meet their growing needs as also to secure better prices. The impact of these factors has varied according to the intensity of crop failures. Shortfalls in domestic supplies were by and large made good by imports in such a way that the overall availability of foodgrains was maintained, if not improved, over the entire period from 1947 to 1965. It was only in 1966 and 1967 that net availability of foodgrains per head of population was, despite record levels of food imports in these years, lower than the level reached in the preceding years.

3.4 Changes in the level of industrial production are shown in the table below:

TABLE 3.3 : *Indices of Industrial Production 1951-67**

(1956=100)					
Year	Index	Year	Index	Year	Index
1	2	1	2	1	2
1951	73.4	1957	104.1	1963	167.3(129.6)
1952	75.6	1958	107.5	1964	177.8(140.8)
1953	77.7	1959	116.8	1965	187.7(153.6)
1954	83.0	1960	130.2(100.0)‡	1966	192.6(152.4)
1955	91.9	1961	141.0(109.1)	1967	195.3(151.9)
1956	100.0	1962	152.9(119.7)	1968 †	—(160.9)

* Indices for the years 1947 to 1950 are available but with a different base year.

† Provisional.

‡ Figures within brackets are in respect of the new series of the index of industrial production with 1960 as base. This series is based on production of 324 items as against 201 items in the old series and has a wider coverage especially in respect of the products of new industries. The new series (1960=100) shows a better rate of industrial growth but does not affect the conclusions which follow.

3.5 Industrial production on the whole has been rising from year to year. This is indicative of a rising level of employment in the industrial sector. The rate of increase has not been consistent during the period. If the level of industrial production in certain periods registered relatively small increases in the aggregate, the causes of it have been dislocation in supplies of imported raw materials and components, and/or shortages of agricultural raw materials and demand for industrial products. Taking the period as a whole the inhibiting influence of factors like power shortage, disturbances due to industrial conflicts, transport bottlenecks, insufficient market demand and lack of credit facilities has been

relatively minor and confined only to particular industries or regions.

3.6 Trends in industrial and agricultural production reflect the rate of growth of national and per capita incomes. In the main, the fluctuations in the levels of agricultural output have affected national income. Notwithstanding these fluctuations, real national income has risen by about 73 per cent between 1947-48 and 1966-67 and per capita income by 19.5 per cent. The tentative estimates of national income for 1967-68 indicate a rise of the order of 9 per cent in the real national income and of over 6 per cent in per capita income over 1966-67 as in the table below:—

TABLE 3.4: *Indices of National Income and Per Capita Income*

(1948-49=100) fiscal year					
Year	National income at 1948-49 prices	Per capita income at 1948-49 prices	Year	National income at 1948-49 prices	Per capita income at 1948-49 prices
1	2	3	1	2	3
1947-48	..	..	1956-57	127.2	110.4
1948-49	100.0	100.0	1957-58	125.9	107.1
1949-50	102.0	100.4	1958-59	134.7	112.2

1	2	3	1	2	3
1950-51	102.3	99.2	1959-60	137.1	111.9
1951-52	105.2	100.3	1960-61	147.2	117.5
1952-53	109.4	102.4	1961-62	151.0	117.9
1953-54	116.0	106.7	1962-63	153.8	117.5
1954-55	118.8	107.3	1963-64	161.5	120.6
1955-56	121.2	107.3	1964-65	173.2	126.6
			1965-66	169.2	120.9
			1966-67	174.0	120.5
			1967-68	191.0*	128.0*

*Provisional figures computed on the basis of revised series.

N.B.—The indices of national and per capita income given above are based on the figures given in the conventional series of national income estimates. As from 1960-61 onwards the revised series of national income estimates are available.

Source : Economic Survey, 1968-69.

Price Trends

3.7 If the key role of agricultural output in determining the size and growth of the national product is considered in relation to the fact that the bulk of agricultural produce consists of foodgrains, the influence of fluctuations in domestic supplies of foodgrains on prices and the economic situation in general becomes clear. The experience of the last twenty years shows that the level of foodgrains production determines also the general level of prices in the economy as reflected in the index of

wholesale prices. The prices of foodgrains affect even more the cost of living indices, now termed as the consumer price indices (working class), because foodgrains form a substantial portion of the workers' consumption basket.

3.8 Trends in the general price level and in the price level of food articles and in the consumer price index (working class) over the period 1947 to 1967 are shown in the tables below in terms of the available series of index numbers.

TABLE 3.5-A: Price Movements (1947—1952)

Year	Index of wholesale prices (Base year ended August 1939=100)		Working class consumer price index (Base 1949=100)
	General	Food articles	
1	2	3	4
1947	297	292	87
1948	367	374	97
1949	381	389	100
1950	401	410	101
1951	439	410	105
1952	387	360	103

TABLE 3.5-B: Price Movements (1953—1967)

Year	Index of wholesale prices (Base 1952-53=100)		Working class consumer price index (Base 1949=100)
	General	Food articles	
1	2	3	4
1953	106	109	106
1954	100	98	101
1955	92	85	96
1956	103	99	105
1957	109	107	111
1958	111	112	116
1959	116	118	121
1960	123	120	124
1961	126	120	126
1962	127	125	130
1963	133	133	134
1964	148	155	152
1965	161	166	166
1966	184	189	184
1967	212	238	209
1968	210	235	215(P)

P—Provisional

3.9 Price movements since the adoption of planned development in 1951 have had two distinct phases viz., (i) prior to 1956 and (ii) 1956 and after. In the first there was a decline in prices, whereas in the second, there has been a continuous rise. It would be seen from Table 3.5-A that during 1947—52 the index for food articles rose by 23 per cent, but the general index moved up even faster. To a considerable extent, the rise in this period was conditioned by the inventory boom for raw materials which was directly attributable to the Korean War. It did not materially affect the prices of consumer goods and the consumer price indices over the period 1948—1956 oscillated within narrow limits. After the abatement of the international tension, there was a decline in the prices of industrial raw materials. Money supply in the First Plan period increased by just about Rs. 200 crores or by 10 per cent, compared to a rise of about 18.5 per cent in the real national income. External accounts were in a state of balance and the foreign exchange reserves were comfortable.

3.10 Since 1956 (Table 3.5-B), however, the general index of wholesale prices has moved up continuously from 103 in 1956 to 212 in 1967. The consumer price index rose by nearly 100 per cent over the same period. Leaving aside last year when the trend was somewhat arrested, this period can be divided into two phases: (i) 1956—61 and (ii) 1962—67. In the former, price increases were mild, the larger part of the price rise taking place over the latter years. The general index of wholesale prices moved from 126 in 1961 to 212 in 1967. This increase was principally the result of heavy and continued upward rise in prices of foodgrains and other food articles. Compared to a rise of 68 per cent in the general index of wholesale prices, the index for food articles rose by about 98 per cent during 1961 to 1967. The consumer price index rose by 66 per cent, from 126 in 1961 to 209 in 1967. Here again, the food items account for a greater part of the rise.

3.11 A closer analysis of the movement of the food component of the consumer price

indices over the last six years has shown that apart from cereals which have a larger weight-age in the total food group, prices of other components, comparatively less important in terms of expenditure on them in the base year, have risen much more than those of cereals and have contributed in the aggregate to a rise in the index. Items like chillies, garlic, vegetables and fruits, could be cited as instances in point. However, 'consumer resistance' can operate in a significant manner in their case than in staple items like rice, wheat, jowar and pulses.

3.12 The disparate movement of prices of food articles and prices in general over the period since 1961 stands out in sharp contrast to the trends experienced in the earlier phases

of price rise. Hitherto, price changes, though substantial during certain periods, had not materially altered the relative structure of prices in the system. The level of the price index for food articles had remained, by and large, below the level of the general price index. To the extent price variations in certain periods brought about shifts in price parities, these were largely, if not entirely, adjusted by subsequent trends. This has not been the case with the price movements since 1961. Data given in the following table bring out this aspect. They indicate that the extent and character of price rise in recent years signify a definite and distinct change in the relative structure of prices, and consequently, in the commodity terms of trade between agricultural and non-agricultural sectors.

TABLE 3.6 : *Relative Movements of Prices (1961-62 to 1967-68)*

Year	(Index Numbers)				
	All commodities (April-March)	Agricultural commodities (Nov.-May)	Foodgrains	Manufactures (Nov.-May)	Ratio of 3 to 5
1	2	3	4	5	6
1961-62	125	100	100.4	100	100
1962-63	128	102	105.5	102	100
1963-64	135	113	116.1	104	108
1964-65	153	132	144.0	112	118
1965-66	165	148	150.5	122	121
1966-67	191	175	178.5	132	133
1967-68	213	177	222.8	129	137
1968-69	210	NA	201.2	NA	NA

NOTE—The price indices for agricultural commodities and manufactures are for the time period Nov.-May each year so as to take into account the harvest season prices of agricultural products as per the procedure followed by the Agricultural Prices Commission in its Annual Report. Recent investigations have shown that because of the staying power acquired by producers of agricultural commodities, there is no special merit in watching price trends in particular months. But, even when the respective indices are examined over the whole year, the conclusions are not materially affected.

NA Not available.

3.13 In broad terms, the relatively greater rise in prices of foodgrains, compared to manufactures as well as other agricultural commodities, is a symptom of imbalance as between available supplies of foodgrains and demand, for reasons already mentioned in the foregoing paragraphs. This imbalance has indeed been the main factor responsible for the price rise in recent years. There have also been other

contributory factors such as increases in money supply in relation to production, adverse 'capital-output' ratios in the investments undertaken, stresses on account of increased defence expenditure, the shortages of agriculture-based industrial products and of manufactured goods dependent on imported supplies of raw materials and intermediate goods.

Fiscal and Monetary Factors

3.14 The overall impact of monetary factors on the economic situation and on behaviour of prices could be gauged with reference to the

growth of plan outlays and the pattern of financing them. The table below shows the realised levels of plan outlays for each of the plans and their broad pattern of financing.

TABLE 3.7: Pattern of Financing Plan Outlays

(Rupees in crores)

	First Plan 1951-56 (actuals)	Second Plan 1956-61 (actuals)	Third Plan 1961-66 (actuals)	Annual Plan 1966-68 (estimated)	1968-69 (proposal)	Fourth Plan 1969-74 (proposal)
1	2	3	4	5	6	7
1. Total Plan Outlay	1960	4672	8577	4352	2337	14398
2. Financed through :						
(i) Domestic Budgetary Resources	1438	2669	5021	2157	1154	11034*
(ii) External Assistance	189	1049	2423	1779	876	2514
(iii) Deficit Financing	333	954	1133	416	307	850

*Includes Rs. 2709 crores additional resources mobilisation in Fourth Plan.

3.15 The First Plan was characterised by conditions of all-round stability. Unlike the plans that followed, it had to be expanded in certain sectors when the price level was below what prevailed at the time the Plan was framed. The Indian economy started showing signs of 'stretching' and perhaps of uneven expansion in the period thereafter. The money supply with the public rose from a level of about Rs. 2,217 crores at the end of 1955-56 to about Rs. 2,869 crores at the end of 1960-61. The rate of growth of real national income in this period was, however, lower. With the exception of the year 1957-58 when the national income at 1948-49 prices declined slightly, the aggregate output in the economy was growing throughout the Second Plan period. The heavy withdrawals of the foreign exchange reserves during these years contributed further towards moderating internal inflationary pressures. Plan outlays were stepped up and over the entire five-year period, deficit financing of the order of Rs. 950 crores was resorted to. In spite of this, price increases were moderate due to the operation of the already noted counter-balancing forces. The Third Plan witnessed a deceleration in growth. Plan outlays exceeded projected levels; the growth of national income fell short of stipulated targets and the average annual compound growth rate came to only 2.9 per cent. Despite renewed efforts for further resource mobilisation, deficit financing to the tune of Rs. 1,133 crores became inevitable and this exercised its own upward pressure on

the price level. There was in addition a substantial expansion of bank credit. Altogether, the money supply with the public rose by Rs. 1,660 crores during 1961-66 i.e., by nearly 60 per cent or by about four times the rate at which real national output increased. This was bound to have an inflationary impact on prices.

3.16 Since the early years of the Second Plan, foreign exchange reserves have been at a low level. This, along with the type and scale of external assistance received from year to year, limited the scope for correcting domestic inflationary pressure through disinflationary balance of payments deficits. The financing of necessary developmental and 'maintenance' imports, coupled with increasing burdens of external debt servicing and repayment, has imposed further strains on foreign exchange resources. Import policies have, therefore, been continuously restrictive and have been tightened further from time to time. Still, the balance of payments difficulties gathered momentum and the rupee had to be devalued in June 1966 leading to a fresh rise in prices, particularly of imported goods and, in consequence, of import based industrial costs. The larger defence outlays have in a measure also contributed to the economic difficulties in recent years. The burden of financing defence outlays which became inescapable in the latter half of 1962-63 and thereafter has had the effect of restraining the scale of new productive

investments and of the resultant output and supplies. In brief, therefore, the heavy pressure on prices in recent years has been the result both of monetary and real factors.

3.17 In the years 1965—67 the economy had plunged into industrial recession and its growth had come almost to a halt. The recession actually commenced in 1965-66 with very poor agricultural output and the harvest of the following year was no better. This affected adversely the levels of industrial production as well as the buoyancy of Government revenues and availability of resources in general. External assistance too failed to come up to expectations. Financial stringency was aggravated under the circumstances in spite of postponement and even some lowering of developmental commitments, except those which were inescapable. In the face of these financial stresses, maintenance of monetary equilibrium was not easy and there was a further increase in money supply. This gave rise to almost a contradictory phenomenon viz., inflationary recession.

3.18 A measure of relief has, however, come with the bigger harvest of 1967-68. The output of foodgrains in 1968-69 is estimated to be equally promising. Besides, the production of non-food crops is also expected to be higher. With expectations of improved agricultural production and a more assured supply of agricultural raw materials, industrial production has started picking up as from the second quarter of 1967-68. These trends, coupled with hopes of further successes on the agricultural front, give ground for optimism in regard to the economic conditions in the ensuing period.

Employment Trends

3.19 In analysing the post-war employment situation we note five distinct phases, broadly covering the periods 1945—51, 1951—56, 1956—61, 1961—66 and post-1966.

3.20 1945—51: The period of the Second World War was one of expanding employment opportunities. With the close of hostilities, arrangements had to be made for transfer of the defence personnel to civilian employment. These did not encounter serious difficulties since they meant no special hardship to persons in the labour force. The Rege Committee which apprehended the spectre of mass unemployment looming ahead was perhaps unduly alarmed. While no reliable data are available for the years after its report and for

the early years after Independence, it is gathered that the employment situation during this period was in a way easy. This was due to the expansion of Governmental activities and its multiplier effect on employment. The general exuberance in the country following Independence was an additional factor, though on a psychological plane. Special arrangements to provide favoured treatment to displaced persons did not create resentment in the rest of the population, not only because of the proximity of tragedies which displaced persons had suffered, but also because unemployment as a problem did not have the edge which it developed in later years.

3.21 A Development Department was set up by the Central Government in the closing years of the Second World War, but it was actually wound up within one year. There were no special plans to generate fresh employment, though arrangements were made through the Directorate General of Resettlement and Employment to assist employment seekers and certain priorities were also laid down. The number of persons seeking employment through this agency is no direct index of the level of unemployment, but the Employment Exchanges showed about 300,000 employment seekers on their registers at the end of this period.

3.22 1951—56: Even as the country entered the stage of planned development in 1951, generation of employment was assumed to follow from development. Overt unemployment was not considered to be so serious as to counter the development strategy itself. It was assumed that unemployment would taper off with growth of national income. The First Plan was conditioned by this approach, though it did attempt to estimate the employment effect of planned activities in certain sectors. By about the middle of 1953, however, unemployment became a matter of national concern. Indications of the relative worsening of the employment market were available through the data maintained by the National Employment Service. The size of the Plan had to be enlarged to accommodate schemes which were designed to generate additional employment.

3.23 With the attention drawn to problems of unemployment by developments subsequent to the formulation of the First Plan, a stage was set for a fuller discussion of issues connected with employment and unemployment on the eve of the Second Plan. Provision of adequate employment opportunities, it was felt, should become one of the main objectives of the Plan. On the national plane, a systematic

assessment of the unemployment situation was undertaken. Estimates of backlog of unemployment, additions to labour force and the impact of plan projects on total employment were recognised as some of the many exercises required for plan formulation.

3.24 1956—61: The employment policy of the Second Plan emphasised the choice of employment-oriented techniques. From this viewpoint it recognised that while in certain new sectors highly capital-intensive techniques were technologically given, in other sectors changes in established technology that displaced labour must be avoided. Further, in the traditional sector, labour-intensive techniques should generally be fostered to attain the employment targets of the Plan. What was sought to be achieved was to provide a remedy for absorbing the growing numbers in the labour force at suitable levels of income, but without necessarily jeopardising the building up of a wider base for gainful employment in future.¹ As against a backlog of unemployment estimated at 5.3 millions and new entrants at nearly 10 millions, the employment potential of the total economic activity in the five years of the Second Plan was expected to cover an equivalent of the new entrants to the labour force. The aim was, therefore, a modest one viz., the prevention of a worsening of unemployment.

3.25 Developments in the Second Plan period presented an employment picture which was clear in certain aspects, but hazy in others. It was clear, for instance, that in every State shortages continued to exist on the technical side. It was also clear that development resulted in inter-State migration of unskilled labour due to (i) shortages in some areas or (ii) surpluses 'pushing out' workers from certain areas. The employment situation in different States, however, continued to be uncertain about the skills and numbers required for different plan activities.

3.26 Paradoxically, certain types of involuntary unemployment developed during the Second Plan period along with the generation of new employment. This happened in certain industries, particularly in engineering, as shortages of raw material came to the surface resulting in involuntary unemployment. For altogether different reasons, the cotton textile industry was also suffering. In the midst of drawing up plans for augmenting employment, therefore, schemes which would give relief to

workers in cases where unemployment was forced on them had also to be considered.

3.27 To provide additional employment to agricultural labour during the slack season, the Planning Commission formulated a programme of rural works. A pilot scheme was drawn up in the final stages of the Second Plan as a supplement to schemes formally included in it. The State Governments were requested to select rural areas which were most in need of such unemployment relief.

3.28 1961—66: It is in this atmosphere that thinking on the Third Plan began. Work on better assessment of employment and unemployment and on understanding the mechanism of employment generation had, in the meanwhile, made progress. Unemployment estimates, though still unsatisfactory, were a shade better than those on which reliance was placed in framing the Second Plan. The National Sample Survey, after experimenting with different ways of measuring unemployment, standardised its methods for estimating the level of unemployment/under-employment. Adjustments needed for making the data from the National Employment Service more meaningful for understanding the changes in urban areas were also worked out. On this basis, the Third Plan estimated that the backlog of unemployment at the end of March, 1961 was about 9 millions.

3.29 The disturbing part of the appraisal of unemployment at the beginning of the Third Plan was the under-estimation of population increases during the period and the consequent lower estimates of additions to labour force during 1951—61. Added to it was the short-fall in physical terms in every area of development, particularly during 1956—61. The labour force was expected in the Third Plan period to increase by nearly 17 millions, and given the size and priorities of the Third Plan, it was not found feasible to generate adequate employment. Obviously, even the employment goal adopted in the Second Plan to prevent any addition to the back-log of unemployment could not be set for the Third Plan.

3.30 The implementation of the Third Plan was affected by the happenings on India's frontiers. The consequent increase in defence expenditure raised the prospects of employment. The new level of public spending made it possible for a time to divert the country's

¹Second Five Year Plan, P. 112-114.

attention away from the problems of unemployment; and so did public pre-occupation on other matters. But all along the employment situation continued to be difficult and assumed serious proportions towards the end of the Plan period.

3.31 Post 1966: The postponement of the Fourth Plan and the initiation of annual plans normally should not have affected the level of unemployment if in framing the annual plans, adequate concern for employment generation had been shown. However, planning in each of these three years was confined to allocating resources for different sectors of development on the basis of the levels of expenditure reached in the previous year, irrespective of prices. This in effect meant a curtailment of development in physical terms. Constructional employment which has been almost 20 to 25 per cent of the total non-agricultural employment

generated in the Second and Third Plans has suffered a set-back. This lack of activity, coupled with the pressure of new entrants to the labour force, explains some of the difficulties which one finds in the employment market today. Recession during this period made it difficult for some industrial undertakings even to continue their normal working force, let alone generate fresh opportunities for employment. Earlier expansion of educational and training facilities has accelerated supplies of skilled manpower. Consequently, along with the rising incidence of general unemployment, the situation has worsened even for highly skilled persons including engineers and university graduates.

3.32 The conclusions in the foregoing paragraphs are supported by the following data taken from the Fourth Five Year Plan 1969—74—Draft published recently.

TABLE 3.8: *Industry-wise Employment during 1961-68*

Industry	Employment as in March of the year				
	1961*	1966*	1966†	1967†	1968†
	2	3	4	5	6
1. Plantations, livestock, forestry, fishing, etc.	0.85	1.10	1.13	1.10	1.10
2. Mining and quarrying	0.68	0.66	0.67	0.65	0.61
3. Manufacturing	3.39	4.26	4.53	4.43	4.44
4. Construction	0.84	0.99	1.02	0.99	0.90
5. Electricity, gas, water and sanitary services	0.26	0.35	0.34	0.38	0.39
6. Trade and commerce	0.25	0.39	0.49	0.51	0.53
7. Transport, storage and communications	1.81	2.21	2.21	2.24	2.24
8. Services	4.01	5.50	5.80	6.00	6.12
9. Total	12.09	15.46	16.19	16.32	16.33

*Covers all public sector establishments and non-agricultural establishments in the private sector employing 25 or more workers.

†Covers all public sector establishments and non-agricultural establishments in the private sector employing 10 or more workers.

3.33 We now take a view of what happened since Independence in the inter-related areas of employment and real wages. From a relatively comfortable position upto 1953, the employment market started showing signs of strain with minor variations right upto somewhere around 1962. For reasons explained, employ-

ment picked up between 1962 and 1965 for a short time. Though in relation to additions to labour force the opportunities were inadequate, the period of the Third Plan seemed to be somewhat tolerable. Real wages improved fairly fast in the years since Independence upto the end of the First Plan both as a result of

increase in money earnings and later in the period because the price situation was favourable. Since 1956, real wages have been showing a downward trend. The result has been that the major gains secured between 1952 and 1955 could not be retained in the following years. From the reports of the committees appointed for the purpose of fixing minimum wages for industries scheduled in the Minimum Wages Act, 1948, it would appear that considerations of the employment situation have not been taken as relevant except to the extent that the prevailing wage rates in the locality had a bearing on their recommendations. The committee's work could be considered to have been influenced by employment market considerations to the extent the prevailing wage rates have a relationship with the employment market. In the case of other industries, industrial tribunals do not appear to have considered

the impact of their recommendations on employment. Actually, as a result of the regulation and fixation of wages through institutions and arrangements made since Independence, money wage trends do not reflect the trends in the employment market. While this has given a certain measure of protection to the employed workers, the employment market itself could not be cleared off.

3.34 The economic changes described in the foregoing paragraphs have affected the community as a whole, although their impact on different sections of it has, indeed, varied. Changes in production, prices and wages as also those in the social setting described earlier have influenced the working class. A synoptic view of how the worker has adapted himself to the total change in his environments follows in the next chapter.

CHAPTER 4

INDIAN WORKER—ADAPTATION TO CHANGE

We have discussed in the foregoing chapters the developments that have influenced the evolution of the personality of the Indian worker. Our Constitution, its Preamble and Directive Principles have provided the philosophy and socio-political framework for economic development. The planning process has facilitated the growth of industry. A labour policy has been evolving through the institutional framework built up for its formulation. Implementation is being gradually improved on the basis of tripartite consultations. Apart from these factors, the impact of political forces and social change is affecting the workers' life. A new worker is emerging within the category of 'industrial labour' with distinct urban characteristics and social mobility. Some of these influences have reached the rural workers also. To record the nature and extent of these changes, we have used the reports of (i) the Study Group on Sociological Aspects of Labour-Management Relations, (ii) the Study Group on Tribal Labour, and (iii) the Committee on Working Conditions of Sweepers and Scavengers, all appointed by us. The impressions gathered by some of us during field visits have also been drawn upon.

Industrial Change

4.1 The Indian industrial landscape has changed perceptibly in the last twenty years. Prior to Independence, apart from a fairly extensive network of railways, plantations, mines, cotton and jute textiles, sugar and cement factories, among the more important industrial ventures in the country were three steel plants, with a total capacity of 1.5 million tons of steel ingots, and a few engineering units. Today the complex of industry has changed. Assam no longer means just tea; it means also fertilizers, chemicals, oil refining and distribution, electricity generation and engineering. Nor does Kerala mean cashew processing, coir manufacture and plantations; a prosperous fertilizer and chemicals industry is growing up as are petrochemicals, oil refining, and ship-building. The face of Rajasthan is changing; sophisticated industries for the manufacture of ball-bearings, synthetic fibres and electromagnetic and electronic instruments are coming up. Andhra Pradesh is no longer confined to agriculture and tobacco; it now has fertilizers, chemicals, ship-building and other industries. Madhya Pradesh and Orissa too are claiming a place on the cou-

try's industrial map. Older centres are diversifying. Bombay-Poona, Surat-Baroda, Durgapur-Asansol, Ahmedabad, Bangalore and their surrounding areas, Hyderabad and its environs, the region around Madras and beyond are all having a greater measure of industrial activity. Kanpur no longer means mere textiles and leather; units manufacturing machine tools, transport equipment, aeronautics, plastics and heavy chemicals are coming up. Small scale units in Punjab/Haryana manufacture a wide range of products such as woollen and cotton textiles, steel rolling, agricultural implements, automobile parts and cycles. There is evidence all around to show that many centres of industrial activity are shifting from non-durable goods to durable consumer industries, such as sewing machines, electric fans and radio components. These are symbols not only of increased industrial output, but also of a fair diversification of the industrial structure. On account of the expansion in industries, employment in registered factories increased from 2.9 million in 1951 to 4.7 million in 1966, and in mines from 0.55 million to 0.70 million. In plantations, there has been a marginal change. The number of women in factories increased from 0.29 million in 1951 to 0.36 million in 1966. In traditional industries, their proportion has fallen, but in several non-manual occupations such as in industrial, commercial and trading firms, employment of women has grown more than proportionately.

Evolution of Labour Policy

4.2 The main postulates of labour policy operating in the country in the last twenty years could be summed up as follows:

- (1) Recognition of the State, the custodian of the interests of the community, as the catalyst of 'change' and welfare programmes.
- (2) Recognition of the right of workers to peaceful direct action if justice is denied to them.
- (3) Encouragement to mutual settlement, collective bargaining and voluntary arbitration.
- (4) Intervention by the State in favour of the weaker party to ensure fair treatment to all concerned.

- (5) Primacy to maintenance of industrial peace.
- (6) Evolving partnership between the employer and employees in a constructive endeavour to promote the satisfaction of the economic needs of the community in the best possible manner.
- (7) Ensuring fair wage standards and provision of social security.
- (8) Cooperation for augmenting production and increasing 'productivity'.
- (9) Adequate enforcement of legislation.
- (10) Enhancing the status of the worker in industry.
- (11) Tripartite consultation.

4.3 The First Plan adumbrated these principles and they were reaffirmed in successive Plans. In giving effect to them in practice, the accent has been on reciprocity and mutuality of obligations and recognition of workers' contribution to production and productivity. A subtle change in emphasis with regard to modes of settlement of disputes in successive Plans is also discernible. Legalistic approach is gradually yielding place to voluntary bilateral arrangements. Strengthening of trade unions to secure better labour-management relations has also been a part of this approach.

4.4 The tripartite consultative machinery formed during the Second World War has now grown into an oft resorted instrument for formulation of labour policy. Though its role is advisory, its deliberations have had a distinctive influence on the policies and the manner of their implementation and in reaching many voluntary arrangements. Labour Ministers get together periodically for reviewing policy and exchanging views on administrative matters. A labour administration machinery, including an elaborate institutional set-up under the Industrial Disputes Act, 1947, has been built up. Wages policy generally has not operated to the disadvantage of the economy, though labour, which is its main beneficiary, has had reason to expect that the policy could have been more liberally interpreted and applied. Other areas where significant developments have taken place in pursuance of the Directive Principles embodied in the Constitution are social security and labour welfare, for both of which new enactments have been passed and old legislation amended to provide for greater coverage and extension of facilities to an increasingly larger number of workers.

Impact of Political and Social Forces

4.5 Forming of trade unions and the shaping of their activities by the political workers and their philosophy, were not entirely unknown in the past. They have acquired new dimensions with the advent of Independence and the environment which the political system has operated in or has created for itself. Though unions are apparently free from organisational ties with political parties, the association of many unions/federations with politics through ideology and leadership cannot be denied. Such ties have led to fragmentation of unions, to inter-union and intra-union rivalries, and some confusion in the minds of the rank and file of workers. Despite the fact that unions have grown in number, the average membership per union is declining. A demand for freeing unions from political influence is gaining ground and assertions about their autonomous character in relation to their ideological political partners are frequently made. We will revert to this aspect in some detail later.

4.6 A major change on the social side has been brought about by the Hindu Code with its two important components: the Hindu Succession Act, 1955, and the Hindu Marriage Act, 1956. The first gave women equal rights with men in the matter of succession to and holding of property; the second struck at the root of polygamy and provided for divorce with alimony and maintenance. The joint family system is losing its hold, more particularly in urban areas where provision for social security by the State is encouraging nuclear families; because of the growth of nuclear families, demand for improvement of social security provisions is also gaining in strength.

Evolution of Industrial Labour

4.7 The Whitley Commission had observed that most industrial areas had grown into multi-lingual microcosms, diverse in the structure of their population. They consisted of recruits from different parts of the country. The great majority of factory workers were, at heart, villagers because they were born and brought up in the villages. They had village traditions and they retained contacts with the villages and hoped to return to them. But they were not all agricultural workers serving a brief spell of industrial work in the city. The artisan group among the village population sought employment in textile factories, tanneries, railway workshops and other places of urban industry; they looked back rather to village crafts than to village fields.

4.8 Factory workers retained their village connection in the early years for several reasons. They were not prompted by the lure of city life or by any great ambition. Opportunities for employment of women and children in towns were relatively scarce and workers were strangers to the new environment where they could not establish a permanent home. The joint family system took care of the women and children of migrants. The desire for returning to them and retaining interests in the land brought them back to where they belonged. Also the factory worker contrasted the scenes in which he had to live with the memories of his native place and cherished constantly the hope that, sooner or later, he could leave the city finally behind. In cities he was in a milieu of strange traditions, or no traditions at all.

4.9 In the years since the Whitley Commission reported, the situation had undergone a change. The Rege Committee observed in 1946 that the working class had become more stabilised and organised. Its ties with villages, which the Whitley Commission valued and sought to regularise, had been loosened. During this period, there was a greater concentration of working class population in industrial areas and this led to the rise of an industrial proletariat in most cities. Workers were prepared to stick to the town to a greater extent than before, to fight for their legitimate rights and to seek livelihood in urban rather than in rural areas. The growth of population and increasing pressure on land and difficulties in obtaining livelihood in villages were some of the contributory factors. On the analysis of the Rege Committee, 'stabilisation' of labour force in principal industrial cities, therefore, was a matter of compulsion rather than of choice.¹

4.10 Over the last twenty years, the trend towards the stabilisation of industrial labour has been further strengthened. A worker today is far more urban in taste and outlook than his predecessor. The idyllic notion of a "village nexus" which found favour with the Whitley Commission, even though it hindered the worker's commitment to industry, has receded to the background owing to the positive measures undertaken in the interest of industrial labour recounted elsewhere. Even in the more distant plantations, settled labour is more in evidence now; in fact, the claims of such labour for employment has been creating a situation needing Governmental intervention in the last twelve years.

4.11 In the past, turnover of labour and casual work were not merely a result of lack of commitment on the part of workers, but also of the employers' reluctance to bear the burden implied in hiring permanent labour. As industry expanded to include a wide variety of skilled and unskilled jobs, industrial work ceased to be the monopoly of migrants from villages. Young persons in urban families traditionally averse to accepting factory environment have been seeking employment there. In most cases, they were positively pulled by the relatively attractive wages and opportunities offered by industry. Nor were urban workers alienated from the community bonds, as the basic social groups with whom they liked to mix were located near their areas of work. When employers began offering incentives for regularity and productivity, even rural migrants reduced the frequency and duration of their visits to villages. Recent surveys in several industrial centres bear this out. As minimum facilities came to be provided and measures for social security began to be undertaken, workers were increasingly attracted by them and lack of commitment became a less serious problem. Studies on industrial workers in cities like Bombay, Poona, Delhi and Jamshe dpur, where the question of commitment has been investigated more recently, show that the earlier migrants have an urge to go back to the village but the later ones show increasing commitment to urban life and factory work. The age of the worker is also a factor, urban attractions working more strongly on the young. This is more or less true in expanding urban industrial centres all over the country. Thus, a vast majority of the workers in cities are committed to factory jobs. In older industries, a second or even third generation of workers has emerged. A self-generating working class with its roots in the industrial environment in which a worker is born and bred is growing in strength.

Worker in his Setting

4.12 The industrial worker of today has acquired a dignity not known to his predecessor. He is no longer the unskilled coolie² of the days gone by, engaged in an unending struggle to eke out his existence, neglected by society except for his labour, and with very limited aspirations. He has now a personality of his own. He shares the benefits, albeit meagre, which a welfare state with a vast population and inadequate resources can offer, and some more. He enjoys a measure of social security; he is secure in his employment once he enters

¹See Main Report of the Labour Investigation Committee, 1958 Print, p. 68.

²The term 'Coolie' is now banned for official use.

it; he cannot be dismissed unjustly and has been given statutory protection against retrenchment and lay-off. All this, however, does not mitigate his worries about the future of his dependents, the employment situation in the country being difficult. In the days since Independence, there has been a continuous rise in his money earnings. Several new amenities are a part of his working life both because of legislation and also because the conditions of the new industries require the provision of these facilities. Increase in money earnings has not been without struggles nor has it necessarily improved his standard of living.

4.13 With the changing industrial landscape of the country, growth of new industrial townships and dispersal of activity, a process of industrial 'culturisation' of working class has set in. New working class areas have come into being and old ones are expanding. In the new areas, adaptability to this culture naturally depends on the extent and strength of the workers' links with rural mores. Yet, assimilation with a new way of life has not been necessarily slow. Our observation visits have revealed changes in workers' day-to-day life and these we consider worth recording. Though somewhat impressionistic and lacking in quantitative precision, they are borne out by the writings of a cross-section of social observers of the Indian scene as a whole. We may start with understanding changes in the workers' basic requirements.

4.14 Food.—The consumption pattern prevailing in a worker's home at many centres shows evidence of significant change. Readymade food is more common than in the past. Bakeries have thrived; they have reached areas in which use of wheat and wheat products was restricted to the higher income groups. New food habits have been brought about no doubt by the pattern of availabilities in the country. High prices of some commodities have pushed down their consumption. Change in consumption modes is reflected even in the manner of cooking. As wheat preparations are finding place in South Indian kitchens, rice preparations common in the south have travelled north. Eating habits in the large industrialised centres have become more cosmopolitan than before. The role played by subsidised industrial canteens, where they exist, has not been inconsiderable. Cooking media have changed and so have fuels. Charcoal, kerosene oil and pressure stoves are slowly making their appearance replacing firewood and cowdung cakes. Electricity and gas are not only within the worker's aspirations, but also in actual use though among the relatively better off workers.

4.15 Clothing.—Sartorial changes are no less in evidence. The traditional pre-Independence dress made out of cloth rough in texture is making way for neat shop-floor working dress. A worker can now afford medium and fine varieties in clothing. He also has spare clothes to wear when away from the work environment. He prefers trousers and pyjamas to his traditional apparel. Foot-wear, a sign of affluence in the past, has now become a necessity. These changes have in turn affected the clothing habits of women. They have taken to readymade garments. Man-made fibres are a common ceremonial wear. They want their children to appear smart.

4.16 Housing.—The working class house-tenement has not escaped the changes either, though in many industrial areas, workers still live in single room tenements in unhygienic surroundings. They consider their efforts to improve these so unrewarding that a sense of resignation has developed. In some centres, by sending their representatives to civic bodies, they have been able to get their grievances redressed to the extent the finances of the local authorities permit; and these are slender by any standard. The *dowrahs* in the coal mines, the *ahatas* of Kanpur, the *labour camps* in Bombay, *shanties* of the South and *bastis* in the eastern region have not materially altered in their appearance; if anything, they are uglier than before and more crowded. New constructions which have come up are already showing signs of overcrowding. In many new private and public sector undertakings which have sprung up in industrially virgin areas, the more fortunate among the workers are provided with good company housing; but compared to the total number of industrial workers in the country who require to be housed, the number of those who are thus housed is small. The Subsidised Industrial Housing Scheme for factory workers and welfare funds for workers in coal mines, mica mines, plantations and docks have attempted to provide improved housing. But the number of houses thus provided is small. The progress in both cases has been slow. Then there are innumerable small undertakings in the industry, mining and plantation sectors which just cannot afford to house their workers. And they are a source of major concern to the authorities. On construction sites, and in the last twenty years construction activity has grown in importance, the situation is even more intolerable. But even in this dismal surrounding, the worker endeavours to keep himself clean. Real change is seen inside the tenement. Earthen pots have been replaced by aluminium or brass-ware; pieces of crockery are not an unusual pos-

session. There are also items of furniture, such as *charpoi*, a bench or a chair and mosquito net. Radios/transistors/watches are often the proud possessions of not a few.

4.17 **Miscellaneous.**—Entertainment has assumed a different form. 'Secularisation', a by-product of industrial culture, now informs workers' activities outside the place of work. Religious plays and *bhajans* have been replaced by dramas with a distinct social content. The religious tone of ceremonials such as birth, marriage, and death is subdued. Competitions, indoor and outdoor games, and lectures on political themes attract workers. There is more community participation in recreation than before. A child is no longer looked upon as a gift of God and family planning is not shunned. A worker is conscious that it is a safer proposition to invest in the betterment of a small family than to spread his earnings too thin over a larger one. He is now accustomed to get himself treated for his ailments. The contribution he gives to the Employees' State Insurance Scheme has made him conscious of them and the treatment he receives. We came across several instances where workers demanded injections or a specific brand of medicine when the doctor had prescribed something else. They consider this demand a part of the return for their contribution. Industrial diseases, for various reasons, continue to harass workers, especially in the mines, despite preventive measures. Though on contracting a disease a worker is entitled to compensation under the law, the fear of losing his job on being declared medically unfit on this account discourages him from seeking early treatment and undergoing a medical check-up.

4.18 The process of urbanisation has in turn led to difficulties in three other areas: (a) transport, (b) civic amenities and (c) distribution controls. We now refer in brief to these aspects.

4.19 **Transport.**—The distance between the place of stay and the place of work is an important factor which affects work attitudes. Where workers reside far away from the factory, the irritation of travelling in overcrowded buses/trains is reflected in their efficiency. The time spent in waiting and travel to and from the place of work also eats into the hours available to the worker outside the factory. Owning a modest conveyance is common in many centres where distances are manageable, but impracticable in others where the industry is concentrated and residential areas are far-flung. Some employers provide subsidised conveyance for workers or offer to contribute to

the purchase of season tickets but these practices have yet to gain wider currency. Housing and transport often constitute a joint problem to be tackled. To stay near the place of work in established industrial centres is to continue in slums. Housing within walking distance of areas of work becomes prohibitive in rent because of the cost of land on which they have to be built. To move away means facing transport difficulties.

4.20 **Civic Amenities.**—Among civic inconveniences which workers have to put up with, lack of sanitation is the most important. In sanitary environments seriously affect workers' health and impair their efficiency. There is growing pressure on all sanitary services in urban centres. Industrial waste and effluents add to this pressure. In some areas, municipal authorities have been unable to catch up with the requirements of industrial development. Educational and health facilities lag behind. Street lighting is inadequate. These inconveniences have been creating difficulties between employers and workers. The insistent demand from workers for a separate township, wherever feasible, is matched by the employers' inability to meet it.

4.21 **Distribution Controls.**—Workers complain that considerable time and energy are wasted in conforming to Governmental restrictions on distribution of essential commodities, which indeed are common to the community as a whole, because of shortages developing in the economy. Loss of energy was a point of complaint even in the early days; but to it has now been added consciousness about loss of time. One can see in any city queues of workers for purchasing rice, fish, cooking medium, kerosene, sugar and the like. On occasions, even a long wait in the queue does not produce results. These disappointments which are also shared by his family members materially condition the worker's attitude to work.

The New Worker

4.22 The social composition of labour is undergoing a change. Labour is not restricted to certain castes and communities. Apart from the fact that caste and occupation have always inter-acted and the relation between the two has been 'elastic' in our society, social mobility today accounts for the emergence of a mixed industrial work force. While in traditional industries this change is slow, one cannot escape noticing it in sophisticated employments such as engineering and metal trades; oil refining and distribution; chemicals and petrochemicals; machine tools and machine building; and

synthetics and in many white-collar occupations. The background of the intermediate and lower cadres in the latter industries is overwhelmingly urban; their level of education is higher. They come from middle or lower middle classes comprising small shopkeepers, petty urban landlords, lower echelons of public service and school teachers and professional groups. They have a pronounced polyglot character.

4.23 The old social barriers are breaking down. It is now common to find the son/daughter of a spinner or a weaver working side by side in a chemical or a pharmaceutical factory with the son/daughter of a person of an earlier generation for whom factory or mill work except in clerical or supervisory categories was taboo. The old distaste among certain groups for manual work is gradually wearing off, because the groups themselves have not retained their separate identity as of old and because jobs are no longer wholly manual. The impact of this change is seen not only at the place of work, but also in homes where earning members have established parity with seniors in the family and seek and reciprocate social calls from colleagues in the place of work. At one time, income levels divided the working class and the middle class; status consciousness was dominant. The sharp line that used to divide the worker from a clerk is now visible no longer.

4.24 Higher skills and educational requirements expected of workers in modern factories and better wage levels consequent on them have tended to blur further the traditional distinctions between manual and non-manual workers. The social and political climate in the country has had its own effect on the process. Against the background of a rising tempo of industrialisation, the society has acquired a better sense of dignity of labour, though some trades like scavenging and tanning where the work is disagreeable still continue to be performed on a hereditary basis and are looked down upon. The demand in their case is that the society should help in making these trades less 'unclean'. Workers, on their part, are shedding their old complexes. Whatever the reasons, there has developed a greater sense of equality among workers *inter se* and also as between the supervisory group on the one hand and workers on the other. In fact, workers in some industrial townships are getting conscious of the distinction shown between workers and other staff in the matter of company transport or medical and recreational facilities. As more and more workers send their

children to school and college, instances where the children of factory workers come out as engineers, doctors, accountants and teachers are on the increase. All these have contributed to a kind of social amalgam.

4.25 The sex composition of workers has shown a change. Women workers, often educated, take to skilled and semi-skilled work in modern factories. In the pre-Independence era, women in the industrial labour force, leaving aside plantations, were mostly confined to the textile industry. They were generally illiterate and they came from the so-called 'labour classes'. Young girls from middle class families, who not so long ago would have shied away at the thought of working in factories, are now taking to factory environment in increasing numbers. Old inhibitions are breaking down, though slowly. In some cases, it is the economic compulsion which makes them take to work, but in several others it is the desire to improve their standard of living and to possess 'extra' goods that drive both husband and wife to work.

4.26 Use of child labour has declined, but it still survives in some employments. Its incidence varies from place to place. It is noticed mostly in agriculture, plantations and shops and in the small-scale and unorganised sectors; it is not entirely absent even in the organised sector of industry. Children are still employed in the mica mines though their proportion to the total now is much less than what it was in 1944-46. The way child labour is used in the unorganised sector is still disturbing. In every case where weavers work with a master-weaver, the weaver has on hand a child of school-going age to help him. The child's education is no concern of his immediate superior, or for that matter, the master-weaver. The children are not the employees of the master-weaver, but they help the employee and collect whatever money they can get from him. In carpet weaving in most parts of the country and in *bidi* industry everywhere, 'catch them young' seems to be the rule.

Aspirations and Attitudes

4.27 A worker today is better aware that learning is essential for improved earning. He is keen about self-education at adult literacy centres and even more keen about the education of his children and their future. He wants them to enter more remunerative avenues which were denied to him because of requirements of skill. And this aspiration is not confined to the urban worker; it has travelled to

rural areas but not to the too distant among them. It is a welcome sign that the worker, along with the rest of the community, is forward looking. Over the last twenty years the aspirations of workers have changed mainly because of the induction of a large number of young workers in the working force. Some of the workers' aspirations are the result of the social consciousness referred to earlier; others have arisen out of what they see around them. The role of political parties and trade unions in making workers conscious about their surroundings has been no less significant.

4.28 It is necessary to view the change in attitude in its different components: the worker's attitude to work; his attitude to the union and the issues connected with his organisation; his attitude to persons with whom he has to come in contact outside his work place; and also his attitude to his employer and the shop-floor superior.

4.29 Attitude to Work.—It is a part of the worker's make-up that he does not generally mind the nature of work that falls to his lot. For instance, a worker in a tannery or in a sewer has to live with the obnoxious odours associated with the work; so has a worker in a steel plant or a deep mine with the temperature to which he is subject. A worker in the weaving shed gets used to the noise and humidity around him. He considers that it is in the nature of the job to put up with such inconvenience; he gets so conditioned to it that it is no serious inconvenience to him any longer. Inter-industry and inter-trade disadvantages in conditions of work, including wage rates, do not usually affect his attitudes. When, however, it comes to a question of conveniences outside the work-place, the worker is certainly anxious to work for a measure of equality.

4.30 Attitude towards Unions.—As stated earlier, a worker today is more politically conscious than before, more articulate in his criticism of the existing order and more sensitive to his conditions and hardships. He has participated in political and constitutional processes of elections. Though it must be said to his credit that by and large he has not reacted violently to the passions of certain local communities based on language, region, caste and religion which have raised their ugly head in recent times in some regions, one need not infer that he has remained untouched by these cross-currents. Workers turn to the union for fulfilment of their aspirations. Their own participation in union activities may be marginal

because of their pre-occupations, but they do not hesitate to avail of the services of their union when in need. When it comes to choosing the union to which they should belong, the consideration at the back of their mind is to support the one which can deliver the 'economic goods.' Thus, cases do occur where workers may differ from the union leader on political issues, but may still vote him to the union office, if they find that he is the right person to bargain with the employer.

4.31 Attitude to Outsiders.—A worker is not too worried whether his leader is an 'outsider' or an 'insider' or what the definition of the terms should be. To him, a person who has the workers' cause at heart is as much an 'insider' as the operative who works on a neighbouring machine. The question is again who can deliver the goods. All he looks for in the leader, therefore, is sympathy for the cause and capacity to put across his grievances to the employer. He is prepared to pay for the services which the union is able to offer. It may be for a cause which is of direct economic interest to him or for welfare activities, but more for the former than the latter.

4.32 Attitude towards Employer.—In considering this issue, we take note of the allegation made by some employers that the worker of today shows a greater measure of defiance to his superiors. This new attitude has been attributed by some to the security that the worker has acquired through favourable legislation. We believe that in all such assessment, one is apt to ignore the general atmosphere that has developed in the country, particularly in its urban part and in the younger generation in the last few years. There is a certain degree of restiveness in the country which is a complex of many factors. It is more acutely felt by those who are at the growing point of change and who have been shaken out of the grooves rather than by those who have remained static. Such tensions will be more noticeable in a worker who has to carry out instructions than in a person who is self-employed. It is accepted that not all his worries are employer-based nor for that matter are the problems which the employer and his officers face all along the line necessarily worker-based. If the raw material is not of the proper standard and spare parts are defective and the supervisory staff helpless in the matter, irritations are caused and indiscipline can result. This is not to suggest, however, that this is also the major cause. There can be certainly cases where one side or the other is directly responsible.

4.33 In understanding the significance of the attitudinal changes in workers to industrial relations, it is important to record the changes on the other side of the bargaining table also. Over the last twenty years, the handling of labour-management relations is getting increasingly professionalised, though this is not to suggest that such professional handling by itself is adequate. Thus, the institution of personnel managers and professionals, though necessary, is not sufficient for industrial harmony. Persons who are drafted for work in these capacities belong socially to the same group to which the union leaders belong. It is possible for the two to establish rapport. It has been the recent practice for them to discuss on a common platform issues which promote industrial harmony. While the views the personnel managers publicly hold about labour are the employers' views, they seek and are expected to emphasise the workers' view-point within the management as an organisation. Their standing in the organisation will naturally depend upon the personality of the members constituting high level management, but by and large, it could be said that they have served as a good link between employers and workers though very often workers have expressed dissatisfaction about the manner in which they have functioned.

4.34 Disputes between employers and workers have been taking a legalistic orientation of late, mainly because of the emphasis on adjudication by industrial tribunals and courts. Added to this is the tendency of employers to go in appeal; recourse to appeals is not entirely unknown among unions either. Employers can engage lawyers and, to match them, unions have persons with legal acumen on their executive. As a result, both get legalistic in their approach. Sometimes litigious attitude on the part of employers and workers creates situations in which the employers gain because implementation of awards is postponed and lose because the disputed issues pending before courts unsettle workers and inhibit them from improving production.

4.35 Social Attitude.—Basically, because the worker has not yet reached a standard which he considers satisfactory, his inclination would be primarily to struggle for his rights, though he need not be unmindful of any public cause. He does require in his own struggle the sympathies of others. His attitude towards the State is conditioned by the attitude of the State to his problems. We discuss these connected issues in a later chapter.

4.36 We now consider in two parts the changes which are taking place in unorganised labour and labour which at present has little or no protection. The former covers labour in small industries. The term 'small industries' is used in a generic sense to connote labour in small industries, casual/contract labour and a host of other categories of urban labour. In the latter we refer, in brief, to rural labour only.

Worker in Small Industry

4.37 In the years since Independence, small industries have been encouraged as a matter of policy. Side by side with this desirable aspect of policy which throws up new entrepreneurship, one also finds many small scale employers who have made labour legislation the main target of attack in public and followed it up by non-observance or evasion in practice. They speak the language of a big employer, use the services of lawyers in the same manner as other employers do, and are prepared to face the wrath of union leaders, knowing well the weakness behind this wrath. Their method is crude splitting of larger units into smaller ones only in name. Signboards dividing a unit in two or more parts even within the same premises are not unusual, particularly in handloom and powerloom factories and small engineering units. An employer who has become an entrepreneur from small beginnings and wants to limit his commitments genuinely to avoid labour legislation and attract facilities meant for the small man may evoke some sympathy; but a deliberate splitting of factories to avoid social or economic legislation falls in a different category. It is in this context that labour conditions in small units have to be viewed.

4.38 One would expect that, by and large, the Factory Inspectorate would be a helpless spectator in cases where the size of the establishment is small. In these cases, other factory legislation is also made ineffective and so would be voluntary instruments which have developed in the last ten years for providing extra-legal relief to workers. Union leaders find the task of organising such workers frustrating. Industrial life in these units, however, goes on without much overt difficulty. A worker who does not like the ways of his employer will try to acquire skills as early as possible and either develop entrepreneurship of his own and quit the labour market, or float on it in his quest for a new employer. The market for skills not being saturated, he finds work. Those who remain have to rely on the employer's benevo-

lence towards them. With the rapid growth of small industries and the difficulty in organising labour, many unfair labour practices, to the disadvantage of labour, thrive. Apart from the easy escapes which the employer seeks, one notices cases of non-implementation of the Payment of Wages Act, 1936, even where it is applicable. In many cases, workers are paid advances by employers in seasonal factories. Because of illiteracy among workers in the early years under review, workers experienced difficulties in understanding how the accounts were settled at the end of the year, but this practice is now on the wane. Statements of this type from union leaders tend to be exaggerated, but the existence of the practice cannot be ignored.

4.39 Labour has taken the employer to a tribunal in several cases. After protracted proceedings in which labour is more likely to be tired out, an award is secured. An employer who believes in denying the benefit to workers and is smarting under an award, which he thinks unjust, places on the award an interpretation more favourable to himself and litigation continues under a different garb. Such protraction of legal relief leads to contracting out of a benefit duly secured and even disowning of the labour leadership which struggled for it. Thus, where no redress is available except through a tribunal, there can be no guarantee that a worker in a small unit will gain even after persuading the tribunal of the reasonableness of his demand.

Rural Labour: Tribal

4.40 The emergence of tribal labour in a sizeable proportion for industrial work is an aspect which is acquiring significance in the country. The process started with the exploitation of forest wealth and minerals like mica, coal, iron ore and manganese towards the end of the last century. It gathered momentum since Independence with the location of factories in what were considered traditional tribal belts and with intensive exploitation of forests and minerals. The first consequence of the changes is 'urbanisation' of tribal areas. The 1961 Census showed a significant increase in the population of towns and cities in these areas. With all the consequences of the type referred to earlier, though on a smaller scale, isolated homogenous 'adivasi' communities which looked to agriculture for sustenance found their lands being acquired for industrial use and a new environment being built with substantial investments flowing in. With such

monetisation in the area, the traditional institution—the tribal panchayat—could help them no longer. Those who still continued to till their lands had to diversify their crops to suit the needs of a growing industrial centre. The tribal youth who managed to get absorbed in non-agricultural employment gradually changed his way of life. This had a multiplier effect. Families uprooted as a result of their lands being acquired for developing industrial complexes were no longer satisfied with the compensation received. They wanted the younger among the members to be absorbed in industrial employment. This demand is reasonable though it adds another dimension to the planning problems of a unit from which entrepreneurs of earlier generations were relatively free. What was a rule in those days has become an exception today. Only a small number of tribals have left the sites acquired for a different use and moved to distant villages where they have settled down as agriculturists and continued their vocation; a larger number, mostly from the younger groups, want a reorientation of their working life.

Rural Labour: Non-Tribal

4.41 Over the years, the profile of the agricultural worker has perceptibly changed. He has been involved in political processes of elections to Panchayats and the highest elected bodies in the country and also in development programmes. He is politically conscious. His children have benefited from the provision for compulsory primary education, though in several cases, the benefit becomes illusory. His aspirations are higher than before; he is responsive to the opportunities for change and development. In areas covered by intensive agricultural development programmes, where the new farm strategy is being put to use with its consequent benefit to the agriculturist, his earnings both in kind and cash show an increase because the wage rates have improved and employment opportunities are available in a fair measure as a consequence of multiple cropping. Agriculture is being organised as an industry and agricultural operations are becoming sophisticated. The increased yield has had its effect on the marketing of the product and the ancillary employment it generates. While some advantages have accrued to labour, its capacity for taking advantage of these new opportunities is limited by its bargaining power and this depends upon a host of factors including land reforms.

4.42 Drift to urban areas continues, especially in the younger among them. Attachment to

land and the rural way of life, so common with the village elders, do not hold the same fascination for the village youth. There is some restlessness, among those who aspire to migrate, about the slow pace of development of non-agricultural work. Landless labour acquires the status of industrial labour through the process now familiar. Workers migrate to the site of a developmental project during its construction phase, having been recruited by the work-contractor either in their village homes or at site, and labour under arduous conditions. On completion of construction or even earlier, several are turned out, but others find employment with the same contractor in building new projects. The fortunate few who secure employment of a permanent nature through this

process of waiting have no regrets over the trials and tribulations they have had to undergo. The security of their job thus assured, they go through the same process of changes as described earlier.

4.43 The beneficiaries of these developments are only a small section of agricultural labour, and that too, near the places where development is taking place or communications are established. Several others who have to stay in areas far away have to depend upon such meagre share of the over-all progress in the country as they can claim. To help them is not so much an aspect of labour policy or programme as of more rapid development of the economy.

CHAPTER 5

PERSPECTIVE FOR DEVELOPMENT

Self sustained growth, rapid industrialisation, emphasis on development of agriculture, rapid rise in the standard of living of the people, maximisation of employment, equality of opportunities, and prevention of concentration of wealth and economic power are the main objectives of the economic and social policy of our country. The production and distribution goals in the successive periods are related to the objectives which flow from the Directive Principles of the Constitution. These latter define the economic and social framework of the society and call upon the State to achieve economic development with social justice. Hence the State, as in any other developing or modern economy, has to play not only an active but a leading role in the development programmes. There is, however, no unique path or a single strategy for development at different stages of growth and differences and alternatives would always exist about the extent of, and instruments by which, market forces may be controlled, guided and directed by the State to achieve the targets and goals of a given phase of development. The democratic process of decision making in the country gives scope for reconciliation of differences and selection of appropriate techniques and strategies. In consequence, planning has to be pragmatic. Apart from the path, however, differences may exist about the particular goals and targets of development set for different periods. This is so, as in the early stages of development there are conflicting needs of production, employment and distribution. An important task of development policy during this phase is a judicious reconciliation of the conflicting goals themselves and, in consequence, of the demands of the rival claimants to the national product. Economic and social policies have, therefore, to be guided throughout by national goals, needs and resources that provide a frame of reference for reconciliation of conflicting demands. Labour policy, like policy in any other field, is and shall continue to be formulated in this larger context and it is this that we have to keep in mind throughout in framing our own approach and recommendations.

Goals of Development

5.1 Economic development and social justice, between them, include a range of components to be pursued to reach the stated goals within

a stated time-span. In our first three plans (1951—1966), the emphasis on different components of development mentioned earlier has changed according to the needs of the situation as also the goals of long-term growth. Within the stated time-span of one plan, the objectives set can be viewed in their combination differently: inter-related or competitive. For instance, without a substantial increase in investment and production, national income will not increase nor can there be a marked improvement in living standards. Building up of the economic and social overheads will be vital to this process, though their immediate results would be somewhat intangible. A simultaneous advance on these lines may mean a better utilisation of the abundant manpower in the country. Provision of adequate employment opportunities thus becomes a complementary objective. It is also possible to view the goals as competitive. A more equitable distribution of income may slow down the rate of growth of savings under certain conditions and consequently the overall growth. Emphasis on basic industries may necessitate capital intensive techniques and, in consequence, make the achievement of the employment goal difficult, at least in the initial stages. Development of relatively backward regions may involve the use of resources in a manner that may not maximise the national output in the short run.

5.2 An important element of conflict is stated to arise even within the same objective if the time-horizon over which the plans are drawn up changes. In the initial stages, the rate of savings has to be stepped up to maximise the future output. This means an adjustment in the needs of the present generation to provide a higher standard for those to come. The problem is then of mobilising larger surpluses from the current low incomes and hence of restraining increases in consumption and the standard of living of the masses. And yet, there can be little doubt that these very masses deserve relief within their life-time. But such arguments that magnify the conflict should not be carried too far. The present will have to live to bring forth the future. Also the present generation too has certain rights, certain inheritances of the past, and these cannot be staked for all times for future benefits. Whatever the way one looks at the problem, planning

would require a judicious harmonisation of various claims in accordance with the democratic aspirations of the people.

5.3 Commitment to planned development has consequences to labour. Planning implies not only foreseeing the manpower requirement and its supplies, but their coordination at various stages of development to avoid any large bottlenecks and surpluses. But, as growth takes place, new skills are required and a developing economy constantly demands higher and higher skills. For this, considerable investments have to be continuously made for the development of human resources; and since these cannot be directly remunerative in a narrow accounting sense of the term, these must come largely from the State. Likewise, considerable investments are required to undertake research for a general technological advance on which depend to a large extent increases in the productivity of labour. These must also come from State resources just as the enterprises, public or private, must allocate funds according to their needs and resources for the development of their technical know-how. From the

view-point of labour, an important task of planning is to find and allocate resources for the development of its skills in accordance with the requirements of the economy and, at the same time, push ahead a technological advance to increase its productivity that is consistent with the clearance of the labour market.

Employment Prospects

5.4 The attainment of fuller employment as a goal is constrained by the structure of the labour force and the pace of its growth in relation to that of the economy. A majority of workers in the country are self-employed, but several of them may prefer wage employment if it is available, while others are already striving for it. The employment market also consists of a fair number of persons who have had wage employment, but are currently unemployed. This backlog apart, substantial additions accrue to the labour force every year by way of new entrants. A recent estimate puts the additions to the labour force between 1961 and 1981 at over 100 millions. Distribution of these in the four quinquennia since 1961 is shown in the table below:—

TABLE 5.1: *Additions to Labour Force (1961-81)*

(Figures in millions)

Year	Size of the labour force	Additions
(1)	(2)	(3)
1961	162.2	..
1966	181.6	19.4
1971	203.4	21.8
1976	231.0	27.6
1981	263.2	32.2
TOTAL for 1961-81		101.0

These estimates are based on the latest calculations made by the Sub-Committee on Population Projections of the Central Statistical Organisation.¹ Even allowing for a margin on either side on the estimated increase in labour force between 1961 and 1981, the employment opportunities to be created in this period to achieve the goal of stabilising unemployment will have to exceed 100 millions. In any case, creation of more than 100 million new employment openings in twenty years is no easy task. Even assuming that with development of agri-

culture, particularly in the current phase of the 'green revolution', a substantial number of the new entrants to the labour force may be absorbed in agriculture, large-scale development of infra-structure and rapid industrialisation would be necessary to create jobs for those seeking employment outside agriculture.

5.5 Table 5.1 reflects only the overall situation. A practical approach would, however, require a State-wise assessment; and the magnitude of the problem may differ from State to State.

¹The data upto 1976 have been accepted as a basis of calculation by technical experts. Though these are capable of improvement, a refinement in these estimates is hardly necessary for illustrating the magnitude of the problem. For the year 1981, the estimate is only a linear extension of the trends upto 1976.

Another peculiarity of our labour force is the preponderance of workers without skills. Even then, unemployment among the educated and technically qualified workers is no less acute than among the illiterate and the unskilled. The educational facilities will be expanded, we presume, on the basis of the recommendations of the Education Commission which reported in 1966. Since one of its recommendations is that education has to be more purposive and has to take into account the needs of development,¹ it is hoped that there will be a better balance between expansion of employment opportunities and out-turn of educated personnel. Even then, it may be anticipated that increasingly the literate and educated workers would form the bulk of employment seekers. This may create its own problems as educated workers are reported traditionally to be averse to agriculture and manual work. With improvements in technology and returns, a change has, however, been gradually taking place in this respect, and if the trend continues, employment in these occupations might attract the literate and the educated equally. The economic as well as the social scales for the valuation of jobs and occupations are undergoing a change. Demarcation between what are known as 'white collar' and 'blue collar' employments is getting blurred. But, unless the economy advances at an adequate rate in different sectors and requires to absorb the growing supplies of skills and local manpower, unemployment may co-exist with shortages. For this reason, planning has to give adequate attention and priority to sectoral and regional balances.

5.7 Resistance for introducing the new forms of technology in developing countries is an accepted fact of life; resistance even for introducing an element of mechanisation in the traditional modes of production is not unknown. While strong words are used by labour about the introduction of computers or anything that restricts the scope of future employment, a fair amount of automation does get introduced with the consent of workers. There is no reason to believe that this process will not continue in the future.

Prospects of Development

5.8 The Fourth Plan 1969-74 is now available but only in draft.² While the pace of growth

will be dictated by the resource availability, as assessed from time to time, we presume that the main components of the plan or its perspective will not undergo a radical change. Between 1967-68 and 1980-81, net domestic product at factor cost is expected to increase by over hundred per cent.³ The Draft Plan claims that, given the determination and well directed and fully coordinated internal effort, it would be possible to achieve this progress.

5.9 The sector-wise growth estimates of the net domestic product, between the years 1967-68 and 1980-81, show that as against a 74 per cent increase in 'agricultural and allied activities', the contribution of 'mining, manufacturing and construction' and 'services' will increase by about 200 per cent and 107 per cent respectively. These projected increases have a bearing on our analysis of the employment situation and the type of labour policy we may have to evolve. If, as is likely, traditional industries will not have the same importance in future as at present and if the modern 'services' sector will acquire a substantial role, labour force required for such changes will be different as compared with the traditional. Industry-wise, it appears that in view of the capacity reached in the machine building industry, its rate of growth will be lower than envisaged earlier. The existing capacity will of course be used more fully than has been possible in the past. Simultaneously, since agriculture will claim and will be given a high priority, industrial inputs for agriculture will acquire relatively greater importance. Chemicals and fertilizers are likely to continue to receive special attention and hence their rate of growth would be necessarily high. Another consequence of it will be the growth of rural incomes and the desire on the part of the rural population to reach urban consumption standards in consumer goods and consumer durables.⁴ This will improve the level of rural consumption and diversify its pattern. To meet such demands, consumer goods industries will have a fair rate of growth. It may mean a continuing increase in employment opportunities in new consumer goods industries or the traditional manufacturing industries. But, depending on gains in productivity, employment would increase at a lower rate than the output of these industries. The urge to have small industries in the rural setting will grow; the cooperatives which have shown interest in this area of industrial activity

¹Report of the Education Commission, pp. 6-7.

²The Draft Plan, in formulating policies for the next five years, has also drawn up a rough perspective upto 1980-81.

³Fourth Five Year Plan 1969-74—Draft, p. 36.

⁴There will be an equally pressing demand on them in the urban areas too.

will rightly push forward their claims against large-scale enterprises. On the whole, the industrial structure would develop, product-wise, a balance in favour of new industries. This would affect the management structure, as discussed later.

5.10 All these changes will have their effect on the infra-structure of development, viz., banking, transport and social services. But how these will ultimately grow will depend upon several other factors which at present are imponderable. Estimates of possible rates of growth for certain sectors as mentioned in the Fourth Five Year Plan 1969—74 (Draft) are given in Annexure. It is in this perspective of growth that we have to view the possible attitudes of the persons who frame labour policy and others who have to live with it.

Effect on Policy

5.11 We presume that the country will continue to be administered as a federal set-up and that 'labour' will remain in the 'Concurrent List'. We will also, as now, have a multi-party democratic complex; the Central and the State Governments may be formed by different political parties. We assume that there will be an adequate measure of tolerance on all sides in the formulation of policies and in creating instruments to work that policy within the constitutional framework. On these premises, we trust that labour policy, or legislative and other arrangements in pursuance of it, will not be such as would make the constituents of the Indian Federation feel that they have difficulties in operating within the confines of the 'Concurrent' jurisdiction. Since Independence, certain healthy conventions have been established in the country by which ministerial consultations take place frequently between the Centre and the States and we expect that these will acquire a new strength even in the changing political context of the future.

5.12 We may also note certain changes in management structure that have a bearing on labour. The entry of the public sector has introduced a new type of management whose approach to labour and personnel problems, though still in the process of being evolved, is distinct from that of the traditional private sector entrepreneurs. In the private sector as well, management is gradually being professionalised, the change being more marked in the enlightened 'family' managements. The increasing measure of professional attitudes in management will obviate many of the current problems associated with the traditional owner-cum-entrepreneur 'family' management, parti-

cularly in respect of recruitment, promotion and in dealing with labour in general. Obviously, this would make its own contribution to promote labour commitment.

5.13 It is not merely a question of an individual manager replacing the entrepreneur who combined in himself the ownership and control of capital. The management structure as a whole would change. The nature and extent of change will depend on the size of the undertaking. In a relatively small unit, there will be scope for the energy and enterprise of individuals. In large enterprises, however, it will be impracticable for an individual to keep abreast of all developments in technology or to assimilate information required for taking decisions. Factors affecting a decision are so many that greater coordination will be required and this can be achieved only through team discussions under which each individual would have specialised knowledge in a particular field. The decision-making power in such an enterprise will pass on from the entrepreneur to a group. In spite of importance being given to medium industries on considerations of employment, areas of production where the enterprise will necessarily be large to reap the economies of scale will be many. The passing of power from the entrepreneur to the management group has important implications for labour.

5.14 Likewise, certain changes are perceptible in regard to the composition of workers, their attitude and commitment. Firstly, workers are becoming increasingly literate and even formally trained. New talent will be required not merely in the tertiary sector, but also in the various commodity production processes. The organisation of social services as infra-structure of development, which has been given a fair amount of importance in the scheme of development in the country, will contribute to greater absorption of non-manual workers in the economy. The upward trend in non-manual employment, both in absolute and relative terms, witnessed in other countries will continue to be experienced in India also. The difference in status between the blue collar and white collar workers will also steadily narrow, because of the improvement in the living and working conditions of manual employees rather than because of the worsening of the position of non-manual employees. A feature of this growth on non-manual employment would be expansion of job opportunities in clerical positions for women. There may be a similar favourable trend for women in teaching jobs in schools. Computerisation of office work will

lead, if not immediately but in due course, to elimination of certain categories of workers—book-keepers, accountants and the like. Simultaneously, specialised workers with new responsibilities like programmers, systems analysts and work study experts will emerge. This would mean a relative change in prescribing the conditions of work which will take into account the needs of blue collar workers.

5.15 The workers of the future will be more prone to get organised and rally round their own internal leadership. This is already so among 'white collar' workers and changes in technology will make their ranks swell in the working class. Secondly, when a union or a federation consists of educated workers, the lines of communication between the rank and file of union members and union organisers, whether insiders or outsiders, are expected to be free from extraneous frictions and biases. This will tend to strengthen not only trade unionism, but will have a healthy impact on labour-management relations. As at present, evidence of closer consultation between the rank and file and their leadership exists in the well organised unions; it is indeed much more than what appears on the surface. The general image, however, still continues to be of the former having little say in the decision making process of a union. Finally, the workers of the future, as they get educated, are likely to be more conscious of the need for taking active interest in the affairs of the community as a whole and being influenced in their outlook by what happens in the community.

5.16 The perspective sought to be outlined above will be conditioned by the attitude of youth to the existing system of labour management relations, the trade unions and the society in general. Experience in some countries seems to suggest inadequate enthusiasm in the present-day younger generation about the benefit which a trade union could give them, and even an actual decline in the proportion of trade union membership in a few countries. To the younger worker who had not seen the depression of the thirties, trade unions do not have a special appeal. Attractions of a better standard of living are reported to be getting stronger. Attendance at union meetings is stated to be better in the middle-age group and it is this group from which the future leadership will get built up. This lack of interest in unions has led to situations which not long ago could have been ignored by unions. A part of this apathy is due to affluence. In a country like ours, with a low standard of living and where the benefits conferred on unions

due to joint action are too recent to be forgotten, such a situation may not arise in the near future. But, with improvement in the levels of living, possibility of development of such trends cannot be ruled out.

Possible Inter-actions

5.17 These developments in the fields of labour and management, along with economic growth and industrialisation, the assertion of egalitarian forces in our democracy, and the increasing role of the State in promoting economic growth and achieving full employment with equitable distribution of income and wealth will no doubt have their effect on labour policy. There is greater evidence of a more meaningful dialogue and understanding on matters of mutual interest between (i) employers and workers, (ii) Government and employers, and (iii) Government and workers:—

(i) We expect that, with a more educated working class which has tasted the fruits of organisation and a more responsive employer, recognition of mutual problems will be possible. Both employers and workers have over the years understood the strength and weakness of third party intervention, as also of the consequences of direct action. When the economy is growing and when arrangements are made for employers and workers to get together on various platforms in the interest of the country's development, conditions for a better rapport between them will be created. In the new industries which will grow, labour costs will form a lower proportion of total costs irrespective of rising wage levels. As a consequence, adjustments in the claims made by labour will raise less difficulties than in the past. The pace of economic transformation cannot be ignored by workers and employers, whether they belong to one sector or the other. The egalitarian urges will operate more effectively on the non-agricultural sectors of employment in the urban social milieu and it is here that the rising expectations of workers will provide a distinct lead to the rest. Organised labour is always considered to be the spearhead of such urges. Though small in number because of the current level of development, it has been influencing the conditions of work of the larger groups of unorganised non-agricultural labour. And this process may gain in strength in the years to come. There is also a danger of extraneous factors, not relevant to the state of industry, entering into industrial relations, particularly in public sector undertakings. At times, major management decisions in the public sector are interpreted by certain workers' organisations to have a political dimension and this vitiates the

vision of workers at large. This may prove to be a passing phase, but the possibility of political or other non-industrial considerations continuing their influence as at present cannot be altogether ruled out.

(ii) In considering the relations between Government and private sector employers, a point of emphasis in the past has been the relative roles of the public and private sectors. The country is already noticing a greater acceptance among private sector employers of the role of the public sector, and yet, there will be occasions when differences may arise on the relative shares of each in future development. Debates on labour policy and its implementation refer only obliquely to such differences. Employers generally tend to look at the concessions which are given to labour, other than through collective bargaining, as impositions on them by Government, more or less of the same type as changes in tax levels, in tariffs, in import entitlements, in incentives for export or in the levels at which prices are controlled. In all these matters, employers do have and will continue to have differences with Government. If they are helpless in changing the course of Governmental decisions in one area, they will seek vulnerable points in the administration of policy in others. And even with the best of intentions and an efficient administration, some areas of policy will continue to have weak spots.

(iii) The understanding between the Government and the unions will be arrived at within the frame of reference settled by the forces of democracy and socialist ideals. But, in reaching this understanding, there is at present a serious lacuna. There is no national organisation of labour without political commitments. With each political group having its labour wing, the central organisations of labour cannot but have their own rigid party attitudes on matters of labour policy and industrial relations. No group, however, can claim that the other which does not go with it is intent on disregarding working class interests. But, even within this framework, the voice of labour will not be less powerful in influencing Governmental decisions pertaining to labour or industry. What has been stated here is just a

prelude for a longer discussion elsewhere in the report on trade unions.

Rural Change

5.18 Over the last decade there has been a fair measure of awakening in rural areas. Their representatives in the legislatures are having a greater leverage in shaping Government policies. The result will be a relatively larger accommodation of the rural view-point in the formulation and implementation of policies in every concerned field. One need not, however, assume that the legislators from rural areas necessarily represent the view-point of agricultural or rural workers. Actually, the latter have still to organise themselves and will have to carry on their struggle on both the economic and the social fronts. Even the strength of organised labour outside agriculture or its voice in decision making at the Governmental level does not by itself assure a fair deal to rural labour. It is envisaged that the rural working class movement in future will have to be given a greater attention than hitherto, and labour leadership, while making their demands for organised industrial labour, will have to reconcile them with the claims and aspirations of agricultural and rural labour.

5.19 In brief, the perspective for industrial relations presents diverse trends—some that give hope and others that give a contrary note. To develop healthy relations, both labour and management will have to exercise great responsibility, mature judgement and deep understanding of the problems of industry. Just as management has got increasing adjustment to egalitarian urges of the community and aspirations of workers, labour has to recognise the needs of industry for raising productivity and reducing costs. The State has to play an active and 'participant' role in bringing about a suitable climate for industrial harmony in which the claims of labour and management are reconciled not only *inter se* but equally with those of the community and the economy. Moreover, labour leadership has to carry with it both the workers in industry as well as those outside it and reconcile their claims.

ANNEXURE

(Ref. Para 5.10)

Requisite Production of Selected Important Commodities : 1967-68 to 1980-81

Commodity	Unit	1967-68	1973-74	1978-79	1980-81
(1)	(2)	(3)	(4)	(5)	(6)
1 Foodgrains	mill. tonnes	95.6	129	155	167
2 Sugarcane (in terms of gur)	mill. tonnes	10	15	20	22
3 Oilseeds	mill. tonnes	8.2	10.5	14	15.2
4 Cotton yarn	thou. tonnes	920	1150	1300	1400
5 Sugar	thou. tonnes	2248	4700	6500	7500
6 Paper and paper board	thou. tonnes	620	960	1350	1600
7 Newsprint	thou. tonnes	30	150	300	350
8 Fertilisers-nitrogenous(N)	thou. tonnes	366	3000	6000	7000
9 Coal	mill. tonnes	68.5	93.5	130	145
10 Petroleum products	mill. tonnes	13.8	26	38	45
11 Electricity generation	thou. mill. kwh.	44	82	145	175
12 Iron ore	mill. tonnes	26	53.4	71	83
13 Cement	mill. tonnes	11.46	18	27	32
14 Finished steel	mill. tonnes	4.15	8.1	12.5	15
15 Alloy and special steel	thou. tonnes	40	270	400	450
16 Aluminium	thou. tonnes	100.4	220	450	500
17 Generators and turbines	million kw.	0.14	2.95	3.7	4.5
18 Machine tools	Rs. million	283	650	1000	1150
19 Commercial vehicles	thou. nos.	30.8	85	150	175

Source : Fourth Five Year Plan 1969-74, pp. 37-38.

CHAPTER 6

OUR APPROACH

Goal Set By The Constitution

Item 2 of our terms of reference requires, *inter alia*, that we should "review the existing legislative and other provisions intended to protect the interests of labour, to assess their working and to advise how far these provisions serve to implement the Directive Principles of State Policy in the Constitution on labour matters and the national objectives of establishing a socialist society and achieving planned economic development". In dealing with this item, we must inquire how far these provisions serve the three-fold purpose indicated above. Have they assisted in the implementation of the Directive Principles in relation to labour matters? Have they assisted the national objectives of establishing a socialist society? And have they assisted the achievement of planned economic development? Our endeavour in what follows will be to answer these questions and to depict the picture of changes which have been lived through not merely by the working class but by the people as a whole against the background of these Directive Principles. We also bear in mind that the recommendations we ultimately make should be so framed as to satisfy the yardstick of the three-fold test prescribed by the said term of reference. That is how the goal by the Constitution assumes relevance and significance.

6.1 It is noteworthy that the provisions of the Constitution which have set the goal for Indian democracy were enunciated, in their broad perspective, by the Indian National Congress at Karachi in 1931. The resolution which was passed at the said session of the Indian National Congress stated that "in order to end the exploitation of the masses, political freedom must include the real economic freedom of the starving millions". The State was to safeguard "the interest of industrial workers", ensuring that "suitable legislation" should secure them a living wage, healthy conditions, limited hours of labour, and protection from "the economic consequences of old age, sickness, and unemployment". Women and children were also to be protected in various ways and accorded special benefits. The State

was to "own or control key industries and services, mineral resources, railways, waterways, shipping and other means of public transport". Another item called for the reform of the systems of land tenure, revenue, and rent.¹ Thus, in a sense, the Directive Principles to which we will presently refer can be traced back to this resolution.

6.2 It would be relevant to recall what Gandhiji thought to be the goal which free India should place before herself. He said:

"I shall strive for a constitution which will release India from all thralldom and patronage and give her, if need be, the right to sin. I shall work for an India in which the poorest shall feel that it is their country in whose making they have an effective voice; an India in which there shall be no high class and low class of people; an India in which all communities shall live in perfect harmony. There can be no room in such an India for the curse of untouchability or the curse of intoxicating drinks and drugs. Women will enjoy the same rights as men... ..All interests not in conflict with the interests of the dumb millions will be scrupulously respected, whether foreign or indigenous. Personally I hate distinction between foreign and indigenous. This is the India of my dreams.....I shall be satisfied with nothing else."²

6.3 This passage eloquently expresses the dream of the Father of the Nation. It breathes his deep humanism, his concern for the poor and the down-trodden, and his nationalism, which was indistinguishable from internationalism. "For me", said Gandhiji, "patriotism is the same as humanity. I am patriotic because I am human and humane. It is not exclusiveI believe in the essential unity of man and, for that matter, of all that lives."³

6.4 Constitutional lawyers sometimes describe a preamble to a constitutional document as a key to its meaning. This description is, we venture to think, substantially applicable to

¹ *The Indian Constitution : Cornerstone of a Nation* Granville Austin. (Clarendon Press, Oxford, 1966), p. 56.

² *Gandhi and Nehru* M. Chalapathi Rau, (Allied Publishers, New Delhi 1967), p. 2.

³ *Ibid*, p. 5-6.

the Preamble of our Constitution. The Preamble, after declaring solemnly that the people of India had resolved to constitute India into a Sovereign Democratic Republic, proceeded to proclaim, *inter alia*, that they had resolved "to secure to all its citizens justice, social, economic and political". Besides, the Preamble proclaims commitment to liberty of thought, expression, belief, faith and worship; equality of status and of opportunity, and determination to promote fraternity assuring the dignity of the individual and the unity of the nation. It would, we think, be no exaggeration to say that in substance this gives the content of the philosophy of the Indian Constitution and describes briefly the goal set by it before the country. What is more relevant for our purpose, however, is the fact that the Preamble recognises the truth of the proposition that political freedom is not an end by itself; it is a means to secure to all citizens social, economic and political justice. In other words, the Preamble commits India to the ideal of converting political democracy established by the Constitution into a social and economic democracy and that also in a democratic way, under the rule of law. This brief but eloquent statement of the philosophy of the Indian Constitution is more concretely described in Parts III and IV. Part III deals with the Fundamental Rights, whereas Part IV deals with the Directive Principles of State Policy (hereafter referred to as the Directive Principles).

6.5 We will first refer to the Directive Principles. They have a direct bearing on our work. When we consider the relevance and validity of the Directive Principles, it is necessary to bear in mind what Dr. Ambedkar stated in the Constituent Assembly when he moved the said Assembly for accepting the draft of the Directive Principles. He said:

"In enacting this part of the Constitution, the Assembly is giving certain directions to the future legislature and the future executive to show in what manner they are to exercise the legislative and the executive power they will have. Surely it is not the intention to introduce in this part these principles as mere pious declarations. It is the intention of the Assembly that in future both the legislature and the executive should not merely pay lip-service to these principles but that they should be made the basis of *all* legislative and executive action that they may be taking hereafter in the matter of the governance of the country."¹

6.6 The Constituent Assembly, in adopting the draft of the Directive Principles presented by Dr. Ambedkar, agreed with this analysis and they expected that whatever Party came to power in future, either in the States or at the Centre, will be committed to the implementation of the philosophy laid down in the principles.

6.7 The Articles contained in Part IV of our Constitution are an amalgam of several subjects which can be broadly classified under four principal groups. One group deals with the general principles of social policy; the second deals with the principles of administrative policy. The third sets out socio-economic rights which constitute a very important section of Part IV and the last contains a statement on the international policy of the Indian Republic. Viewed thus, Part IV can be said to give a broad picture of the progressive philosophy on which the Indian Republic expects to function in social, economic, political and international matters. The Directive Principles read as a whole have in them the running thread which also binds various elements that are often cited as objectives of a socialist society. We now summarise in brief what these Articles have to say. The full text of Part IV of the Constitution is *annexed*.

6.8 Article 36 has operational significance only to the extent that it provides a link between Part III and Part IV. After stating in Article 37 that provisions contained in Part IV shall not be enforceable in any court but the Directive Principles are nevertheless fundamental in the governance of the country, Article 38 provides the general setting for the specific lines of policy in the Articles to follow.

6.9 Articles 39, 41, 42 and 43 have a special relevance to our approach. Clauses (a) to (f) of Article 39 briefly but effectively lay down the basic philosophy of the ideal of democratic socialism which is enshrined in the Preamble and which is the underlying spirit of the Directive Principles. Article 41 recognises, *inter alia*, every citizen's right to work. This reminds one of the revolutionary principle which Fichte (1762—1814), the great social thinker, enunciated. According to him:

"The rights to be protected by the State are: (1) the right to live; (2) the right to work. Without the latter there can be no

¹Constituent Assembly Debates, Vol. VII, p. 476 (Government of India, Delhi). Quoted by Durga Das Basu in *Commentary on the Constitution of India*, Vol. II, Fifth Edn. (S. C. Sarkar & Sons, Private, Ltd., Calcutta, 1965), p. 312.

duty to recognise the property of others. The state has therefore the duty to see:

- (a) That the necessities of life are produced in a quantity proportionate to the number of citizens.
- (b) That every one can satisfy his needs through work."¹

It will be seen that the Indian Constitution does not adopt the extreme view thus propounded by Fichte. It accepts the validity of Fichte's philosophy that the State is bound to provide work to every citizen who is willing and able to work, though it does not correlate this right with the right to property or its absence. Whereas the right to get work is included in the Directive Principles, the right to property is included in the Fundamental Rights. This is consistent with the pragmatic approach which has inspired the provisions of the Indian Constitution. Article 42 requires the State to make provision for securing just and humane conditions of work and for maternity relief. Article 43 imposes upon the State the obligation, *inter alia*, to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities. This Article, in a sense, can be said to be the *Magna Carta* of all workers. Though Article 44, which requires a uniform civil code for the citizens, could be said to have implications for the life of a worker, the content of this Directive Principle appears to be so personal that a discussion on it would be out of place. Article 45, dealing with provision of free and compulsory education for children, has a direct relevance to our inquiry for more reasons than one. If made effective in all its implications, it will have significance for the working masses since education of a worker himself and his dependants is an important ingredient of his standard of living. If, in the process, he is able to take advantage of it personally, it is a necessary component for productivity improvement. But even more important is the significance of the Directive Principle in terms of future labour force. Articles 46 and 47 could be taken as applicable to the community as a whole, though their relevance to labour is obvious. A part of Article 48 is in the same category as Article 40; the remaining is irrelevant to our inquiry. We

do not propose to examine Articles 49, 50 and 51, though Article 50 will be referred to, but only incidentally.

6.10 Having regard to what Dr. Ambedkar stated before the Constituent Assembly when he moved the chapter on Directive Principles, it is hardly necessary to emphasise that though the Directive Principles are not justiciable, they were nevertheless regarded by the founding fathers of the Constitution as fundamental in the governance of the country. To say that these principles are not justiciable merely means that a citizen will not be entitled to go to any of the High Courts or the Supreme Court asking for an appropriate writ, order or direction calling upon the State Government or the Union Government to take active steps to enforce one or more of these Directive Principles. In this respect the Directive Principles differ from the Fundamental Rights. The Fundamental Rights, which are enshrined in Part III of the Constitution, are enforceable and if any citizen feels that any of the Fundamental Rights guaranteed to him by the relevant provisions contained in Part III has been contravened, it is his right to move either the High Court or the Supreme Court, by an appropriate petition, and ask for relief. Not so in the case of the Directive Principles. But that is not to say that the Directive Principles are not fundamental in the governance of the country. In accepting the Directive Principles, the country is committed morally and ethically to see that the governance of the country is carried on with a view to implementing these Directive Principles in course of time.

6.11 It will thus be seen that the scheme of Part IV which deals with the Directive Principles of State Policy has attempted broadly to conform to the concept expressed by Gandhiji as to what, in his view, would be the ideal constitution for a free India. That is why, Jawaharlal Nehru said:

"That service of India means the service of the millions who suffer. It means the ending of poverty and ignorance and disease and inequality of opportunity. The ambition of the greatest man of our generation has been to wipe every tear from every eye. That may be beyond us, but as long as there are tears and suffering, so long our work will not be over."²

¹*Legal Theory*, W. Friedmann (Stevens & Sons Ltd., 1960, Fourth Edn.), pp. 112-113.

²*The Indian Constitution : Cornerstone of a Nation* op. cit., p. 26.

6.12 Before we part with the Directive Principles, we must emphasise the fact that since these are not, like the Fundamental Rights, enforceable by any Court, whenever the State attempts, by legislation or other measures, to implement them, it must have regard for the Fundamental Rights guaranteed by Part III and must function within the framework of those Fundamental Rights. Implementation of the Directive Principles must always attempt the task of reconciling them with the Fundamental Rights. In other words, the Directive Principles cannot adversely affect the Fundamental Rights without conforming to the requirements of the relevant provisions of Part III of the Constitution. It may be legitimate to observe at this stage that when the founding fathers of the Constitution drafted Part III and Part IV, they presumably thought that it would be possible to give effect gradually and by phases to all the Directive Principles without contravening the relevant provisions contained in Part III. That takes us to the question of the Fundamental Rights which have a direct bearing on the task before us.

6.13 A Fundamental Right is a right which is fundamental in character and which is legally enforceable as between citizens and citizens, as well as between citizens and the State. The Fundamental Right of equality before law guaranteed by Article 14 has only an indirect relevance to our inquiry. It provides that the State shall not deny to any person equality before the law or the equal protection of the laws within the territory of India. In other words, wrongful or irrational discrimination cannot be practised either by law or by executive order in relation to industrial matters.

6.14 Article 19 is, however, directly relevant to our inquiry. The scheme of Article 19, consistent with the spirit of the Constitution, is to recognise the fact that the rights guaranteed to every citizen through this Article are not absolute; they can be regulated and controlled, provided conditions specified by Clauses (2) to (6) in respect of the rights, are satisfied. The result of reading Clause (1) of Article 19 with Clauses (2) to (6) thereof is that wherever the conditions prescribed by the latter set of clauses are satisfied, the Fundamental Rights guaranteed by Clause (1) of Article 19 are subject to regulation and control. We illustrate this proposition with reference to the right to form associations or unions. Clause (4) of Article 19 provides that nothing in sub-clause (c) of Clause (1) (relating to freedom of association)

shall affect the operation of any existing law in so far as it imposes, or prevents the State from making any law imposing, reasonable restrictions on the exercise of the right of association, in the interests of the sovereignty and integrity of India or public order or morality. Under Clause (6), the right to practise any profession, or to carry on any occupation, trade or business (sub-clause g of clause 1) can be controlled in relation to a law which the State may make for carrying on by the State itself, or by a corporation owned or controlled by the State, of any trade, business, industry or service, whether to the exclusion, complete or partial, of citizens or otherwise.

6.15 Thus it would be clear that though the Fundamental Rights guaranteed by Article 19(1), along with the other Fundamental Rights enshrined in Part III, constitute the most distinguishing and significant feature of the democratic way of life adopted by India, these rights, it is recognised, can be regulated and controlled under conditions and for reasons specifically enunciated in the relevant Articles themselves. This position has been thus explained by the Supreme Court of India:—

“There cannot be any such thing as absolute or uncontrolled liberty wholly freed from restraint, for that would lead to anarchy and disorder. ...Ordinarily every man has the liberty to order his life as he pleases, to say what he will, to go where he will, to follow any trade, occupation or calling at his pleasure and to do any other thing which he can lawfully do without let or hindrance by any other person. On the other hand, for the very protection of these liberties the society must arm itself with certain powers. ...What the Constitution, therefore, attempts to do in declaring the rights of the people is to strike a balance between individual liberty and social control.”¹

6.16 We have indicated that the restriction or regulation of Fundamental Rights has to be reasonable and must be justified by the conditions prescribed in Clauses (2) to (6) of Article 19. The decision on the question as to whether any restriction of Fundamental Rights is reasonable or not often presents difficulties. The Supreme Court of India has observed:

“It is important in this context to bear in mind that the test of reasonableness, wherever prescribed, should be applied to each individual statute impugned, and no abstract standard, or general pattern of reasonableness can

¹*Gopalan v. State of Madras* (1950) S. C. R. 88.

be laid down as applicable to all cases..... In evaluating such elusive factors and forming their own conception of what is reasonable, in all the circumstances of a given case, it is inevitable that the social philosophy and the scale of values of the judges participating in the decision should play an important part, and the limit to their interference with legislative judgement in such cases can only be dictated by their sense of responsibility and self-restraint and the sobering reflection that the Constitution is meant not only for people of their way of thinking but for all, and the majority of the elected representatives of the people have, in authorising the imposition of the restrictions, considered them to be reasonable."¹

6.17 The other Fundamental Rights which have a bearing on our inquiry are:

"23(1) Traffic in human beings and *begar* and other similar forms of forced labour are prohibited and any contravention of this provision shall be an offence punishable in accordance with law.

(2) Nothing in this article shall prevent the State from imposing compulsory service for public purposes, and in imposing such service the State shall not make any discrimination on grounds only of religion, race, caste or class or any of them.

24. No child below the age of fourteen years shall be employed to work in any factory or mine or engaged in any other hazardous employment".

6.18 As we have already indicated, when the Constitution was drafted, it was thought that the Directive Principles enshrined in Part IV could be implemented, though gradually, without offending the scheme of Fundamental Rights enshrined in Part III. Subsequent history, however, shows that the Parliament realised that in giving effect to the Directive Principles it was necessary to amend some of the provisions of Part III relating to Fundamental Rights and it accordingly exercised its power to amend the Constitution. Between 1950 and 1967, as many as 17 constitutional amendments were made for the purpose of giving effect to the principles of social and economic justice. The validity of these amendments was challenged before the Supreme Court on three occasions. On the first occasion, *Sankari Prasad Singh Deo v. Union of*

India,² as well as on the second occasion, *Sajjan Singh v. State of Rajasthan*³, the Court upheld the power of the Parliament to amend part III of the Constitution under Article 368 and rejected the challenge to the validity of the impugned constitutional amendments. In *Golak Nath v. State of Punjab*⁴, however, the same question was considered by a Bench of 11 Judges, and by a majority of 6:5 it has been held that Article 368 does not confer on the Parliament the power to amend the Constitution so as to affect the Fundamental Rights guaranteed by Part III. Even so, the Court did not strike down any of the amendments already made, but made its judgment, in a sense, prospective in operation. We are, however, not concerned with this controversy.

6.19 We now seek to answer the questions which we posed for ourselves in the opening paragraph. For convenience of discussion, the various elements of the Directive Principles could be grouped under separate heads. Articles 39 (a), part of Article 41 and part of Article 46 have a direct relationship to problems of employment and unemployment. Article 39 (a) suggests a possible existence of discrimination between men and women. This is more directly referred to in Article 39 (d) also. Guarding against exploitation is covered under Article 39 (b), (c), (e) and (f) though shades of it are discernible in Articles 42, 43 and 46. Articles 40, 48 and part of 46 could be discussed together and so can Articles 43 and 47. Of these, Articles 39(b) and (c) are on a different footing and merit separate treatment.

6.20 Since a fuller discussion of the employment problem appears elsewhere in the report, it would be enough to state only the conclusions. The developmental effort so far has not been adequate to contain within limits the volume of unemployment in the country. And what is more, if a view of the future is taken on the basis of past experience, the economy does not seem to hold out a brighter prospect in this regard. Reading Article 39 (a) with the obligations cast by Article 46, the effect would be to highlight the inadequacy further. Since Independence, the trends of employment among women are reported to be discouraging, though there is evidence to suggest that new avenues of employment are opening up for them.

6.21. Article 39(d) suggests a move in the direction of equal pay for men and women for

¹*State of Madras v. V. G. Row* (1952) S. G. R. 597 p. 607.

²(1952) S. G. R. 89.

³(1965) 1 S. G. R. 933.

⁴(1267) A.I.R.S.C. 1643.

work of equal value. The progress in the implementation of this Directive Principle could be described in the words of the memorandum sent to us by the All India Women's Conference:

"Legally, there is a slow and sure march towards non-discrimination in pay. The Government of India has ratified the ILO Convention on Equal Remuneration for Men and Women workers for work of equal value. Earlier still, this principle of non-discrimination was incorporated in the Constitution of India as a Directive Principle of State Policy. The States, accordingly, have made some headway in this direction".

While stating fairly what has been achieved, the memorandum brought to our notice cases of different wage rates fixed for men and women for the same type of work, though such differences, as there are, cannot be accounted for fully on the basis of the amount of work involved. Other evidence before us corroborates the statement of the AIWC.

6.22 Articles 39(c) and (f) and Articles 42, 43 and 46 could be discussed together, though the 'abuse' indicated in Article 39(c) and 'exploitation' in Article 39(f) could be wider, in their social content, than Articles 42 and 43 which have specific relevance only to the working class and Article 46 which specifies certain sections of the community only. In dealing with item (3) of our terms of reference, the progress made in the implementation of Article 42 and Articles 43 and 47 will necessarily be reviewed. Article 39(e) again could partly be covered in the sections on Labour Legislation and Labour Administration, but this will not bring out cases where there is no wage-paid employment and where a self-employed man uses his family because of economic necessity. We do not propose to cover that part of economic activity since it is outside our terms of reference.

6.23 Article 45 stands on a separate footing. Deep shades of it are seen in Article 46, but its lighter ones are discernible, as pointed out earlier, in many other Directive Principles also. Since this has been a subject on which another Commission has recently reported, we do not propose to comment on the subject.

6.24 In discussing developments consequent on Articles 39(b) and 39(c), the steps taken by Government in three plan periods (1951-66) to see that (a) the fruits of economic development are widely distributed and (b) the problem of concentration of economic power is tackled, may be briefly recounted. By way of

preface, four developments during the period 1951-1956 require a mention: (i) control over industries through the Industries Development and Regulations Act, 1951, (ii) conversion of the Imperial Bank into the State Bank of India, (iii) nationalisation of life insurance, and (iv) detailed regulation of managerial behaviour of persons in charge of companies through the Company's Act, 1956. The change in emphasis in the Industrial Policy Resolution 1956 as compared to the 1948 Resolution also is an important landmark. The development of the public sector in consequence of the two resolutions on industrial policy and its growth since 1951, perhaps more particularly since 1956, was expected to be another important instrument used for avoiding concentration of economic power. But apart from the growth of the public sector, important industries which are privately owned are subjected to State regulations through control of production, prices, distribution policies and even in terms of industrial location. In the laying down of policies and in creating the machinery in fulfilment of Article 39(b) and (c), therefore, the country seems to have made some progress. It is the unsatisfactory working of these instrumentalities that has caused a measure of public concern.

6.25 We recognise the argument that steps of the type enumerated above can be negative in character. With these measures also go the more positive inducements given to small industries through the State Finance Corporations, the National Small Industries Corporation, the technical facilities made available through Small Industries Service Institutes and various boards set up for small industries. However inadequate these may seem, they are expected to restore a balance in economic power over a period of years. In terms of resource availabilities, the financial institutions which can be utilised by the bigger entrepreneurs are incomparably richer than those which help the small man and may go counter to the steps taken to avoid concentration. We do not refer to other aspects of concentration since they have been under limelight because of the inquiries undertaken by the Commissions and Committees appointed by the Government during the current decade.

6.26 As we part with the essentially urban component of concentration, and that too in its relation to employing interests, it would be only fair to state that in the last twenty years there have been some occasions when sections of workers, because of their organised strength, have exercised their will in naming the price at which alone a bargain could be struck. Such

incidents, as have taken place, have attracted public notice because some of them affected public utilities.

6.27 The above is a brief evaluation of the effectiveness of the steps and measures taken in respect of implementation of some of the Directive Principles. If, however, the entire set of Articles contained in Part IV of the Constitution are considered together, a major step towards their implementation has been the advent of planning and the developmental policy which has guided the country's successive Five Year Plans. The motivation behind Indian planning is essentially derived from the motivation to implement the Directive Principles since they form a charter on which the Planning Commission works.¹

6.28 Notwithstanding the deficiencies in effort and shortfalls in performance, the basic aim of development policy has been to raise the levels of output and employment in different sectors of the economy. The processes of planning have by and large been devised keeping in view specifically 'that the ownership and control of the material resources of the community are so distributed as best to subserve the common good'. This has equally been the intention in evolving the infra-structure and the institutional set-up for the benefit of the community. To the extent possible the accent has been on the simultaneous development of large scale industries and medium and small scale industries as well as agriculture and allied activities. The recognised purpose of policy and the machinery developed therefore in regard to the small-scale sector and agriculture has been to provide an increasing volume of institutional, financial and other assistance to the operating units in the sector and also to provide them with direct assistance from the State.

6.29 In substance, while the developmental effort has been directed at improving the existing levels of incomes in the community, the fiscal policies of the Government, many shortcomings associated with them notwithstanding, have been operating in the direction of a reduction in the disparity in incomes after tax. Within the urban sector, the tax structure is expected to show the earnestness of the community in its egalitarian urges. In the urban-rural equation, agricultural income, as is well known, is not subject to the Central income-tax, and wherever taxed by the State, is subject to

much lower rates. This policy can be said to have in it the elements of a progressive improvement in rural-urban balance. Irrespective of the qualitative aspects of the working of these arrangements, and they have indeed a significant place in any assessment, it could be said that, in a considerable measure, the process of planned development and the fiscal policies pursued concurrently with this process have constituted a definite move towards reaching the objectives set by the Directive Principles.

6.30 The goal set by the Constitution is thus clear; and the path which we have to follow in achieving that goal is also clear. We have seen how far it has been possible to move towards it in the limited period of twenty years. India has to follow the democratic method and make an earnest endeavour to secure for every citizen social and economic justice by the rule of law. In doing so, the philosophy underlying the Directive Principles has to be reconciled with the philosophy of Fundamental Rights.

6.31 In dealing with our problem we must, therefore, bear in mind the goal set by the Constitution and must adopt an approach which will seek rationally to reconcile conflicting and competing claims. An attempt to evolve a rational synthesis between these two philosophies, even when they seem apparently to conflict with each other, has to be made by the State when it seeks to implement the Directive Principles. As Vera M. Dean has observed:

"...The most notable characteristic in every field of Indian activity.....is the constant attempt to reconcile conflicting views or actions, to discover a workable compromise, to avoid seeing the human situation in terms of all black or all white."²

6.32 According to Granville Austin:

"The Indian Constitution is first and foremost a social document. The majority of its provisions are either directly aimed at furthering the goals of the social revolution or attempt to foster this revolution by establishing the conditions necessary for its achievement. Yet despite the permeation of the entire constitution by the aim of national renaissance, the core of the commitment to the social revolution lies in Parts III and IV, in the Fundamental

¹The link between the initiation of the planning process and the Directive Principles will be clear from the terms of reference of the Planning Commission. Article 38 of the Constitution and parts (a), (b) and (c) of Article 39 form the Preamble of the terms of reference of the Planning Commission.

²*New Patterns of Democracy*, Vera M. Dean (Oxford University Press, Bombay, 1959), p. 2.

Rights and in the Directive Principles of State Policy. These are the conscience of the Constitution".

6.33 The philosophy which has guided our actions in the last fifty years has been that while the goal is important, the means to achieve it are equally so. This has been the teaching of the 'Father of the Nation'. The goal is set by the Directive Principles of the Constitution; the means to reach it are set by attempting to harmonise the seeming conflicts one encounters on the way to the goal in a democratic way. It is this approach we have to adopt in dealing with the task entrusted to us.

Quest for Industrial Harmony

6.34 In the first section of this Chapter we have indicated our approach in the light of item (2) of our terms of reference. In this part we propose to set out our approach in the light of items (1), (3) and (4) of the said terms. By (1) we are required to review the changes in conditions of labour since Independence and to report on existing conditions of labour. The third term of reference requires us to study and report in particular on seven topics set out in clauses (i) to (vii) thereof and item (4) requires us to make recommendations on matters connected with our inquiry. Our approach throughout has to be inspired by a quest for industrial harmony.

6.35. "Peace in Industry", said the First Five Year Plan, "has a great significance as a force for world peace if we consider the wider implications of the question. The answer to class-antagonisms and world conflicts will arrive soon if we succeed in discovering a sound basis for human relations in industry. Economic progress is also bound up with industrial peace. Industrial relations are, therefore, not a matter between employers and employees alone, but a vital concern of the community which may be expressed in measures for the protection of its larger interests".²

6.36 "Industrial Peace" and "Industrial Harmony" may have the same meaning; but we are inclined to think that the concept of industrial peace is somewhat negative and restrictive. It emphasises absence of strife and struggle. The concept of industrial harmony

is positive and comprehensive and it postulates the existence of understanding, cooperation and a sense of partnership between the employers and the employees. That is why we prefer to describe our approach as one in quest of industrial harmony.

6.37 A quest for industrial harmony is indispensable when a country plans to make economic progress. It may sound platitudinous but it is nevertheless true that no nation can hope to survive in the modern technological age, much less become strong, great and prosperous, unless it is wedded to industrial development and technological advance. Economic progress is bound up with industrial harmony for the simple reason that industrial harmony inevitably leads to more cooperation between employers and employees, which results in more productivity and thereby contributes to all-round prosperity of the country. Healthy industrial relations, on which industrial harmony is founded, cannot therefore be regarded as a matter in which only the employers and employees are concerned; it is of vital significance to the community as a whole. That is how the concept of industrial harmony involves the cooperation not only of the employers and the employees, but also of the community at large. This cooperation stipulates that employees and employers recognise that though they are fully justified in safeguarding their respective rights and interests, they must also bear in mind the interests of the community. In other words, both employers and employees should recognise that as citizens they ought not to forget the interests of the community. If this be the true scope of the concept of industrial harmony, it follows that industrial harmony should and ought to emphasise the importance of raising productivity, because the resulting accelerated rate of growth will lead to the good of the community as a whole. That, we consider, is the true significance of the doctrine of industrial harmony in its three-dimensional aspect.

6.38 It is plain that in order to create a proper climate for industrial harmony and to cultivate proper attitudes in the minds of the employees and the employers alike, it is essential that employees must be well organised and trade unionism must become strong. Employers must be progressive and must recognise whole-heartedly the validity of the doctrine that they and their employees are partners in

¹The Indian Constitution: Cornerstone of a Nation, *op. cit.*, p. 50.

²First Five Year Plan, p. 572.

the adventure of the growth of the industrial life of the country. The history of the trade union movement in the world shows that healthy and proper attitudes are not easily born and the trade union movement does not become strong without resistance from the employers, and such resistance leads to a long and bitter strife. Quest for industrial harmony has thus been sometimes stalled or delayed or frustrated by struggles between the employers and the employees. Before we deal with the history of this part of India's quest for industrial harmony, let us refer briefly to foreign experience in this matter.

6.39 In the U.S.A., the trade union movement had its trials and tribulations before it came to be accepted, first as a necessary evil, and later, as an essential element of the democratic system. In the early stages, employers used every weapon in their armoury, legal as well as illegal, to put down trade unionism. During the best part of the nineteenth century, employers took action against unions under the English Common Law of Conspiracy, which was applicable in the U.S.A. As a result of the opposition of the employees, which took the form of lock-outs and black lists, workers were compelled to meet secretly and to organise a type of organisation, complete with ritual, sign grips, pass words, etc., so that "no spy of the boss can find his way into the lodge room to betray his fellows". Thus came into existence the Order of Knights of labour exactly one hundred years ago. Soon thereafter, the employers found a more effective means of dealing with unions by securing court injunctions. These injunctions acted as a source of terror to unions. Another step which the American employers took to obstruct trade unionism was the doctrine of the "yellow-dog contracts". Black lists of union members were maintained and such workers were weeded out. It was only in 1932, under the Norris La Guardia Act, that "yellow-dog contracts" were declared illegal and heavy restrictions were placed on the right of the courts to grant injunctions. Full freedom of action for collective bargaining, however, was not gained by labour until the enactment of the National Labour Relations Act, 1935, popularly known as the Wagner Act.

6.40 In the U.K., the position was no different. Formation of trade unions was prohibited under the Combination Acts of 1799 and

1800. Even after the repeal of these Combination Acts in 1825, though combination of workers was permitted, in practice it was almost impossible to conduct a lawful strike. It was not until 1871, when the Trade Unions Act was passed, that the unions were fully recognised as lawful bodies, with the right to sue and be sued in courts. Their actions were no longer to be regarded as conspiracy by the courts. But the Taff Vale case of 1901, in which a trade union was required to pay damage of £23,000 for inducing black legs not to work for the Railway Company brought out an important lacuna in the trade union law. The Trade Disputes Act, 1906, had therefore to be passed to give complete immunity to trade unions against action for damages. Whilst the Combination Acts of 1799 and 1800 were in operation, any attempts made by trade unionists to bargain for better terms of employment were treated as acts of criminal conspiracy and dealt with severely by the courts. That is how even in the U.K., trade unions had to go through the baptism of fire before they attained the status of respectability.

6.41 In Australia, "once the law, in the earlier part of the 19th century permitted an existence to voluntary associations of workmen, and proceeded later to clothe that permission in an attitude of favour and actual approval, the story can be said to have followed, fairly consistently, a pattern of expansion and gathering strength".¹

6.42 So far as the early experience of trade unionism in India is concerned, we will refer to two instances almost contemporaneous but in different parts of the country. In 1918, Gandhiji was invited by the ardent social worker and labour leader, Miss Anasuyabehn Sarabhai, to help the cause of workmen in Ahmedabad. In a sense, the foundations of trade unionism in Ahmedabad were laid in that year. "It all started with the contemplated abolition or reduction of the 'plague' bonus towards the end of 1917, when the workers demanded a 50 per cent increase in wages as dearness (cost of living) allowance. The workers' leader was Miss Anasuyabehn Sarabhai, a social worker and sister of Ambalal Sarabhai, Chairman of the Millowners' Association. An Arbitration Board consisting of Mahatma Gandhi, Vallabhai Patel, and Shankarlal Banker on behalf of workers and of three millowners led by Ambalal Sarabhai on

¹Trade Unionism in Australia, Orwell De R. Foenander, p. 5.

behalf of employers, with the Collector as Umpire, was set up".¹ It appears that some workers went on strike without waiting for the functioning of the Arbitration Board and in consequence the employers pleaded that they were no longer bound by the agreement to arbitrate and that unless the workers accepted a 20 per cent increase in wages and returned to work, they would dismiss all workers. To a suggestion by Shankarlal Banker that a larger increase in wages be given, the Millowners were completely outspoken. They said:

"He assumes that mills are run out of love for humanity and as a matter of philanthropy, that their aim is to raise the conditions of the workers to the same level as that of the employers. His approach is wrong. In reality mills are privately owned and are run with no other motive than to make profit..... The employment of labour and conditions of employment are determined purely on the basis of supply and demand. Mr. Banker's approach is impossible, unachievable, visionary and utopian. It is not practical for this world, for our country and for this city."²

6.43 We do not propose to follow the further developments in this controversy except to say that the dispute was amicably settled at the intervention of Gandhiji and, in the result, the Ahmedabad Textile Labour Association was born. It is common ground that this Association can legitimately take a place of pride among the trade unions in the country; it is also common ground that industrial employers of Ahmedabad have, under the impact of Gandhiji's influence, developed, on the whole, a responsive and progressive attitude of co-operation towards trade unions.

6.44 A similar development took place in Madras when the Madras Labour Union was formed under the leadership of B.P. Wadia on the 27th April, 1918. The birth of this union was the result of the hardships which the employees had to suffer in the Buckingham and Carnatic Mills, and which ultimately led to a strike. After Wadia helped to form the union, it appears that the Governor of Madras sent for him on May, 18, 1918 and expressed disapproval of his line of work. Wadia, however, stoutly replied that he could not discontinue his activities.³

6.45 In October, 1920, there was again trouble in the Buckingham Mills over the

passing over of the claims of a side jobber for promotion. As a result of the trouble, the management instituted a campaign of dismissals and about 50 men were dismissed in a few days. In consequence, the weaving master was confined to his room and his revolver was snatched away by the workers. Immediately after this incident, the management declared a lock-out "in view of the assault on the weaving master and the general turbulent attitude of the work people". The union held meetings every day and appointed a 'lock-out committee' with Wadia as President to take measures to defeat the employers. About a month after the lock-out, Messrs. Binny and Co. filed a suit against Wadia and the other members of the lock-out committee "for interfering with the work people and dissuading them from working and thereby causing serious loss to the Company" and claimed damages to the extent of Rs. 75,000. They also applied for an interim injunction against the defendants, which was granted until the disposal of the civil suit. Later, other important persons intervened and the matter was settled.⁴ But this incident shows that the approach of the employers both at Ahmedabad and in Madras in the first quarter of this century was similar to the approach of the employers in other countries in the early stages of development of the trade union movement.

6.46 The institution of legal proceedings against Wadia in 1920 gave rise to agitation by the political leadership in India, as well as by the British Labour Party, in which a demand was made for legislation of trade unions and their activities. The formation of the ILO in 1919, the active interest taken by the nationalist movement in the organisation of the working class, and the founding of the AITUC in 1920, also helped the process. The result was the Indian Trade Unions Act, 1926.

6.47 With the passing of the Trade Unions Act in 1926, India's quest for industrial harmony can be said to have commenced, somewhat inarticulately, but in a democratic way. As a result of the Act, the fundamental right of freedom of association was impliedly recognised and in that sense organised trade union movement assumed legitimacy. Even so, the Common Law principles still prevailed and the officers of unions were liable to civil actions in damages for infringing contractual rights and obligations and for causing interference in the

¹ *Labour-Management Relations in India* K. N. Subramanian, (Asia Publishing House, Bombay, 1967) p. 53.

² *Ibid.*

³ *Ibid.*, pp. 37-38.

⁴ *Ibid.*, p. 41.

employers' right to carry on free trade and business. Sometimes they were also exposed to the risk of criminal proceedings and punishments for concerted action. The Trade Disputes Act of 1929 contained special provisions regarding strikes in public utility services and general strikes affecting the community as a whole. The main purpose of the Act, however, was to provide a conciliation machinery to bring about peaceful settlement of industrial disputes. The Whitley Commission has made the perceptive observation that the attempt to deal with unrest must begin rather with the creation of an atmosphere unfavourable to disputes than with machinery for their settlement.¹

6.48 The next stage in the development of industrial law in this country was taken under the stress of the emergency caused by the Second World War. Rule 81-A of the Defence of India Rules was intended to provide speedy remedies for industrial disputes by referring them compulsorily to conciliation or adjudication, by making the awards legally binding on the parties, and by prohibiting strikes or lock-outs during the pendency of conciliation or adjudication proceedings and for two months thereafter. This rule also put a blanket ban on strikes which did not arise out of genuine trade disputes.

6.49 With the termination of the Second World War, Rule 81-A was about to lapse on 1st October, 1946, but it was kept alive by issuing an Ordinance in the exercise of the Government's Emergency Powers. Then followed the Industrial Disputes Act, 1947. The provisions of this Act, as amended from time to time, have furnished the basis on which industrial jurisprudence in this country is founded. Meanwhile, in 1946, the Industrial Employment (Standing Orders) Act was passed, because it was thought expedient to require employers in industrial establishments to define with sufficient precision the conditions of employment under them and to make the said conditions known to workmen employed by them. These statutes can be said broadly to constitute the foundation on which India purported to guide her quest for industrial harmony.

6.50 Then came the Constitution in 1950; its relevant provisions which we have referred to in the last Chapter, made more articulate and clear the industrial relations philosophy of

the Republic of India. This philosophy has afforded the broad and clear guide-lines for the development of our industrial jurisprudence and has thus taken India one step forward in her quest for industrial harmony.

6.51 As the work on the Constitution was in progress, industrial adjudication also started its course. It has played a major role since in giving a more concrete shape to our progress towards the goal set by the Constitution. The Supreme Court also had occasion to shape industrial jurisprudence when matters were taken to it under Article 136 of the Constitution or otherwise. Three decisions, one of the Federal Court and two of the Supreme Court, can be regarded as constituting landmarks in this regard.

6.52 The first decision was pronounced prior to 1950 after India had become free on 15th August, 1947. In *Western India Automobile Association v. Industrial Tribunal, Bombay*,² the powers of industrial adjudication were authoritatively enunciated. The main question which was raised before the Federal Court was whether the industrial tribunals could direct reinstatement of an employee dismissed by his employer; and in support of the challenge to the authority of the industrial tribunal to direct reinstatement, reliance was placed upon the principles of Common Law and the provisions of the Contract Act relating to master and servant. "Adjudication", said the Federal Court in rejecting the challenge, "does not, in our opinion, mean adjudication according to the strict law of master and servant. The award of the tribunal may contain provisions for settlement of a dispute which no Court could order if it was bound by ordinary law, but the tribunal is not fettered in any way by these limitations". This judgement quoted with approval the observation of Ludwig Teller that industrial arbitration may involve the extension of an existing agreement or making of a new one. Thus the powers of industrial tribunals functioning under the relevant provisions of the Industrial Disputes Act, 1947, were clearly and unequivocally enunciated by this judgement.

6.53 After the Constitution was passed, a question arose before the Supreme Court whether under Article 136 of the Constitution the Court would be justified in interfering with awards made by industrial tribunals. In *Bharat Bank v. Employees of Bharat Bank*,³ the

¹Report of the Royal Commission on Labour, p. 11.

²1949 F.C. R. 321.

³(1950) S. C. R. 459.

majority judgement held that the awards made by the industrial tribunals are subject to appeal to the Supreme Court under Article 136 of the Constitution. It is as a result of this decision that the Supreme Court subsequently entered the arena of industrial adjudication and evolved the philosophy enunciating the guidelines of industrial jurisprudence. This judgement is, therefore, another landmark in the history of India's quest for industrial harmony.

6.54 In 1955 another significant judgement was delivered by the Supreme Court: *Bijay Cotton Mills Ltd. v. State of Ajmer*¹. In that case the validity of the material and operative provisions of the Minimum Wages Act, 1948 was challenged on the ground that they contravened the fundamental rights of the employers. The Court conceded that the effect of the operation of the impugned provisions of the Act was no doubt to curtail the freedom of contract guaranteed by Article 19 of the Constitution. Even so, the Court rejected the plea that the said provisions were *ultra vires*, because in the opinion of the Court the restrictions imposed on the freedom of contract of the employer were reasonable and had been imposed in the interest of the general public. As such they were protected by the terms of Clause (6) of Article 19. As a result of this decision, subsequent decisions by industrial tribunals and the Supreme Court have held that the employer is bound to pay a minimum wage and in imposing upon him the liability to pay a minimum wage, the question about his capacity to pay is totally irrelevant.

6.55 It is on these lines that adjudication has attempted to assist the process of evolving new concepts and ideas which should regulate industrial relations and help the establishment of industrial harmony in the economic life of India.

6.56 The growth of industrial jurisprudence in India subsequent to 1950 bears close resemblance to the growth of Constitutional Law in relation to the Fundamental Rights guaranteed to the citizens. In cases where citizens complain against the invasion of their Fundamental Rights either by legislative enactments or by executive acts, the Supreme Court always attempts to find out whether in fact any particular Fundamental Right has been invaded and, if the answer is in the affirmative, the Court considers whether the invasion is reasonable and is justified by any of the provi-

sions contained in Clauses (2) to (6) of Article 19. The process of deciding these difficult and delicate questions is not easy. But judicial decisions always make an earnest endeavour to evolve a rational synthesis between the individual rights and public good. That, briefly, can be said to be the basic approach adopted by judicial decisions in dealing with the problem of the invasion of Fundamental Rights.

6.57 Industrial jurisprudence, likewise, seeks to evolve a rational synthesis between the conflicting claims of the employers and the employees. Leaving aside the case of minimum wages which the employer must pay, in the matter of other wages higher than the category of the minimum wages, and in regard to other matters which come under the category of industrial disputes, industrial jurisprudence does and should always try to examine the merits of the rival contentions and seek to resolve the conflict by evolving solutions which do no injustice to the employers and fully meet the employees' legitimate claims. In finding out solutions to industrial disputes great care is always taken, as it ought to be, to see that the settlement of industrial disputes does not go against the interests of the community as a whole. In the decision of major industrial disputes, three factors are thus involved. The interests of the employees which have received constitutional guarantees under the Directive Principles, the interests of the employers which have received a guarantee under Article 19 and other Articles of Part III, and the interests of the community at large which are so important in a Welfare State. It is on these lines that industrial jurisprudence has developed during the last two decades in India.

6.58 Industrial disputes take many forms. They relate to all terms and conditions of employment including wages, working conditions and hours of work, as also to matters like recognition of a union. Sometimes disputes centre round issues which are both economic and political. A study of the disputes which disturbed industrial peace in India during the last two decades would show that though on a majority of occasions industrial disputes were based on claims pertaining to the terms and conditions of employment, sometimes economic issues of a general character dominated and on occasions purely political motives.

6.59 How does India seek to solve the problems of these disputes? The classical theory

¹A. I. R. 1955 S. C. 33.

of industrial relations which has developed in Britain in the 19th century embodied three basic concepts: (1) the right of workers and employers to combine in trade unions; (2) to right to bargain collectively; and (3) the right to strike or lockout.¹ This, in substance, accords with the theory propounded by the Webbs in their *Industrial Democracy* as early as 1897.

6.60 "In socialist countries, on the other hand, the role of the union has been to advance the interest of its members by supporting the State of which it is an organic part and which is inseparable from the workers who belong to the union. Thus to strike would be to strike against the interest of the workers, who comprise the State and own the means of production. To strike against oneself is clearly a logical stupidity and therefore it is not admissible conduct for a rational person."²

6.61 Since India is committed to create a new social order based on social equality and economic justice according to the rule of law in a democratic way, we have to face the question as to the relevance and validity of the right of the employees to go on strike and the right of the employers to lock-out the employees. One view is that collective bargaining without the intervention of a third agency will alone lead to a healthy development of the trade union movement and will, in the end, be conducive to the growth of industrial harmony. Advocates of this view do not appreciate the part which adjudication has played in the matter of evolving norms of industrial conduct and concepts and ideas governing industrial relations. In fact, some of them contend that the tendency to lean on adjudication which has been encouraged by the references made under section 10(1)(a) of the Industrial Disputes Act, 1947, has done more harm than good to the growth of trade unionism in this country. They suggest that if adjudication were to be the only method to resolve industrial disputes, it would in due course convert the trade union movement into a movement of lawyers, leaving little scope to dedicated trade union workers.

6.62 In its Memorandum, the All India Trade Union Congress (AITUC) has supported this view very strongly. It says:

".....We insist that there must be a fundamental right to have the union recognised

by the employers, to have the right of collective bargaining between the union and employer directly, without anybody's intervention. And to enable the worker, who has neither economic, political or social power or influence or democratic compulsion as against the omnipotency of the power of organised capital, the worker's right to strike must be guaranteed unhindered and unhampered. Once that is guaranteed, the working class and its trade unions will be prepared to sit down and discuss, what reasonable limitations it can voluntarily accept in the exercise of that right and power."³

Hind Mazdoor Sabha (HMS) also supports the view. Its Memorandum states:

"(a) The system whereby compulsory adjudication be ordered, or resorted to on the motion of one party, which obtains today under the Industrial Disputes Act, is the very negation of genuine collective bargaining, because collective bargaining, to be genuine, implies the ability to resort to sanctions. Where the use of sanction is prohibited the growth of genuine trade unions, as collective bargaining agencies, is consciously undermined.

(b) In the absence of the system of compulsory adjudication, a trade union could arise and survive, only if it could induce adequate awareness amongst the workers of the necessity for a combat organisation, and impose on its members the discipline for use of collective sanctions. Consequently, weak trade unions have little chance of survival, and even if rival trade unions came into being, reflecting genuine differences about policies to be pursued by the workers, only such unions as could conform or adapt their behaviour to the spirit and compulsions of the collective bargaining process would survive."⁴

According to these Memoranda, once the concept of the inherent right to strike and lock-out is conceded, the trade union would be compelled to have a realistic appreciation of a given situation. Indeed, a spokesman of this view described strikes as "a spiritual exercise" which inevitably strengthens the trade union movement.

¹*Industrial Relations : Contemporary Issues*, B. C. Roberts (Macmillan and Co. Ltd., London, 1968) p. xiv.

²*Ibid.*, p. xx.

³p. 19.

⁴p. 32.

6.63 The United Trades Union Congress (UTUC) and Hind Mazdoor Panchayat (HMP) also favour the settlement of disputes through collective bargaining, but desire the retention of adjudication till all trade unions attain sufficient strength to bargain with the employers from a position of equality. Both regard the workers' right to strike as essential. While the UTUC prefers that provisions in the Act regarding prohibition of strike during pendency of disputes and similar provisions be done away with, the HMP feels that unless there is a positive danger to the health and safety of the community, mere inconvenience or even hardship caused to the public by strikes should not deter society from recognising the fundamental right of a union to strike. The Bharatiya Mazdoor Sangh also recognises that in the sphere of industrial relations there is indeed no substitute for collective bargaining and regards strikes as a legitimate weapon of the workers, but feels that the fight-to-a-finish form of strength is hardly feasible in the context of the Indian situation.

6.64 On the other hand, the other school does not think that collective bargaining in the absolute sense, involving incidentally recourse to strike or lockout, is the solution to the problem of creating a climate for lasting industrial harmony. The exponents of this view are not keen on adjudication; they are keen on avoiding strike and lock-outs; in their scheme, failing an agreement as a result of negotiations between the employers and the employees, voluntary arbitration would be the answer. This theory requires that both the employers and the employees should be educated in the value, significance and importance of voluntary arbitration and there should be a code of conduct between them that whenever disputes are not resolved by negotiations, parties should take recourse to voluntary arbitration. Since strikes have to be avoided, the advocates of this view suggest that if voluntary arbitration is not resorted to, adjudication would become inevitable and should be allowed.

6.65 This view has been placed before us by the Memorandum of the Indian National Trade Union Congress (INTUC), according to which:

"Our country can ill-afford the stoppage of production on any account, particularly now when it is fast trying to catch up with other advanced nations of the world. Col-

lective bargaining, mediation, conciliation, arbitration and adjudication will, therefore, be effective substitutes for strikes and lock-outs. To the extent these machineries are made really effective, strikes and lock-outs will become unnecessary and production will go on uninterruptedly. In a planned economy, the relations between labour and management have also to be on a planned basis. They cannot be allowed to upset the production targets just because one of the parties would not like to settle the disputes in a fair manner. This should not also mean that on the mere cropping up of a dispute, the statutory procedure must be clamped down on the parties. To some extent, freedom must be given to the parties to settle their own affairs and that can only be done by collective bargaining. But the alternative to the failure of collective bargaining should not be a strike or lock-out, if the planned progress of the nation is not to be retarded. The alternative should, therefore, be either arbitration or failing which the exercise of the reserve power in the Government to get the dispute settled otherwise than by strikes and lock-outs, viz., by adjudication and this can be done only by Government arming itself with the necessary statutory authority and to this extent labour legislation must be made more effective."¹

6.66 In support of this view, reliance is incidentally placed on the fact that in the present stage of development of the trade union movement, collective bargaining may not work in all establishments. In some establishments, the trade union movement is very weak and there collective bargaining will mean dictation by the employer. And where the trade union movement is very strong, it may conceivably impose terms which may not be reasonable, having regard to the totality of relevant circumstances. There is another aspect of the problem to which reference is made by the advocates of this view. When industrial disputes are settled, is it or is it not necessary that the final settlement, whether it is reached by negotiations, arbitration or adjudication, should take into account the interests of the community at large; and, if yes, what is the best method to ensure that the interests of the community at large will not be treated as irrelevant and ignored in the settlement of industrial disputes?

6.67 According to this view, the claim that the right to strike is in the nature of a fundamental and inalienable right of workmen

¹Industrial Relations: Contemporary Issues, op. Cit., p. 64.

ignores the fact that this right had to be exercised at a time when more civilized and refined methods of settling industrial disputes had not become current. If voluntary arbitration, or, failing an agreement as to voluntary arbitration, adjudication can resolve industrial disputes, there is no reason why employees should insist upon a right to strike and the employers should insist upon a right to lock-out. In other words, on this view, strikes should always be avoided and industrial disputes decided in accordance with the principles of the rule of law.

6.68 As we will presently indicate, our recommendations in respect of the legitimacy and availability of the right to strike have attempted to reconcile these two conflicting views.

6.69 That, in brief, is the story of India's quest for industrial harmony so far. In dealing with the problems entrusted to us, we have attempted to carry on this quest for industrial harmony and the discussion contained in our Report and all our recommendations are basically founded on our earnest desire to evolve principles and policies which will assist the growth and development of industrial harmony in our country. The problems which we will discuss in our Report are complex and complicated and on many of them different, conflicting views are expressed. We have, however, attempted to reconcile these conflicting and competing views in a rational manner, our objective always being to evolve a harmonious synthesis between them. Thus, having regard to the terms of reference to which we have referred at the outset of this section of the Chapter, our approach has been inspired by our desire to evolve measures which will create industrial harmony.

6.70 The same approach has been emphasised by the Supreme Court in *Rai Bahadur Dewan Badri Das v. Industrial Tribunal*¹ in these words:

"The doctrine of the absolute freedom of contract has to yield to the higher claims of social justice..... In the case of industrial adjudication the claims of the employer based on the freedom of contract have to be adjusted with the claims of industrial employees for social justice..... (However) in order that industrial adjudication should be

completely free from the tyranny of dogmas or the subconscious pressures of preconceived notions, it is of utmost importance that the temptation to lay down broad principles should be avoided....."

And in *J. K. Cotton Spinning & Weaving Mills Co. Ltd. v. Labour Appellate Tribunal*² the Supreme Court has observed as follows:

"The ultimate object of industrial adjudication is to help the growth and progress of national economy and it is with that ultimate object in view that industrial disputes are settled by industrial adjudication on principles of fair play and justice."

Search for Rational Synthesis—Illustrative Major Recommendations³

6.71 It would, we think, be permissible to refer at this stage, by anticipation, to some of our major recommendations to illustrate how we have adopted this approach in solving the problems entrusted to us. This process would obviously involve repetition, because what we propose to say here by way of illustration would be found discussed in the subsequent portions of the Report.

6.72 It is obvious that the best way to solve industrial disputes is for the parties to the dispute to sit at a table, talk over their differences, enter into a process of negotiations and bargaining, and settle them. Settlements of disputes, reached by mutual discussion, debate and negotiations, leave no rancour behind and help to create an atmosphere of harmony and cooperation. In that process, trade unions become stronger, and employers become more friendly and responsive to trade unionists.

6.73 But in making our recommendations, we are not writing on a clean slate and cannot ignore the entire history relating to the growth of trade unions and the development of industrial jurisprudence which has dealt with industrial disputes from time to time. Under Section 10(1)(a) of the Industrial Disputes Act, appropriate Governments have referred industrial disputes to the respective tribunals and these disputes have been decided by them. Wherever parties failed to arrive at a settlement, appropriate Governments have, in several cases, referred the disputes for adjudication, and thus

¹(1962) II L. L. J. 366.

²(1963) II L. L. J. 436.

³Some of the major recommendations we have taken for illustration in this Chapter are, however, not unanimous; and they are covered by a minute of dissent by some of our colleagues.

adjudication has played a major role in the settlement of industrial disputes and in the building up of industrial jurisprudence. That is a fact of history which we cannot ignore.

6.74 Having regard to the past history of industrial relations, their growth and the settlement of industrial disputes, we have thought it necessary to make one major recommendation and that relates to the constitution of an Industrial Relations Commission at the State level and at the level of the Centre. During the course of our inquiry we found that several employers' and workers' organisations and independent observers, while recognising in some cases the need for a third party intervention, felt that the role of Government in such intervention should be minimised. And on this issue several spokesmen on behalf of Central and State Governments had shown themselves in agreement. The provisions which we have recommended about the composition of these Commissions, the choice of the persons who will man them, the method in which this choice should be made, the terms of their employment, their qualifications, would we have no doubt, make them high-power Commissions (hereafter referred to in singular) and would create confidence in the minds of the employees, the employers and the general public. All quasi-judicial functions in the settlement of disputes will be entrusted to the Commission. The conciliation machinery which is at present operating under the Commissioner of Labour will, in our scheme, function as a part of the Commission. The reasoning behind this proposal is that the settlement of disputes has become a quasi-judicial function and it can better be transferred from an office which is subordinate to Government.

6.75 Along with this Commission, we have recommended the constitution of Labour Courts. The broad division of functions between the Commission and the Court will be that the former will deal with interest disputes and the latter with issues on which rights have been already created.

6.76 One of the principal reasons for suggesting the constitution of these Commissions is to eliminate the possibility of political influence disturbing or distorting the industrial relations system in the country. If we are recommending the Commission, as proposed, it is not because the intervention of the State in labour matters has been proved before us to be always partial or motivated by considerations other than industrial peace. At the same time, there have

been complaints of such undue interference from responsible quarters. We consider, therefore, that placing the Commission beyond the pale of possible political influence will, in the public eye, make it truly independent. And this consideration is not without its own significance. The State Industrial Relations Commission will deal with industrial disputes in relation to industries in respect of which the State Government is the appropriate Government. Similarly, the National Industrial Relations Commission will deal with industrial disputes in relation to industries in respect of which the Union Government is the appropriate Government. We have examined this scheme and explained it in great detail in the course of our Report later. But since this is, in a sense, the most important recommendation we are making, we ought to emphasise the fact that it is our firm conviction that the constitution of these Commissions will, in the long run, materially assist the process of persuading the parties to resolve all their disputes by negotiations and collective bargaining which we have accepted as the goal. If the whole scheme which we have devised in respect of this part of our recommendations is taken into account, it would appear that the Commission will not retard or obstruct the process of settlement by negotiations and collective bargaining, but will help it. The conciliation wing attached to this high-power Commission will play a far more effective role in persuading the parties to settle their differences at the stage of conciliation, if they have not been able to settle them by negotiations between themselves. This arrangement also has its advantage. The evidence before us was in favour of arming the Conciliation Officer with more powers. But the nature of the Conciliation Officer's functions is such that grant of powers will not make the parties more amenable to his persuasive efforts. It is, therefore, that we feel that his location in the Commission which is vested with all powers will provide him the support he needs.

6.77 The second major recommendation which we have made is, that subject to the conditions prescribed, an employer must recognise a representative union and must deal with the said union as the sole bargaining agent on behalf of his employees. In our view, once it becomes obligatory on the employer to recognise a representative union and deal with it in respect of all disputes pertaining to the terms and conditions of employment, the process of negotiations and settlement by collective bargaining will be facilitated. That is why we attach considerable importance to this recommendation.

6.78 This, however, raises the vexed question as to the method by which the representative character of the union should be determined. The INTUC philosophy in this matter is that the only method by which the representative character of a union should be determined where there are more than one claimants for such recognition is verification of the registers of the respective unions. The arguments in support of this view are well known. The Bhartiya Mazdoor Sangh favours verification by an independent authority but does not rule out election in case of challenge. On the other hand, the AITUC and the HMS strongly urge that election by secret ballot in which all the employees in the establishment are entitled to vote is the only democratic way in which the representative character of the union should be determined. According to this view, the method of verification suffers from several infirmities; and these have for long been publicly debated. UTUC and HMP hold similar views.

6.79 In dealing with this problem, we have taken into account the fact that there is substance in both these views and a rational synthesis is what needs to be attempted. It is well known that our trade unions have a political complexion of their own and the difference in the approach and attitude of the respective trade unions on the question of the method to be adopted in determining the representative character of the union to some extent takes colour from the political association of the unions. That being so, we have come to the conclusion that it would be reasonable, fair and expedient to leave it to the appropriate Industrial Relations Commissions to decide which method should be adopted in each case. We have deliberately avoided to adopt a doctrinaire approach in this matter and to accept one doctrine and reject the other. We thought that since we are suggesting the constitution of a high-power Industrial Relations Commission, it should be left to the Commission to decide what method would be convenient and desirable in any given case. In dealing with such cases, the Commission may, through its own machinery, assess and consider the respective strength of competing unions, the percentage of total employees to that of the unionised employees and other relevant factors before it decides whether the representative character should be determined by verification or by election. This recommendation will give scope for the application of both concepts, and by experience we will know in due course which method leads to better results.

6.80 Then we take the case of strikes and lock-outs. We have already referred to the two different views which were expressed before us during the course of our inquiry. In dealing with this problem, we have thought it advisable to divide industrial establishments into two groups: essential and non-essential. We have deliberately refrained from either defining or even enumerating essential industries as such, but have contented ourselves with the observation that, in our view, industries which are essential for the national economy or for the security of the country should be treated as essential, and others non-essential. In respect of essential industries, we have provided a self-contained code and machinery which will make strikes wholly unnecessary. Industrial disputes arising in essential industries can and should, under our recommendation, be settled by negotiations; failing that, by voluntary arbitration; and, failing that, by adjudication by the appropriate Industrial Relations Commission. Under this scheme, it would be open to the parties in essential industries to raise any industrial dispute and have it settled by one or the other of the procedures prescribed by the scheme.

6.81 In regard to non-essential industries, we have decided to allow scope for strikes and lock-outs within a limited period and subject to the constraints which we have specifically enumerated in our recommendations. Our idea in making this recommendation is to recognise the relevance and validity of the plea that strikes and lock-outs cannot altogether be wiped out from industrial life nor should all strikes be discouraged. At the same time, a limit has to be imposed on its duration. Having recognised the legitimacy of strikes and lock-outs in certain given situations, we have left it open to the Industrial Relations Commission for reasons stated in its order to terminate the strike/lock-out even before the prescribed period after considering the motion if made by the appropriate Government in that behalf. The relevant provisions which we have suggested in regard to strikes or lock-outs would, in our opinion, ultimately deter strikes and lock-outs and would, in due course, persuade the parties to sit round the table earnestly and settle their differences by negotiations. Thus, even in regard to strikes and lock-outs, we have tried to harmonise the two conflicting views, keeping in mind the paramount consideration of national interest.

6.82 It may be said that our scheme in relation to non-essential industries may virtually compel the representative union to go on strike, even if it does not want to do so. In

other words, the argument may be that if a representative union believes that strikes should be avoided at any cost and that failing negotiations, conciliation and voluntary arbitration, it is necessary to go to adjudication, our scheme compels the union to go on a strike. That, no doubt, is true. But, on the other hand, if this argument is accepted, the legitimacy of strikes and lock-outs will be completely obliterated; because whenever a dispute arises, the employer can say that he wants adjudication and take his employees off their chosen track. That is why we have allowed the right to strike and to lock-out, though for a limited period, subject to the constraints to which we have specifically referred.

6.83 As our discussion on the question of remuneration for work will show, we have reiterated the principle that in the matter of paying minimum wage as prescribed under the Minimum Wages Act, the capacity of the employer is irrelevant. Likewise would be the position conceptually, in regard to industries to which the Minimum Wages Act does not apply. We have referred to several levels of wages, beginning with the statutory minimum and ending with the living wage; and we have pointed out that these concepts are not static, and that the horizon of the living wage is ever-expanding. The content of these respective wages will vary and grow as the economy of the country prospers and the expectations of the employees become more articulate. In regard to the need-based minimum, the fair and the living wage, we have stipulated that the capacity of the industry to pay is relevant, though we have added that as the capacity grows, the legitimacy of the claims of employees to get these respective wages should be recognised and a phased programme undertaken by the wage-fixing authorities. The whole philosophy of the wage structure which we have evolved in this country does, in a sense, derive inspiration from the Directive Principles to which we have already referred. As the Supreme Court has observed in *Standard Vacuum Refining Co. of India Ltd., v Its Workmen*¹:

"It is well-known that the problem of wage-structure with which industrial adjudication is concerned in a modern democratic State involves in the ultimate analysis to some extent ethical and social considerations. The advent of the doctrine of a welfare state is based on notions of progressive social philosophy which have rendered the old doctrine of *laissez faire* obsolete. In cons-

tructing a wage-structure in a given case industrial adjudication does take into account to some extent consideration of right and wrong, propriety and impropriety, fairness and unfairness. As the social conscience of the general community becomes more alive and active, as the welfare policy of State takes a more dynamic form, as the national economy progresses from stage to stage, and as under the growing strength of the trade union movement collective bargaining enters the field, wage-structure ceases to be a purely arithmetical problem. (*The Social Foundations of Wage Policy* by Barbara Wootton—Allen & Unwin, 1955.)

It is because of this socio-economic aspect of the wage-structure that industrial adjudication postulates that no employer can engage industrial labour unless he pays it what may be regarded as the minimum basic wage. If he cannot pay such a wage, he has no right to engage labour and no justification for carrying on his industry."

6.84 The last major recommendation to which we wish to refer at this stage is in relation to the problem posed by the claim that 'the sons of the soil' or Mulkiis are entitled preferentially, if not exclusively, to appointments in industrial establishments started in the respective regions. Stated in these bald terms, the claim is plainly inconsistent with the philosophy of one citizenship which is enshrined in the Constitution. Article 19(1) has conferred on every citizen of this country the right to move freely throughout the territory of India, to reside and settle in any part of the territory of India, to acquire, hold and dispose of property, and to practise any profession or carry on any trade or business. On principle, it is difficult to reconcile this concept with the claim that if an industry is established in a region, it is the inhabitants of that region who are entitled exclusively or at least preferentially to employment in that establishment. Besides, we cannot overlook the fact that claims of this kind are likely to become narrower and narrower in course of time and it is possible that even within the same region claims may be made, unless this trend is checked, that persons residing in a district or a taluq where the industry is located are entitled to preferential if not exclusive opportunity for employment in that industry. This claim, if accepted, would hamper mobility in economic life altogether and create walls of exclusiveness between different regions. That is one aspect of the matter which we have borne in mind.

¹(1961) 1 L.L.J. 227.

6.85 On the other hand, while giving the utmost importance to the theoretical consideration which we have just set out, we thought it would be unwise to shut our eyes to the hard facts and realities of life. In the industrial development of this country as a whole, there are certain areas and regions which suffer from economic backwardness and this has introduced an element of economic imbalance in the structure of the community. Lack of job opportunities is, in reality, the root cause of these narrow claims. Productivity, faster rate of growth, effective steps against the explosion of population and other allied steps have to be taken to stop the growth of these narrow trends. Besides, in practice, in certain lower unskilled categories of employees it would be convenient to the employer for several reasons to employ local labour. That is another aspect of the matter. We have therefore made recommendations which we think can be reasonably and fairly worked out within limits which will not contravene the basic concept of one citizenship and the Fundamental Rights guaranteed to all the citizens.

6.86 The quest for industrial harmony which has inspired our approach throughout recognizes the major role that industrial development and agriculture may have to play in the national adventure to establish social and economic democracy in our country. Employees in the organised sector as well as those in the unorganised sector and in agriculture must gradually take their legitimate place in the vanguard to help the country in its forward march. There has to be responsive cooperation from the employers in this task.

6.87 The entire discussion in our Report and our recommendations are based on the approach set out by us in this Chapter. On many issues there has been sharp conflict of opinion. It has, however, been our earnest endeavour to evolve a rational synthesis between these conflicting views, because we firmly believe that in socio-economic matters pertaining to indus-

trial life which are complex, there are no absolutes. We may, therefore, venture to claim that while adopting an approach which is neither doctrinaire nor dogmatic, but realistic and pragmatic, we have kept our gaze steadfast on the goal set by the Constitution.

6.88 As we close this chapter, we would like to observe that the political and economic parameters under which the arrangements proposed by us have to work will continue to change; and so will the social milieu. The machinery which will ensure industrial harmony will continue to take cognizance of these changes and yet to the extent possible it will have to be insulated from the unsettling effects of personal factors which are relevant to the process. The machinery by itself is impersonal, but however perfect it may be, it has to be operated by men and women in the society. The structure of machinery itself and the personnel to man it have to be accepted by persons who are the beneficiaries thereof. All we can do, and have done, is to see that under the present notions, the former has the best chance of acceptance. Taking into account the fallibility of human nature, there will be deficiencies on either side. The best which the persons in charge of the machinery are capable of giving will fall short of the expectations which the beneficiaries may have. And in an area like industrial relations, even among the beneficiaries, divergence of views may not be ruled out. Even with the best of care, the method of choosing the personnel for the machinery as recommended by us cannot always guard against the Members of the Industrial Relations Commission developing attitudes which, to persons who have to live with their pronouncements, may sometimes appear to be governed by expediency, or by sub-conscious pulls and pressures. The answer, therefore, would lie in both sides, the machinery which hands down the awards and the employers and workers who receive them, developing adequate understanding of the deep human problems involved in dealing with different industrial relations situations.

PART IV¹

Directive Principles of State Policy

36. *Definition.*—In this Part, unless the context otherwise requires, “the State” has the same meaning as in Part III.

37. *Application of the principles contained in this part.*—The provisions contained in this Part shall not be enforceable by any court, but the principles therein laid down are nevertheless fundamental in the governance of the country and it shall be the duty of the State to apply these principles in making laws.

38. *State to secure a social order for the promotion of welfare of the people.*—The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life.

39. *Certain principles of policy to be followed by the State.*—The State shall, in particular, direct its policy towards securing.—

- (a) that the citizens, men and women equally have the right to an adequate means of livelihood;
- (b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good;
- (c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;
- (d) that there is equal pay for equal work for both men and women;
- (e) that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength;
- (f) that childhood and youth are protected against exploitation and against moral and material abandonment.

40. *Organisation of village panchayats.*—The State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.

41. *Right to work, to education and to public assistance in certain cases.*—The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want.

42. *Provision for just and humane conditions of work and maternity relief.*—The State shall make provision for securing just and humane conditions of work and for maternity relief.

43. *Living wage, etc., for workers.*—The State shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the State shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas.

44. *Uniform civil code for the citizens.*—The State shall endeavour to secure for the citizens a uniform civil code throughout the territory of India.

45. *Provision for free and compulsory education for children.*—The State shall endeavour to provide, within a period of ten years from the commencement of this Constitution, for free and compulsory education for all children until they complete the age of fourteen years.

46. *Promotion of educational and economic interests of Scheduled Castes, Scheduled Tribes and other weaker sections.*—The State shall promote with special care the educational and economic interests of the weaker sections of the

¹Not applicable to the State of Jammu and Kashmir.

people, and, in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation.

47. *Duty of the State to raise the level of nutrition and the standard of living and to improve public health.*—The State shall regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties and, in particular, the State shall endeavour to bring about prohibition of the consumption except for medicinal purposes of intoxicating drinks and of drugs which are injurious to health.

48. *Organisation of agriculture and animal husbandry.*—The State shall endeavour to organise agriculture and animal husbandry on modern and scientific lines and shall, in particular take steps for preserving and improving the breeds, and prohibiting the slaughter, of cows and calves and other milch and draught cattle.

49. *Protection of monuments and places and objects of national importance.*—It shall be the

obligation of the State to protect every monument or place or object of artistic or historic interest, ¹[declared by or under law made by Parliament] to be of national importance, from spoliation, disfigurement, destruction, removal, disposal or export, as the case may be.

50. *Separation of judiciary from executive.*—The State shall take steps to separate the judiciary from the executive in the public services of the State.

51. *Promotion of international peace and security.*—The State shall endeavour to

- (a) promote international peace and security;
- (b) maintain just and honourable relations between nations;
- (c) foster respect for international law and treaty obligations in the dealings of organised peoples with one another; and
- (d) encourage settlement of international disputes by arbitration.

¹Subs. by the Constitution (Seventh Amendment) Act, 1956, s. 27, for "declared by Parliament by law."

CHAPTER 7

RECRUITMENT—AGENCIES AND PRACTICES

RECRUITMENT

Our economy has been characterised by a predominance of self-employed persons. Planning and development have in the last twenty years released forces that may help increase the proportion of persons engaged in wage employment, though there are yet no positive indications of change. The number of those who aspire for wage employment is increasing both in absolute terms and in rela-

tion to the expansion of employment opportunities for them. While search for remedies to improve the general level of employment is not our task, we have to examine how the employment market could be so organised as to achieve equitable distribution of employment opportunities. It is in this context that recruitment practices in organised employments become important.

Pre-Independence

Sources of Recruitment

7.1 For the pre-Independence period, we first turn to the relevant findings of the Whitley Commission in regard to the sources from which labour was drawn and the agencies and methods of recruitment. Regarding the former, its main findings for factory employment were:

- (i) The smaller centres everywhere drew on the surrounding rural areas for all the workers they required, except labour demanding special skills.
- (ii) The only centres which had reached the stage of being compelled to go far afield for the bulk of their labour were Jamshedpur, Bombay and Hoogli.
- (iii) The Indian factory operatives were nearly all migrants from rural areas.
- (iv) The recruit to industry continued to regard as his home the place from which he came.¹

The Whitley Commission considered the link with the village a distinct asset and recommended that the general aim should be not to snap it but to strengthen it.

7.2 The Rege Committee, reporting in 1946, utilised the information collected in the course of family budget inquiries undertaken in the years 1943-44 and concluded that factory workers, at least a majority of them, though immigrant in character, had little stake in agri-

culture.² They were pushed rather than pulled to the cities. Their occasional visits to the village homes were more for rest and recuperation than for attending to cultivation. The Rege Committee differed from the Whitley Commission on the need for an industrial worker to retain a nexus with his village. Since most of the workers in industrial towns were landless, the Committee reported:

“From the workers’ point of view there is no urgent necessity of going back to the village as often as possible. There is nothing to suggest that conditions of employment, wages, housing, etc., are any better in the village than in the town”.³

7.3 Subsequent findings, particularly studies undertaken in several urban centres under the auspices of the Research Programmes Committee of the Planning Commission, support this conclusion. In the last twenty years, the ‘village nexus’ has loosened further both because of the requirements of new industries and the natural increase in the urban labour force. For mines and plantations, both of which have a rural base, the sources of recruitment have remained the same. The proportion of settled labour is, however, increasing for these employments also.

Agencies of Recruitment

7.4 The traditional agencies and methods of recruitment have still not lost their importance. At the time the Whitley Commission reported, recruitment was done through intermediaries,

¹Report of the Royal Commission on Labour in India, pp. 10-12.

²Labour Investigation Committee, Main Report (1958 Print), p. 68.

³Labour Investigation Committee, Main Report (1958 Print), p. 74.

and especially 'jobbers'¹ who were known by different names. It highlighted the evils associated with this method of engaging workers and recommended instead direct recruitment either by the manager of the unit or by an officer especially appointed by him for the purpose. The Rege Committee, while agreeing with the Commission on the evils of the system, valued the jobber's close touch with the recruiting districts and villages and his understanding and appreciation of the habits, hopes and fears of workers. At the same time, it felt that steps should be taken on an increasing scale to regularise the system of recruitment for industries or put some method into it.² We will first describe what the Rege Committee found at the time of its report.

7.5 Factories: The Committee reported that except for skilled and semi-skilled workers, a part of the labour in most factories, and the bulk in some, was recruited direct at the factory gate. The factory manager or labour superintendent or some other official selected the workers. On occasions, vacancies were brought to the notice of existing employees whose recommendations were considered by the manager. A few concerns appointed labour officers for the purpose. Recognised unions in rare cases were informed about likely vacancies. Skilled workers were appointed by inviting applications and subjecting selected applicants to trade tests and interviews, if necessary.

7.6 Mines: The recruitment agency then prevailing in most mines, coal and non-coal, was reported to be a heritage of the past. A very common method of recruitment was the system by which zamindars, owning mines, gave small holdings to workers on condition that they would work in their mines. This arrangement was condemned by earlier Committees and Commissions, but had not been entirely rooted out when the Rege Committee reported. During the war years, when coal production had to be stepped up considerably, direct recruitment was found inadequate to meet the demand for labour. Contractors, known as recruiting Sirdars, who had been on the scene even earlier for supplying labour to mines became more prominent. Sub-contracting of work to them was also reported in a large measure. Even so, Government had to make special arrangements for recruitment in areas where labour of the type required in mines was available in plenty.

7.7 Plantations: Recruitment in tea plantations in Assam and Bengal was governed by the Tea Districts Emigrant Labour Act, 1932. Workers for the Assam gardens were drawn mostly from scheduled tribes belonging to Bihar, Orissa and Central Province (Madhya Pradesh). The Tea Districts Labour Association, set up by the industry itself, arranged for the labour required by planters. The Bengal gardens attracted labour mostly from Bihar. The period for which labour was recruited differed from area to area. The contract used to be for 3 years in Assam and somewhat of a shorter duration in Bengal. 'Kanganis' operated in South India. Many of them were themselves erstwhile workers in the gardens and because of their contacts or ability to work or get work done, they were engaged to bring labour for which they received a commission on the earnings of the workers they brought. *Prima facie* the Kanganis differed from the Assam Sirdars in that they not only served as a recruiting agency but also helped workers who were in difficulties, advanced small amounts at heavy rates of interest and acted as a link between workers and management. In practice, the system led to a lot of abuse both at the supervisory level of the plantations and by the Kanganis themselves. The contract of work in South India was generally for a year. A distinct feature of recruitment in plantations, whether in the North-East or South, was that the unit of recruitment was the family and not the individual.

7.8 Other Employments: A system prevalent in several areas and which cut across all avenues of wage-employment was to recruit labour through contractors. It operated, in particular, in the construction industry, in the Public Works Departments (Central and Provincial), in ports and docks, in selected operations on railways, in quarries, mines and many organised sectors. In forests and other less organised sectors of activity, employment through contractors was even more rampant. Contractors would either supply labour or take on such portions of work as they could handle. Legal abolition of the contract system was recommended by the Whitley Commission. The one area it made an exception was the Public Works Departments. Employment through contractors was considered to be a satisfactory method only in the P.W.D. Several labour inquiry committees which followed underlined this recommendation. In recognising

¹Jobbers formed the lowest rung of the supervisory ladder in the textile industry.

²Labour Investigation Committee, Main Report (1958 Print), p. 30.

the limited need for contract labour, the Rege Committee urged its abolition where necessary and regulation of conditions in others where its continuance was unavoidable.

7.9 Two allied issues which have a bearing on labour efficiency and are traced to recruitment practices and agencies are turn-over and absenteeism. It was in the interest of the then traditional agencies that labour did not settle

down to work; the greater the labour turn-over, the more would be the tempo of recruitment and incidentally their earnings. Data on turn-over were not very firm then; inadequacies in statistics on absenteeism also existed. While, therefore, the precise position in regard to loss in efficiency on this score cannot be ascertained, turn-over of labour was a matter of concern for unions then as much as absenteeism was a source of worry to the employer.

Post-Independence

Plan Policies: N.E.S.

7.10 The immediate problems in the field of employment and recruitment in post-war years were of a different nature. The emphasis was more on rehabilitation of the demobilised and displaced persons than on regulation of procedures for all who sought employment. The Government announced that the organisations the National Service Labour Tribunals, set up for channelising labour required for the war effort would be adapted to the needs of the new situation. Under its new name, the Directorate General of Resettlement and Employment was used as an agency which could recommend placement for persons registered with it. As the Directorate was being geared to this task, the formal process of planning was initiated. We recognise that the statistics compiled by the Directorate in those days had their limitations, but even allowing for these it was able to secure placements to the extent of nearly 70 per cent of the vacancies notified to it in the formative years. On an average, during 1947—50, about 2.5 lakh persons found employment every year through this agency. (Annexure).

7.11 The First Plan recommended that more attention should be given to improvement of internal recruiting arrangements and to possibilities of extension of the decasualisation scheme¹ which had already become popular in some centres of the textile industry and in ports and docks. The Plan also recommended a review of the working of the National Employment Service (NES) to enable it to meet the growing requirements of the future. In another area, *viz.*, employment on multi-purpose projects, in order that the skills acquired on one project did not go waste, a long term recruitment

policy was formulated which synchronised displacement in one project with recruitment in another. On the recommendations of the Shiva Rao Committee (1954)² appointed for examining the working of the Training and Employment Services Organisation, measures were taken for transfer of the day-to-day work of the NES to the State Governments and the service was also placed on a permanent footing. In spite of the uncertainties associated with the Service, the period 1951—56 witnessed an improvement in the performance of the organisation. The placements, on an average, were of the same order as in the three years preceding, but their percentage to the vacancies notified improved.

7.12 The Second Plan took note of the re-organisation of the NES and made no special recommendation about the Service as an agency of recruitment. It devoted its attention to the acute problems associated with contract labour. Steps were recommended for a better understanding of the conditions of such labour in different industries with a view to its gradual abolition, wherever feasible. The activities of the NES on the information side continued to expand to make its functional side more effective. The Employment Market Information (EMI) Programme was started in 1958 to seek voluntary returns from employing agencies with a view to finding out the possible areas where employment was likely to expand or contract, as also the surplus skills or skills in short supply. The NES also started disseminating occupational information, prepared a National Classification of Occupations, and provided career information to job seekers through Vocational Guidance Programmes. These programmes were expected to help further in organising

¹Under the scheme, an official agency maintains a roster of casual workers. Placements in employment on any day are made according to a scheme agreed upon between the employer, workers and the agency which maintains the roster. A worker on the roster is required to call at the office which keeps it and is informed in advance whether he is required or not the next day. Permanent placements are made on the basis of seniority on the roster.

Another system which operates on the same principle, but is less formal in character is 'Badli Control'. It operates in some centres of the textile industry.

²The Training & Employment Services Organisation Committee (1952-54).

the labour market and regularising recruitment. During this period, in spite of a pronounced emphasis on development of the non-agricultural sector and on the growth of enterprises in the public sector, the average annual placements did not register a commensurate increase. And because of increased notification of vacancies, the percentage of vacancies filled through the NES registered a drop.

7.13 The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, made it compulsory for an employer to notify his vacancies to the NES. The main purpose behind this legislation was not so much to control the sources and agencies of recruitment as to have a better appreciation of the state of the labour market. Difficulties arising from the shortage of raw materials in the middle of the Second Plan affected workers even in established industries. With the formal winding up of the Tea Districts Labour Association which regulated recruitment on plantations, a new problem had to be faced in Assam. Opportunities for employment on tea gardens remained static, but because of generations of immigrant workers living on gardens, members of their families started claiming a share in employment. Recruitment on plantations for the first time had to be regulated through a Government agency.

7.14 The Third Plan witnessed a further extension in the NES, which had at least one office in almost every district; University Employment Bureaus were opened to help students with employment information and assistance in getting placements. Special Employment Exchanges were set up to cater to the needs of colliery workers, the physically handicapped and rural workers. Arrangements for understanding the shortages and surpluses of skills were further streamlined. Since the employers were to be the main beneficiaries of any programme undertaken by the NES, arrangements were made to build up and sustain their interest in the various aspects of the work of the Service. There was, however, inadequate follow-up because of (i) the Indo-Pakistan conflict of 1965 and (ii) the continued recession thereafter, both of which created imbalance in the supply and demand position for wage employment. Mainly because of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, which brought more vacancies to the NES and the factors just mentioned which restricted fresh recruitment, the proportion of vacancies filled to vacancies notified dropped further. At the same time, annual placements on an average were almost double of what they were

in the early years. They crossed the 500,000 mark in 1963. Even in the years of recession, the placements did not fall below 400,000. This could be considered as an indication of the utility of this public agency for the purpose of recruitment.

7.15 Other Agencies: We now describe the agencies, other than the NES currently operating for recruitment to organised employments.

7.16 Factories: Recruitment through present employees still continues to prevail. According to the evidence before us, employers prefer this method to improve the morale of workers. In some companies, labour-management agreements specify entitlement to a percentage of vacancies to close relatives of senior employees. In a few cases, both the employer and the union maintain rosters of people so eligible for employment. Recruitment through advertisement is restricted mainly to supervisory and white-collar employments and is being increasingly used to tap skilled labour. For occupations which do not require skills, an arrangement by which workers appear at the factory gate in the hope of getting employment still operates. In the more organised sectors and where many units in the same industry are located at one place, recruitment is regulated by what is known as the 'badli control system'. Every mill/factory requires a supply of substitute labour or 'badli' labour to fill vacancies caused by absenteeism. Under the system, an official agency maintains a roster of persons who are eligible for employment and on the basis of this roster and the vacancies notified to the agency from day to day by different units, persons seeking work are selected according to rules which are made known to prospective employees.

7.17 While this is the position which obtains in many traditional employments, we have also noticed encouraging departures from it in new units. Recruitment in these units is sometimes by approach to technical institutes, because of shortage of technical personnel and because of the desire of these units to mould the persons coming from educational institutes to suit their requirements. Some establishments have entered into arrangements with the Industrial Training Institutes (ITI) of the Directorate General of Employment and Training under which the ITIs supply their trainees in accordance with the specifications of the employing agency. When the demand is large and employment guaranteed, the training courses are also modified to suit the prospective employer. Though these are, at present, isolated

instances, they show a welcome trend in the manner of recruitment.

7.18 **Mines:** Employment through intermediaries and contractors is still not uncommon. In many mining areas, settled labour is available for employment and the employer finds it useful to engage it on prevailing terms of work. Another agency of recruitment, viz., the Gorakhpur Labour Organisation (GLO) which supplies labour mainly to coal mines, is described below in some detail because of the importance attached to it by labour organisations and the Government of Uttar Pradesh.

7.19 Gorakhpur Labour is a generic term for labour belonging to the eastern districts of Uttar Pradesh. There is a high degree of mobility among unskilled workers in this area where labour is generally surplus to requirements. Workers have been migrating from this area for generations to various parts of the country and even to foreign lands in search of employment. They are reported to be sturdy and have done well in certain employments. A fair proportion of labour in the coal mining industry in Bihar, Bengal, Orissa and Madhya Pradesh, though not necessarily recruited through the GLO, traditionally belongs to this part.

7.20 To meet the urgent demand for unskilled manpower for various defence projects, and in recognition of the availability of such labour in eastern U.P., the Government of India set up the GLO in 1942. It was administered by the Labour Department of the Government through the Government of U.P. who placed it under the charge of an Additional Collector. Except the salary of this officer, all expenditure on the Organisation was borne by the Government of India and recovered from the employers. The Government of U.P. also maintained a liaison officer with the Organisation at its own expense. This officer kept in touch with the employers to assess their demand for labour.

7.21 Two years later, the Government of India (Department of Labour) opened a Directorate of Unskilled Labour Supply in Dhanbad to meet labour shortages in mining areas. This Directorate supplied labour to coal mines in Bihar and Bengal through the GLO. The Directorate of Unskilled Labour Supply was wound up in October, 1946. The coal industry, thereupon, approached the Government for permission to recruit labour directly from Gorakhpur. In view of the objections of the U.P. Government which apprehended exploi-

tation, the Government of India decided that the GLO should continue to function as a Government agency for recruitment of labour for collieries provided the colliery owners agreed (i) to form an association to indicate the demand from collieries as also to arrange for transportation to work site of such labour as would be available through the GLO, and (ii) to meet the entire expenditure on the maintenance of the Organisation. The coal industry agreed to these terms. As a consequence, the Coalfield Recruiting Organisation (CRO), an association of Mine Owners registered under the Indian Trade Unions Act, 1926, was set up. It was also decided that the GLO should be under the administrative control of the NES. The field administration of the NES was transferred to the respective State Governments in 1956, but the State Director of Employment continued to look after the work of the GLO under the direct control of the Government of India.

7.22 The process of recruitment of labour starts with the CRO, or any agency needing labour in bulk, intimating to the GLO the needs of mine owners or any other employing agency in regard to workers. On receiving such demand, the GLO helps the CRO in recruiting the required number. After selection, the workers are medically examined and accepted for employment. The transit expenses of the workers are borne by the employers for whom the selections are made.

7.23 Besides the coal mines, the GLO helped the Governments of India and Uttar Pradesh in supplying labour for—

- (i) the group employment scheme of the Government of U.P. under which construction of roads, canals, dams and bridges was undertaken by that Government;
- (ii) the Government of India projects for construction of border roads in U.P., Bengal and Assam;
- (iii) the National Coal Development Corporation and the National Mineral Development Corporation in Kiriburu and Jammu and Kashmir;
- (iv) the defence projects of the Government of India; and
- (v) the General Reserve Engineering Force (later designated as the Border Roads Organisation), Government of India.

7.24 The situation about financing of the GLO is anomalous. On the one hand, it is an

integral part of the NES and on the other the expenditure incurred on it is recovered from employers. The NES has to be a free and voluntary organisation. Employers should not be required to pay for the assistance given to them in the matter of recruitment of workers. Such expenditure as is incurred on items of work which are an integral part of the Service should be a charge on Government. The balance of the expenditure on functions, such as, transit arrangements, provision of uniforms and blankets and medical facilities, should continue to be recovered from the employers.

7.25 The question of expenditure on the Service being borne by the employer apart, the manner in which the agency set up by the employers, viz., the CRO has operated after the selections are made through the GLO, has come in for criticism on the ground that the CRO is instrumental in treating labour recruited through the GLO differently from the other labour in mines. It is also alleged that the Gorakhpur labour gets some facilities which other mine workers do not and suffers from disabilities which other labour is not subjected to. In any case, we feel that after the GLO helps the employer to select the workers, the employer himself should bear all the responsibility for the worker so recruited. The CRO should not come into the picture at all. These workers should have all the privileges which workers selected through any other agency have.

7.26 Apart from recruitment through the GLO, mines in West Bengal, Bihar, Madhya Pradesh, Orissa and Andhra Pradesh attract labour from eastern Uttar Pradesh through contractors of labour who may not have the scruples which a public authority, if properly controlled and directed, can be made to have. We have heard of cases of exploitation by such contractors who have no qualms in accepting payment from both sides for the services they render. Where labour is prepared for reasons of unemployment to give away its rights, there are dangers in exposing it to unauthorised agencies which may have no stake either in the industry or in the worker who goes to work there. Every effort should be made to abolish the operation of such agencies.

7.27 **Plantations:** Though the system of recruitment through intermediaries which was common for decades preceding. Independence has lost its importance, it still continues in certain estates. Many estates have settled labour of a generation or more, and on that account, local labour is available for recruitment. A large number of workers are employed as casual

labour or through contractors. It is reported that unskilled workers are generally recruited through the existing employees. As permanent workers usually reside on the estate, they are in a position to introduce their unemployed relatives whenever vacancies occur. Surplus labour has been one of the current problems in plantations. A special employment exchange has been set up in Assam for helping labour to get employment openings in tea estates. In South India, the methods of recruitment are the same as described above, though the pernicious 'Kangani System' has been abolished.

7.28 **Ports and Docks:** For skilled and semi-skilled posts, advertisement is the normal mode of recruitment. The Government of India took legislative measures to regulate the employment of dock workers at major ports by enacting the Dock Workers (Regulation of Employment) Act, 1948, under which a scheme for registration of dock workers was introduced with a view to securing more regulated employment and for reducing hardships caused by unemployment, under-employment and uncertainties of employment. The Dock Labour Board, which was constituted under the scheme, was entrusted with its working. This was examined by a tripartite committee which extended the system of decasualisation of dock labour to categories which were not originally covered. On the whole, the scheme appears to be working satisfactorily though at certain centres there is dissatisfaction about it. We recommend that the provisions contained in the Dock Workers (Regulation of Employment) Act, 1948, should be extended also to casual labour engaged by the port authorities.

Assessment

7.29 As mentioned in the evidence before us, recruitment and employment patterns and practices, as they exist today, are determined by the nature of industry and its location, age, management and size. According to many labour organisations, there has been no change in these patterns and practices. On the other hand, employers have claimed that over the years the recruitment system has been placed on a sound footing and impersonal methods of recruitment are more common now. Both conclusions seem to be justified though in different areas. We still notice, for instance, that traditional sources and agencies of recruitment for mines and plantations have continued to be what they were. On the other hand, many new establishments, and particularly those in the public sector, have adopted practices which give to employment seekers a feeling that their

just claims will not be disregarded. On the whole it would appear that impersonal methods are gradually gaining ground in the organised sector. For mining operations and also for plantations, recruitment through contractors still exists, though on a reduced scale. The exploitative character of such agencies of supply, however, is on the decline because of the spread of a new awareness among persons seeking employment.

7.30 Over the last twenty years, the NES has played a useful role in bringing together employers and work seekers. It has spread its network of about 400 employment exchanges throughout the length and breadth of the country. The Service has on its register over thirty lakh employment seekers comprising professional, technical, craft, unskilled and other types of workers, and it places in employment nearly five lakh workers per year. Placements in the private sector have ranged between 60,000 and 70,000 and they form nearly 35 per cent of the vacancies notified to exchanges by the private employers. The NES has been facilitating the geographic mobility of about 25,000 workers annually. It has also played a role in the deployment of workers rendered surplus in construction projects and in the rehabilitation of ex-servicemen, physically handicapped persons and displaced persons. With the development of related programmes like collection and dissemination of employment market information, employment counselling and vocational guidance, occupational and job research, preparation and application of aptitude tests, etc., the NES has developed into a multi-functional placement agency.

7.31 The evidence before us shows that the employment exchanges are used as an agency for recruitment by a comparatively small number of private employers, who presumably have large recruitment requirements. The position, as we see it, is one of subdued optimism. It is possible to reach a certain level of placements, but every improvement upon it means a commensurately greater effort. This only suggests the long way which the public employment agency has to travel, both in terms of physical expansion and development of functional programmes, in order to make itself more useful. We feel that a sustained publicity drive in respect of the programmes and achievements of the NES and the skills available, the manner in which it functions, etc., should be undertaken to evoke responsive attitudes in employers and work seekers alike.

7.32 We have observed that the Employment Service is confined mainly to urban areas. Con-

sequently, a large number of employment seekers, particularly in rural areas, are not able to avail themselves of the facilities offered by the Service. To our mind, this aspect requires to be looked into with a view to organising the labour market by extending the operations of the NES in a phased manner over the next ten years to all towns with a labour force of ten thousand so that rural workers may take increasing advantage of this service.

7.33 In the new industries which have been created by the NES, have now developed into an important recruitment of the best talent available. Many progressive establishments are already having recourse to selection through competition even at lower levels of skill. This is a healthy trend and should be encouraged. In the case of the less skilled workers and where requirements of specified categories are uncertain and in bulk, we recommend systems like 'decausalisation' and 'badli control'.

Employment Service Administration

7.34 Employment Exchanges, the field agencies of the NES, have now developed into an important manpower organisation. Under executive instructions of the Central and State Governments, recruitment in the public sector is made through them for all vacancies outside the purview of the Public Service Commission. Recruitment through other sources is permissible only when the Exchange is unable to supply suitable candidates. Since day-to-day administration of the Employment Services was delegated to the States in 1956, standards have begun to differ from State to State and development of the programmes mentioned in para 7.30 has not been uniform. This is because of the varying importance attached to them by the States. It is essential that the National Employment Service should operate at a uniformly high level of efficiency throughout the country. There should be uniform standards, policies and procedures in all States to enable the Service to work as a well-knit and coordinated organisation. Development of programmes such as occupational research, vocational guidance and employment market information, special surveys and studies, and forecasting of manpower supply and demand should be speeded up to enable the Service to be more effective.

7.35 The administrative set-up of the National Employment Service as a State agency has to be geared to the needs of the country. It has to be so structured as to meet the demands on it by increases in labour force and the changing pattern of the economy. The

Service has to give concrete shape to policies concerning employment, particularly with reference to special sections of the community such as scheduled castes and scheduled tribes, defence personnel, displaced persons, repatriates and evacuees, ex-servicemen and physically handicapped persons. The agency has to be strengthened to help efficient utilisation of national manpower, particularly critical skills required for planned economic growth. For this purpose, it would, in our opinion, be necessary to foster and strengthen the national character of the Employment Service.

7.36 It has been brought to our notice that in certain States, policy directives about registrations and submission of candidates have been issued by the State Governments to employment exchanges; these are not in conformity with the general pattern laid down by the Central Government on the subject. Such changes weaken the national character of the Service and impair its efficiency. We feel that there is a case for the Central and State Governments to come together and take a view of the changes in instructions already issued by the State Governments and examine whether they are in the best interests of employment seekers and are consistent with national policies.

Employment of Handicapped and Disabled Persons

7.37 Employment of the physically handicapped persons is a social problem. Provision of gainful employment to such persons should form part of an enlightened social policy. Certain private institutions and the Government have already opened schools and training centres for the vocational rehabilitation of the physically handicapped. Special employment exchanges have also been opened to cater exclusively to the employment needs of such persons. There is, however, a category of persons, victims of accident, who acquire the handicap during the course of their employment. It is reasonable to expect that employers will accept as a matter of industrial ethics, the responsibility for rehabilitating such persons and endeavour to provide them with alternative jobs they are capable of doing. In several countries, there are laws according to which in certain occupations or categories of employment, a percentage of opportunities is reserved for the handicapped. Such statutory obligations are not free from disadvantages, though they can

operate in situations where labour is in short supply. In our country, such reservation may lead to singling out the handicapped for specific employment; also employers may refuse to engage more than the required quota. By and large, we have been told that employers consider such cases sympathetically, within the economic constraints imposed on them. We do not consider it necessary to have legislation to provide work to the disabled. It may have a psychologically adverse effect on employers, and in any case, it may not fit in with the general background of un-employment against which we have to frame our recommendations. It would, however, be inappropriate to ignore the individual and social aspects of the problem.

7.38 In the case of physically handicapped persons, the problem of providing suitable employment opportunities has to be solved by the State with the cooperation of the employers. For this purpose the State should set up rehabilitation homes jointly with the employers.

Sons of the Soil

7.39 The question of preference to local population¹ in the matter of employment within the local area was not as complex before Independence as it is today. The Rege Committee referred to this question in relation to the observation made in the Bihar Labour Enquiry Committee that the 'Sons of the Soil' should be given their rightful share. The Committee took note of the issue in the context of similar claims as might arise from other provinces. It referred to the allegations of discrimination made before it and hoped that such evils as were associated with recruitment in general would be remedied when recruitment was based on scientific principles and effected through an impartial agency like the Employment Exchange.² In those days there was no agitation in any area against outside persons if they could make the grade, though in some princely States, 'mulki' qualification, *i.e.*, the qualification of being a domicile in the concerned State, was required for employment but only in public services. Public opinion was inclined to accept the logic that, among workers with equal efficiency and skill, an employer should prefer local persons. In the early years of the period under review, the situation was not much different. Currently, the demand for the sons of the soil has acquired political overtones in many States mainly because economic development has not been commensurate with rising local expectations.

¹As at present interpreted, local population means population in the State of domicile.

²The Labour Investigation Committee : Main Report (1958 Print) p. 108.

7.40 In their evidence before us, employers' organisations urged that while people of the locality or region should have employment opportunities and benefits from industries established there, any organised movement against persons coming from outside conducted with tacit or open local support was undesirable and fraught with far-reaching consequences. Several unions, on the other hand, complained about inadequate opportunities and demanded that preference should be given to local persons in the matter of employment, particularly in undertakings set up by the Central Government and in technical and clerical posts in reputed private sector units.

7.41 This uneasy feeling about local claims being ignored exists not only among unions, but seems to be shared by the general public. A memorandum from the Maharashtra Government, signed by the Chief Minister of the State and the leaders of the opposition groups in the State legislature, drew our attention to over-crowding caused by labour migrating from all parts of the country to its large cities—Bombay, Nagpur and Poona. This put local population to insuperable difficulties because employment openings and civic amenities were limited. Social problems created by this influx and frustration among the local youth have at times posed a threat to law and order. The memorandum has urged us to recommend "a suitable provision requiring the employers to employ the local persons to the extent of at least 90 per cent of the total employment in industries and commercial establishments". A local person, according to it, is "a person who has stayed in the State of Maharashtra for not less than a period of fifteen years, provided that interruptions caused in this period owing to stay outside the State of Maharashtra for purposes of education or employment shall not be counted in the case of persons whose home or family is in the State of Maharashtra or whose parents were ordinarily the residents of that State". The memorandum recognises the constitutional difficulties in the matter of excluding non-locals from employment in the State, but feels that we should find a way out. When we met the Chief Minister and his colleagues to discuss these problems, the Chief Minister made it clear that the Maharashtra Government desired that this problem should be solved on an all-India basis.

7.42 To ascertain the views of other States on the issue, which appears to be acquiring an all-India importance, the Chairman of the Commission addressed in December, 1968 a letter

to the Chief Ministers of the States where legislatures were functioning and to the Governors where the legislatures had been dissolved. Several Chief Ministers/Governors sent detailed replies explaining the position in their respective States and commented on the memorandum of the Maharashtra Government. These replies fell broadly in three categories. Some supported the memorandum from Maharashtra; the support came from the States where new development projects had been or were being undertaken and local persons had a feeling of being left out. Others were not in favour, while there was vehement opposition from States where local persons have had a tradition of seeking work opportunities outside the State.

7.43 In discussing the issue, we state, to start with, the relevant provisions of the Constitution:

"Article 16(1): There shall be equality of opportunity for all citizens in matters relating to employment or appointment to any office under the State."

"Article 16(2): No citizen shall, on ground only of religion, race, caste, sex, descent, place of birth, residence or any of them, be ineligible for or discriminated against in respect of any employment or office under the State."

"Article 16(3): Nothing in this article shall prevent Parliament from making any law prescribing, in regard to a class or classes of employment or appointment to an office (under the Government of, or any local or other authority within, a State or Union territory, any requirement as to residence within that State or Union territory) prior to such employment or appointment."

While Articles 16(1), (2) and (3) are Fundamental Rights of a citizen, the Constitution ensures, in the Directive Principles of State Policy, certain safeguards for backward classes to "protect them from social injustice and all forms of exploitation". Except in cases which are covered by Article 46 of the Constitution, therefore, there can be no discrimination in the matter of employment anywhere in the country for any citizen. The National Integration Council,¹ at its meeting in June, 1968, recognised that unemployment, particularly among the educated, has grown in every part of the country. The output from educational, professional and technical institutions has been

¹The National Integration Council constituted by the Prime Minister recently envisages promotion of social, economic and political justice, equality, secularism and fraternity among all communities.

growing and is expected to grow. The combination of these factors has, not unexpectedly, created regional tensions and people in almost every State/region have become resentful of employment opportunities in it being thrown open for competitive selection. The Council recommended that where qualified local persons were available, they should be given a major share of employment.

7.44 To understand its dimensions, the problem requires to be viewed against the broad pattern of employment in cities. Gainful work in most of the State capitals and in other large cities will be mostly in the following categories:—

- (i) manufacturing units, large or small;
- (ii) trading units, large and small;
- (iii) transport, organised and unorganised, mechanical or manual;
- (iv) shops and commercial establishments, large and small;
- (v) services, including employment in Government/local bodies;
- (vi) teachers from the primary to the university level;
- (vii) professions in which there will be mostly self-employed; and
- (viii) construction activities.

7.45 Within this pattern of employment, the claim made in favour of local persons refers to the first two categories primarily and partly to the third. It is further limited to large units. Dissatisfaction among local persons, it is reported, is due to recruitment policies followed in the past in the larger units and particularly in those with some prestige. The present demand, however, is for a share in new opportunities. In examining this limited problem, we would like to select three typical categories to understand the dimensions of employment opportunities which can be made available to local persons.

7.46 Industrial units can be divided into two groups: old and new. The former will be having vacancies either because of retirement, resignation, discharge/dismissal, death, etc., of existing workers or because of expansion. Expansion can be treated as being on par with the setting up of a new unit. In other cases, the units where 'separation' takes place will be continuously under pressure for rationalisation. Such eventualities have been recognised as an opportunity for streamlining production pro-

cesses. Thus, the openings which result will be, at least in units where local persons want them, invariably less than those caused by separation. Such vacancies will arise at different levels of responsibility. Managements will be under pressure for filling vacancies at the senior level through persons from within the unit. Prudent management avoids possible conflict by judicious adjustment between promotees and newcomers. This process of internal promotions will cause more openings at lower levels where attractions for persons from long distances may be limited. With new education policies in different parts of the country which emphasise the local language as the medium of instruction in schools, with difficulties in securing accommodation and distances away from home, persons who migrate will have less incentive to go in for junior and unskilled jobs. In the long run, these factors will favour recruitment of local people in the ordinary course.

7.47 In the case of new units, which will include expansion of existing units, persons from outside the locality are alleged to create difficulties in housing, health and sanitation, generally taxing civic services unduly. To the extent these are real, they provide a motivation to employers to engage persons from the area where the unit is located. Thus, a large part of employment opportunities would, in the normal course, go to local persons. The evidence before us suggests that ordinarily industry would prefer employment of local people. In their case, there are no particular problems of housing, getting accustomed to new environment, need for long leave or special training for understanding local language. But this is on the assumption that these are the only or major considerations which an employer has in mind while making the initial recruitment. Some unions have pointed out that employers want to guard against easy access to local union leadership. This appears to be a weak argument. We do not accept the hypothesis that industrial relations are more prone to disturbance if local persons are predominant nor that persons from outside are less union minded. Other things being equal, the normal choice of an employer will be in favour of recruitment of a local person.

7.48 In the case of large commercial units, the grievance of local persons will be against firms which have an all-India character or reputation. Here again, though the nature of work may be different, considerations similar to those in the case of industries will apply,

but with a difference. Because of the character and reputation of these firms, they will have all-India cadres with possibility of transfer from place to place at least in the higher echelons of the establishment. It cannot be the contention of advocates of local persons to prevent such transfers in the case of all-India establishments. We have been told that at junior levels, in clerical and subordinate cadres, local preferences always operate. But for highly skilled, technical and administrative posts, including those of junior officers, there are understandably all-India competitive examinations and selections.

7.49 Transport controlled by the State or local authority causes no problem. The position could be different where the controlling authority is the Central Government as in the case of railways, air transport and ports and docks. Railways and air transport have established rules of recruitment. In ports and docks, and this is a problem with some major cities only, certain regional groups have traditionally specialised in particular jobs. For instance, in the Calcutta Port, groups which do loading of coal belong to a different region from those who handle hides. In the Bombay Port, persons who handle some types of cargo come from a geographical area quite different from those who handle others. In either case, there is homogeneity within a group which helps smooth working. The evidence suggests that because some groups have been identified as suited to particular types of work, employers have shown preference for them. This may not remain a permanent feature. It should not be difficult for local persons to acquire the necessary skills or get over undesirable prejudices. But any progress in this direction lies in local people removing their own handicaps in work performance.

7.50 We have tried to illustrate the position with reference to the three categories mentioned above to see the areas of employment for which an employer could recruit outsiders. We do not consider it to be large. Also, social and economic mobility, horizontal as well as vertical, is an important element of an industrial society. It has operated in this manner all over the world and India can be no exception. But these reasons apart, we cannot suggest giving up the fundamental approach that a citizen of India should be able to secure employment in any part of the country. And it is within this approach that we have to find a way for satisfying local aspirations. Though this demand has acquired an edge in the period of recession, we believe it will not be given up till such time as we are able to move faster to-

wards industrialisation, and in doing so give greater satisfaction to the demand for regional balance. Satisfaction can always be subjective. We have therefore to seek a solution keeping in mind the primacy of common citizenship, geographical mobility and economic feasibility of locating industrial units on the one hand and local aspirations on the other.

7.51 The main elements in the claims on behalf of the 'Sons of the Soil' have long been recognised by the Government of India when it laid down certain principles in the matter of recruitment to its public undertakings. The implementation of these principles was left to the undertakings themselves. The relevant principles are:

"It will be of advantage to the units in various directions, if persons who come from areas near about the place of location of the project secure appointment to posts in the lower scales. In the case of all unskilled workers, even without any special efforts, they are generally drawn from the locality where the project is situated. Every effort should be made in such recruitment to give preference to persons displaced from the areas acquired for the project especially of scheduled castes and scheduled tribes (e.g., Adivasis). Next should be preferred those, who even if they come from some distance, have been or are about to be retrenched from other government undertakings.

"In the case of skilled workers, clerks and other non-technical staff whose scales are comparatively low, so long as the basic qualifications and experience are forthcoming, preference should be given in the order of priority mentioned in the previous paragraph.

"In the case of middle level technical and non-technical posts, having higher starting salaries equivalent to the Class I Junior scale of the Government of India (Rs. 350—850), recruitment should be made on an all-India basis, merit and qualifications being the principal criteria. Complaints have sometimes been made in the past that local candidates do not receive a fair deal. Special care should be taken to ensure that there is no reasonable ground for any such complaint.

"In the case of higher non-technical posts, e.g., top general management, finance and accounts, sales, purchase, stores, transport, personnel management and welfare and town administration carrying a salary of Rs. 600 and above, candidates available in the Industrial Management Pool should first be

considered. Failing such candidates, there should be advertisements on all-India basis. This does not, however, preclude considering candidates who may have applied on their own or may have been retrenched from other government projects.

"For the higher technical posts, the best qualified persons will have to be recruited, either by advertisement on an all-India basis or by personal contact.

"All vacancies of the kind referred to in paras above should be communicated to the Employment Exchange close to the project. Advertisements, which are made in the papers, should be in local languages and in the local newspapers. Such advertisements should specially mention that preference would be given to persons who are registered in Employment Exchanges. All the applications received, along with the list sent by the Employment Exchange, should be screened and appointments made by Selection Committees specially set up for the purpose of each unit. These Selection Committees should include representatives from the State Government or their nominees.

"The Selection Committees set up for recruitment to all other medium level or higher technical or non-technical posts should include at least one representative of the State Government, preferably a State Government official who is on the Board of Directors.

"Representation for local interests in the shape of State Government nominees etc., as detailed above, should also be provided for in any standing committee that may exist for the purpose and not confined to only special *ad hoc* committees.

"Where the exigencies of work require the making of urgent *ad hoc* appointments, it will be open to the Managing Director to make such appointments and then inform the Selection or Standing Committees.

"The above principles may be kept in view by Boards of Directors and Managing Directors/Chairmen of public sector projects while making recruitments to posts within their projects."

7.52 We consider it necessary to elaborate the first paragraph of the statement. Payment of compensation for land acquired for industrial use is currently considered a sufficient discharge of obligation towards persons who are

dispossessed of land. This alone does not solve the question of earning a livelihood. Young persons from families whose lands are acquired should be provided opportunities for training for employments likely to be created in new units set up on these lands. After the land passes into the hands of new owners and before an industrial unit is set up, there is ample time to train young persons whose basic qualifications are adequate to imbibe such training¹.

7.53 We believe that the directive, if implemented in the spirit in which it has been drawn up, will provide adequate scope to local persons. Since dissatisfaction still persists in spite of the directive, the following steps to supervise its implementation should be taken to remove unjustified apprehension among the local candidates:—

- (i) While recruiting unskilled employees, first preference should be given to persons displaced from the areas acquired for the project and next should be preferred those who have been living within the same vicinity.
- (ii) The selection of persons to posts in lower scales should not be left entirely to the head of a public sector enterprise. He should constitute a Recruitment Committee with a nominee of the Government of the State within which the unit is located as a member of the Committee.
- (iii) In the case of middle-level technicians, where the recruitment has to be on an all-India basis, a member of the State Public Service Commission should be associated in making selections in addition to the State Government official on the Board of Directors.
- (iv) Apart from the report sent to the concerned Ministry at the Centre, the undertaking should send a statement at regular intervals, preferably every quarter, to the State Government about the latest employment and recruitment position.

7.54 Steps recommended above should apply equally to recruitment in the private sector. In the case of private employers, however, the mechanism to regulate recruitment will have to be different from that recommended for the public sector. And this is a matter of detail to be worked out between the employer and the concerned Government.

¹For details, see the Report of the Study Group on Tribal Labour.

Statement showing the vacancies notified to and placements effected by the Employment Exchanges

Year	No. of exchanges at the end of the year	Number of vacancies notified	Number of placements	Percentage of placements to vacancies notified
1	2	3	4	5
1947‡	75	97,892	61,729	63.0
1948	77	3,80,921	2,60,088	68.3
1949	109	3,62,011	2,56,809	70.9
1950	123	4,19,307	3,31,193	79.0
1951	126	4,86,534	4,16,858	85.7
1952	131	4,29,556	3,57,828	83.3
1953	126	2,56,703	1,85,443	72.2
1954	128	2,39,975	1,62,451	67.7
1955	136	2,80,523	1,60,735	57.3
1956	143	2,96,618	1,89,855	64.0
1957	181	2,97,188	1,92,831	64.9
1958	212	3,64,884	2,33,320	63.9
1959	244*	4,24,393	2,71,131	63.9
1960	296*	5,20,330	3,05,553	58.7
1961	325*	7,08,379	4,04,077	57.0
1962	342*	7,90,445	4,58,085	58.0
1963	353*	9,08,980	5,36,277	59.0
1964	365*	9,16,572	5,44,818	59.4
1965	376*	9,46,082	5,70,191	60.3
1966	‡396*	8,52,467	5,07,342	59.5
1967	399*	6,99,039	4,30,588	61.6
1968	405*	7,14,006	4,24,227	59.4

* Excludes University Employment Information and Guidance Bureau.

† Increase in the number of Employment Exchanges during 1966 was mainly due to re-classification of certain Employment Exchanges and inclusion of 10 Professional and Executive Offices.

‡ Relates to period 15-8-47 to 31-12-47 only.

(Source : D. G. E. & T.)

CHAPTER 8

TRAINING, INDUCTION AND WORKERS' EDUCATION

We now analyse and assess the means, agencies and arrangements for preparing a person for work environment, his training before and after he gets into employment, induction into disciplines required at various levels of work, and greater responsibilities an industrial worker of today has to shoulder as he develops his skills by conscious and diligent work. Broadly, these fall into two distinct fields, viz., (i) vocational training and (ii) workers' education. For each of these fields we constituted separate Study Groups whose reports have been used by us while making our assessment and recommendations. Vocational training imparts the necessary skills required for a job as well as it raises the level

of these skills for vertical mobility of workers. It does not end with pre-job training, but continues on the job as well. Induction programmes and promotion policies that form part of personnel management have a close link with training. Workers' education, on the other hand, aims at promoting understanding by a worker of (i) the unit where he works, (ii) the colleagues with whom he has to share his work environments, (iii) the higher levels of managerial hierarchy responsible for making his working life meaningful, and (iv) the rest of the community with which he has to spend a major part of the day: all these will also be a part of the process which builds up a worker.

VOCATIONAL TRAINING

8.1 In India, the traditional method of acquiring the desired level of skill in a trade or occupation has been to learn it initially from an elder in the family or a family friend and practise it over long years on the job. The skill thus learnt is in due course passed on to the younger generation in like manner. In organised industrial units, a worker recruited to an unskilled job gradually picked up the requisite knowledge by emulating his senior. In the early decades of this century, the need for trained workers came to be recognised, but establishment of institutional facilities for training did not receive the required attention. The Whitley Commission (1929—31) almost ignored this aspect. Perhaps, training did not seem to have special relevance then, though some schemes of vocational education and practical training were in operation in railway workshops, in some industrial centres and in large-sized factories. In the enquiries that followed the publication of the Whitley Commission report, whether in the field of labour or education, greater awareness of the problem was in evidence. The Report on the Vocational Education in India (Abbot—Wood Report), 1937, the Report of the Bombay Textile Labour Enquiry Committee, 1940, and the Report on Post-War Educational Development in India (Sargent Report), 1944, all emphasised the need for training facilities for workers. The National Service Labour Tribunals (NSLT) which were set up in 1940—45, ran a training wing, apart from deploying trained workers for industrial work.

8.2 The enquiries undertaken by the Rege Committee revealed that in traditional industries like textiles, sugar, jute and engineering, training requirements were met by the industrial units themselves. The setting up of strategic industries in furtherance of the war effort necessitated special arrangements to be made by the Government of India to organise training of craftsmen on a large scale. With a modest beginning in the early years, 350 institutes with a seating capacity of 50,000 were established towards the close of the war and over 100,000 artisans had been trained by the year 1946. A description of the various schemes of vocational training and apprenticeship in operation towards the end of the war in industrial concerns and in other institutions is found in the Committee's Report. Among the schemes it named were:

- (i) Apprenticeship and higher training in railway workshops, a technical school, and the staff college of the railways;
- (ii) The well defined apprenticeship schemes in Sone Valley Portland Cement Company, the Assam Oil Company, the Tata Oil Mills Company, the Tata Iron and Steel Company, the Tinplate Co. of India, and some engineering works in Bombay, Bengal, Madras, Uttar Pradesh and the Punjab;
- (iii) Training provided in the Dockyards at Bombay and Calcutta Port Trusts and Port Workshops at Calcutta, Madras and Vizagapatam and some municipalities;

(iv) several unorganised industries such as training provided for children by carpet-weaving, bidi and cigar-making, and mica splitting, in the process of getting help from them.

8.3 The Rege Committee also described the schemes run by the Government of India under the auspices of the NSLT. Apart from training within India, some technicians (Bevin Boys) were sent abroad to take advantage of the more broad-based facilities available in the U.K., but specially tailored to war needs. Reporting as it did at the end of the Second World War, the Committee was apprehensive of the closure of institutional training facilities. It looked with hope to their being taken over by the Education Department in collaboration with the Planning and Development Department as recommended by the Sargent Report.¹

8.4 With the end of the War in 1945, rehabilitation of ex-servicemen in civil employment became one of the major pre-occupations of Government. The Vocational Training Institutes were utilised for giving training to ex-servicemen. The short-lived Planning and Development Department raised hopes of regular training activities in place of those needed for the war effort only. Then came training for rehabilitation of displaced persons in the economic life of the country. Both in Punjab and in West Bengal, persons who came in had different occupational skills, work habits and social background as compared to those who crossed the border into Pakistan. While agriculturists and skilled artisans went to

Pakistan, those who came in were traders and persons following liberal arts and professions. The latter had to be given an artisan bias to equip them for employments available in the country. The vocational training institutes which were catering to the needs of ex-servicemen were therefore thrown open to young boys and girls uprooted from Pakistan.

Developments under the Plans

8.5 The Five Year Programme for Labour² adopted by Government in 1946 (hereafter referred to as the 1946 programme) suggested organisation of an industrial training and apprenticeship scheme on a large scale with a view to improving the productive and earning capacity of workers and enabling them to qualify for promotions to higher grades. The climate for expansion of training facilities persisted with the advent of planning. The Second and the Third Plans (1956—66), which were designed to have an industrial bias, emphasised, as a corollary, the need for expansion of training facilities. The requirements of skilled workers were assessed systematically from plan to plan, and as experience was gained, a longer perspective was taken into account for working out the requirements. Vocational training in institutes became the principal means of turning out skilled workers, though even with such expansions as Government could undertake, traditional methods of imparting training had to be continued for many sectors of the economy. The table below indicates the growth of facilities in the Industrial Training Institutes (ITI) of the Directorate General of Employment and Training.

TABLE 8·1: *Growth of Training Facilities in Industrial Training Institutes*

Period	Seating Capacity			Remarks
	Engineering Trades	Non-Engineering Trades	Total	
(1)	(2)	(3)	(4)	(5)
At the end of the				
First Plan (1951-56)	8,622	1,912	10,534	
Second Plan (1956-61)	39,797	2,888*	42,685	*Includes 408 seats under the Displaced Persons Scheme.
Third Plan (1961-66)	108,196	5,426	113,622	
As on 30-11-68	139,440	7,112	146,552	
Fourth Plan (1969-74)	..	..	150,000	

¹Labour Investigation Committee, Main Report (1958 print) pp. 83—85.

²Annexure 1

Source : Directorate General of Employment & Training.

8.6 Recognising that the main demand on the products of these institutions would come from industrial employers, it was considered necessary to work out arrangements for consultation with the prospective employers of these trainees. Government, therefore, constituted in 1957 the National Council for Training in Vocational Trades (NCTVT), consisting of representatives of employers, workers and technical institutions, for seeking advice on all aspects of vocational training and for correlating training facilities with the requirement of industry. The NCTVT, in turn, constituted a number of Trade Committees separately for each of the 30 engineering and 22 non-engineering trades in which the ITIs imparted training. The Trade Committees were to advise the NCTVT on the syllabi, list of equipment, standards of teaching, quality of instructors and other problems connected with each specific trade.

8.7 The 356 ITIs presently working in the country cover all important industrial areas; in some of the bigger industrial concentrations, more than one Institute function within the framework of the Scheme. The statement at the Annexure II shows that expansion of training facilities in different States has been uneven. In planning such facilities local demand was the primary consideration, apart from other factors like sustained demand and facilities provided by the State for expanding the institutes. The training in these institutes is designed to teach basic skills to young persons (15 to 25 years) and to prepare them for production jobs of their choice. It combines shop floor work with class-room instruction. The trainee spends 70 per cent of his total time on practical work. The period of training is one year for some trades and two years for others. Subjects taught in the ITIs cover both engineering and non-engineering trades. The former includes metal cutting, turning, fitting, metal working, electrical, building construction work, etc., whereas the latter group comprises trades suitable for women and cottage and small-scale industries. Some ITIs have diversified the content of their training programmes to meet the needs of new industries such as chemicals, petro-chemicals, fertilizers, drugs and pharmaceuticals.¹

The Central Training Institutes

8.8 A programme of the type and magnitude described above involves considerable amount of planning at various stages. Firstly, there has

to be a survey of skill requirements. Secondly, the location of training facilities has to be planned, taking into account availability of accommodation, mechanical equipment, electrical installations, craft instructors and the like. Of all these, supply of adequate number of instructors has assumed importance because of shortage of skills in the country. In an expanding industrial complex, employers are willing to attract persons who have the requisite training skills. The scales of pay in Government being what they are, it is difficult for the ITIs to attract the right quality of instructors. Recognising this difficulty, seven Central Training Institutes for instructors have been established by Government at Calcutta, Madras, Kanpur, Hyderabad, Ludhiana, Bombay and New Delhi with a total seating capacity of 2,400.

Apprenticeship Schemes

8.9 Institutional training, good as it is, for introducing a young man/woman into a trade, need not necessarily enable him/her to have a feel of the machine nor a taste of the environment in which he/she has to work. However good the training arrangements in the ITIs, they cannot by themselves simulate industrial conditions and environments; apprenticeship in a plant therefore becomes a necessary step for transition from the life of a trainee to that of a worker.

8.10 Since voluntary schemes for apprenticeship training were not forthcoming on the scale needed for industrial development, the Shiva Rao Committee² envisaged compulsory apprenticeship. Committees appointed thereafter took note of the faster expansion planned for the economy in making their recommendations on 'apprenticeship'. Thus the Technical Training Committee of the Small-Scale Industries Board (1956), the Special Apprenticeship Committee of the Small-Scale Industries Board (1958), the Working Group on Technical Education (1959) and the National Council for Training in Vocational Trades in 1960, all recommended legislation to regulate and enforce apprenticeship training in the country. The Apprentices Act, 1961 thus came into being and was enforced on March 1, 1962. Under the Act, employers in specified Industries are obliged to train a certain number of apprentices in 'designated' trades according to prescribed national standards. The proportion of apprentices to workers employed varies from trade to trade; it is 14 per cent in most of the trades.

¹For details, see the Report of the Study Group on Employment and Training.

²The Training and Employment Services Organisation Committee (1954).

8.11 At the end of August, 1968, 37,205 apprentices were undergoing training in 50 trades in about 3,250 establishments belonging to 200 different industries. Subject to survey of available facilities, the target for the Fourth Plan has been provisionally fixed at 100,000 training seats for apprentices. It has been decided to intensify, as well as diversify, the apprenticeship training during the Fourth Plan to meet the specific requirements of industries. The scope of the Act is wide and can be extended to any field or industry to regulate and control the training of apprentices.

Other Schemes

8.12 Apart from the arrangements in the DGET, the National Small Industries Corporation provides training in the Small Industries Service Institutes and workshops in a number of trades such as electroplating, carpentry, footwear, tanning, foundry, blacksmithy, machining, turning, welding, fitting, sheet metal trades, die and tool making, cane and bamboo making, glass blowing, rubber and plastics and pottery. The Ministry of Food, Agriculture, Community Development and Cooperation provides training in food preservation, poultry, piggery, fish culture and village crafts. The Silk Board and the Khadi and Village Industries Commission have their training programmes in sericulture, weaving, salesmanship, oil crushing, hand pounding of paddy, gur making, bee keeping, soap making, hand-made paper making, leather works, pottery, match making, etc. The Oil and Natural Gas Commission, the Neyveli Lignite Corporation, the National Coal Development Corporation and State Departments of Industries provide apprenticeship training in a number of trades.

Assessment

8.13 The range of training facilities discussed above has to be assessed in terms of whether they provide 'a man for the job' and 'a job for the man'. The first test has to be viewed in relation to the shortages in skills which develop in the economy and the second will show the other imbalance of many persons with the same qualifications available for employment; both may reflect the quality of training as also lack of planning in the facilities provided.

8.14 Experience has shown that in some trades and in certain areas shortages have been persistent. Employment Exchanges report shortages of professional and trained persons, fitters, turners, machinists, mechanics, moulders, blacksmiths, electroplaters, etc., almost all over

the country and surpluses of some skills in certain areas. Detailed investigations undertaken by that organisation reveal that both shortages and surpluses are somewhat unreal. Where shortages are reported, the employer does not necessarily accept a trained worker, and where there is a surplus, the trained worker does not show a desire to move out. Indian labour has a reputation of being mobile generally but a skilled worker who has some means to fall back upon, though they may be inadequate, shows resistance to move. A reason can be that the difference in the wage a worker hopes to get in his own area and the one he is offered in new employment is not such as would attract him. A shortage in one area and a surplus in another can be explained on this basis. We have also come across cases where shortages and surpluses are reported for apparently the same category of workers at the same centre. Our analysis reveals that this impression is created at times as a result of inadequate definitions of the trades in which such situations are reported. The National Classification of Occupations prepared by the DGET which defines various trades and describes the job content and training required for each might help a better understanding of the apparent imbalances. We recommend that steps should be taken to put this classification on a basis which will help a better assessment of supply from training institutes and demand from employers.

8.15 Employers at some centres have urged before us that they experience shortages of workers in skilled occupations. The unions on the other hand consider these shortages as illusory and connected with the conditions of work which an employer offers. The training agencies report that irrespective of conditions of work at least a few shortages result because employers insist on a certain length of experience which is often lacking in persons seeking placement. A vicious circle is brought into being in the sense that unless a person is employed he cannot gain experience and lack of experience inhibits an employer from taking him in. According to us, the remedy is to put these trained personnel as stipendiary apprentices in industries where they can gain experience.

8.16 While the case just described is somewhat simple and involves persons who have yet to get into a job, the more difficult and certainly more poignant case is of a person who is affected by technological change. Obsolescence of old skills and development of new ones is an imperative of the days we live

in. In many cases, because of new machinery coming in and the inability of old hands to man it, problems arise of surplus hands in obsolete skills and shortage of workers in new ones. There should, therefore, be facilities provided by the plant for retraining of employees. But some workers may still be surplus and they should be given training in general trades.

8.17 While we propose to refer to the human a period of changing technology and to remove considerations involved in this process of technological change elsewhere in the report, we welcome the steps taken by Government to keep under review the manpower problems in such imbalances of manpower as are bound to arise in the process. The remedy lies in keeping a watch over the trends, anticipating changes in the occupational structure, and taking the necessary steps to forestall shortages. For this purpose arrangements already exist in the DGET, Department of Labour and Employment, for undertaking employment market surveys on a regular basis. The surveys should be made more purposive.

Quality of Training

8.18 The rapid expansion of training has had its effect on quality. In spite of adequate consultation at every step in framing and implementing the programme, difficulties have been experienced in placing persons who have been trained in the ITIs. If employers do not attach much value to the training facilities in the ITIs, a plausible reason can be that the training provided does not conform to the needs of these undertakings. In certain undertakings, we are told, workers trained in the ITIs are recruited and given further training to suit the needs of the plant. This is as it should be, for after all, a general purpose course, as is provided in the ITI, can only be an entry qualification in a particular trade. The real training has to be on the job. While part of the current unemployment among the ITI trainees may be due to the recent recession, it could also be due to the fact that training imparted to the workers is not what the industry requires, the close liaison between the training institutes and the employers' organisations notwithstanding. We realise that training needs of different industrial units differ from the point of view of quality; for example, the skill required of a blacksmith in a foundry is different from the skill expected of a blacksmith in a shipyard or in the machine tool industry; a carpenter in a shipyard needs skills other than those for a carpenter in the furniture industry

and so on. Even so, it appears to us that there should be a closer liaison between employers' organisations and persons who represent these organisations on the trade committees of the NCTVT so that technical training becomes need-based.

Post-Employment Training

8.19 The development of institutional and apprenticeship training facilities during the last 15—20 years has been commendable. The NCTVT is capable of introducing such improvements as are necessary. But workers already employed in factories should also have necessary facilities to improve their skills. We consider that training for improvement of skills is a continuous process and has to pervade throughout the working life. Representatives of employers mentioned to us that adequate facilities for on-the-job training to workers exist in their establishments. Our analyses reveal that the number of establishments which provide for these is small; it is in the interest of employers to train workers to handle their tools and machines properly for increasing the productivity of the unit. Once a worker has been at work for some time, there should be a system of granting him study leave to equip himself for senior levels of responsibility. Only few undertakings provide this facility to workers at present. We feel that this system will help internal promotion and make for better industrial relations. We, therefore, recommend that this practice should be made common in industrial and commercial establishments.

8.20 We also reiterate the recommendation made in the last chapter that units which have large requirements of trained personnel at the lower levels should have a suitable 'tie-up' with the ITIs for the lowest level of skills and with higher institutions of learning for senior positions.

Training Policy and Administration

8.21 In considering the scope and future development of the training programmes, we feel that the main burden of training workers should necessarily be borne by the industry. In the industrially advanced countries, this is the normal method of making a worker useful to the establishment. In most European countries, institutional training plays a secondary role. The State should supplement rather than supplant the activities of employers in this matter. It should step in only in such fields and areas where employers cannot undertake training programmes.

8.22 In view of the present apathy to training shown by employers, State action is necessary in many areas in the country and in several occupations. For instance, the State should meet the growing need for technical personnel in rural areas arising out of electrification of rural areas, use of tractors and other machinery, harnessing of tubewells and other water-lifting devices for irrigation and so on.

8.23 Growth of the economy is reflected in increased construction activity and development of various types of services as an adjunct to industrial progress. In the re-organisation of training programmes, emphasis will also have to be laid on training in such new occupations as may come into existence on account of developmental activities.

8.24 It is important that a proper record be kept of all the sources of training of craftsmen and production process workers to avoid imbalances in demand and supply. To ensure such national manpower budgeting, it is necessary that the total number and types of persons being trained at any point of time should be known, and there should be a system under which all training schemes of employers in the country should be registered. We, therefore, recommend that the State Apprenticeship Adviser should be appointed the Registering Authority for this purpose in each State.

8.25 As in the case of Employment Exchanges, the ITIs were handed over to State Governments in 1956, the DGET retaining only the responsibility of prescribing all-India standards, staffing pattern and pay scales, syllabi and list of equipment, conducting trade tests, training instructors and the like. While the Government of India has made attempts to standardise the training organisations in the States by laying down standards, the State Governments have, over the years, prescribed varying qualifications and scales of pay for the staff of the ITIs. Delegation of powers for purchase of equipment and raw materials also differs in different areas as do arrangements for supervision and inspection of training programmes. Uniformity should be maintained in the quality of performance in this vital scheme, if only to make the trainees acceptable in all parts of the country. It is, therefore, essential that (i) instructional staff at various levels should have the same minimum qualifications and comparable enhancement prospects and (ii) vocational

standards should be uniform in all States.

8.26 Until 1956, Regional Directors were responsible for running both the Employment Exchanges and the Craftsmen Training Schemes in the States. After the reorganisation of the Employment and Training Services in that year, the work on employment and training has remained under the charge of a single officer in many States. In other States, despite the efforts of the Government of India, State Governments have placed the Craftsmen Training Scheme under either the Department of Industries or the Department of Technical Education, though the employment exchanges have remained under the Department of Labour. This has tended to disturb the collaboration between the two organisations. We understand that in the U.K. and the U.S.A., the policy has been to combine the Training and Employment Service functions under a unified control. These twin organisations have for their objective (a) preparation of manpower in required numbers and quality and (b) maximum utilisation of manpower. We recommend that like the Central Government, the State Government should have both the organisations under the Labour Department.

8.27 There is need to encourage professionalism and to provide opportunities for promotion from the ranks up to the posts of Directors of Employment and Training. This will reduce frequent changes at the top. There is force in the argument that stagnation has set in at the lower level, with consequent deterioration in quality. This requires to be avoided.

8.28 The programmes of institutional and apprenticeship training are gathering momentum and will, in course of time, cover an increasing number of people, industries and commercial establishments. The full impact of these programmes on the public mind is not yet perceptible. Legislators, employers, teachers, public men, parents and youth are not aware of the services provided and the prospects of employment or self-employment which are available to the youth. The part played by the training organisation has not attracted adequate attention. It is imperative that a sustained publicity of the programme and achievements of these services should be organised in order to convey their full importance to the employers and the public.

INDUCTION

8.29 Induction of a new employee into the work place, as an aspect of personnel management, has not received adequate attention in

our country. Some firms where good management practices are in vogue have systematic induction programmes, but only at senior

levels. Irrespective of the position which a new employee takes in his work place, it should be recognised that he begins a new life and needs to know the organisation, its objectives, functioning, goods manufactured or services rendered, and the like. Gradually these should lead him on to a knowledge of the more complicated issues dealt with by management, like the place of the product/service in the market and his own role in helping the management. In a small firm where only a few workers are employed, it is easy to get accustomed to the new environments, but where the establishment has a large number of workers and is spread over a wide area or over different towns, it is essential to help a fresh entrant to adjust himself to his new colleagues, surroundings and machines, and even new rules of conduct. Where workers come to industry from rural areas, the environments of the city life are a novelty to them and, in such cases, the need for induction is still greater.

8.30 We reproduce below an extract from the Memorandum adopted by the I.L.O.¹:

"In order to facilitate and expedite the integration of the newly recruited employee in the enterprise and the group with which he is to work, managements should adopt a well thought out induction programme. Induction procedures are intended to give the newcomer all information he needs to know about work and life in the new enterprise. Furthermore, they should create an atmosphere which will help the newcomer to become quickly familiar with his new surroundings and to feel at home.

"The information given to newly recruited employees should include such matters as conditions of work, rules of behaviour, health and safety regulations, opportunities for training and advancement, workers' rights and obligations (including grievances and negotiation procedures), leisure facilities, welfare services and benefit schemes, the structure and activities of the undertaking, its products and the role of the particular job the newcomer is to occupy within the enterprise as a whole".

8.31 The evidence before us shows that induction programmes are in vogue in certain textile mills in Ahmedabad, Bombay, Coimbatore, Madras and Delhi; in the TISCO at Jamshedpur; H.M.T., Bangalore; Metal Box

Co. of India, Calcutta; Hindustan Shipyard, Visakhapatnam; Ashok Leyland, Madras; Times of India Press, Bombay; Fertilizer Corporation of India, Sindri unit; Hindustan Levers, Bombay; and a few other establishments of comparable size and importance in the country. As an instance of what is being done and should be copied elsewhere, we quote a passage from a handbook which one undertaking has used in introducing itself to the new employee:—

"This may be your first job. Or you may have worked somewhere else. In any event, we are glad to have you with us and we hope you will enjoy working here. We believe you will find your fellow workers friendly and your job satisfying. We have made a place for you because there is a real need for your services. We are a community of people working together and in order that the organisation as a whole can function smoothly and efficiently, there must be certain agreed lines of conduct. Therefore, your acquaintance with the policies and principles broadly governing the relationship between the Company and the employee will enable us to better cement our relationship as partners in the National Industry. Each one of us has a responsibility and a part to play in the success of this venture. You have told us all about yourself. So it is our turn to tell you about us".

8.32 After the above introduction, the handbook proceeds to give a history of the undertaking, followed by information, among others, on the following items: reporting for duty, working hours, time recording, pay day, leave rules and procedures, increments, general safety precautions, secrecy, suggestions for inventions, absence without leave, cafeteria, sports and recreation, provident fund, gratuity scheme, Employees' State Insurance Scheme, promotion prospects, night shift allowance, discipline, merit rating, attendance bonus scheme and termination of employment,

8.33 A new worker hears many reports both right and wrong about management, its policies and the establishment in general from his friends, colleagues at work, trade unions, and the general public. He forms his own notions about the work-place on this basis. It will add to his satisfaction if the relevant information is communicated to him through the management itself.

¹Technical Meeting concerning certain Aspects of Labour Management Relations within Undertakings, Geneva 5-15 October, 1964.

PROMOTION

8.34 With the establishment of large industrial complexes, the issue of promotion has assumed importance. Discontent over promotions has been the cause of several work stoppages. In many cases, though the discontent may not be overt, it affects production even more because the grudge continues to be latent and rankles for long. Promotion means movement of a worker to a position of higher responsibility and consequential improvement in his emoluments. It is a reward for his hard work and an incentive to give of his best to the employer; it also serves to maintain the requisite morale among workers. Promotion provides a stimulus to the employee to cultivate the qualities that are necessary for advancing in life. While such encouragement is important in all employments, it acquires a special significance in the public sector, where management finds, for reasons explained elsewhere, that it cannot reward a worker in other ways.

8.35 We recognise that there will be certain jobs such as those of sweepers, attendants or watchmen where channels of promotion are difficult to lay down. In the railways, for instance, there are thousands of employees who cannot expect any promotion because of the disproportionately small number of jobs available at higher levels within the hierarchy of railway administration. Problems of such type require separate handling.

8.36 During the course of our inquiries, many employers mentioned to us about the existence of well defined promotion policies based on seniority, merit, trade test, efficiency, etc., and their strict observance in practice. Many workers' organisations, on the other hand, have alleged nepotism, favouritism and corruption in the matter of promotions. Some unions have suggested that the employers' policies are intended to sow seeds of discord among workers. We have not assessed the extent to which this is so. Where promotions are not based on known standards, or at least appear so to work-

ers, the management will do well to evolve a promotion policy in consultation with the recognised union where it exists.

8.37. Seniority-cum-merit should be the basis of promotions where merit can be objectively tested. Merit is a term which includes efficiency, skill, aptitude, etc. While a combination of merit and seniority is desirable, the play of discretion in the matter of selection cannot be overlooked. A sound management will always pursue a policy of properly balancing these factors. The policy can derive strength if worked in consultation with the workers. We recognise that no uniform standard can be laid down for all industries, all units within the same industry, or even all categories of workers in the same unit. Older firms have evolved policies as a result of years of experience and they are not dogmatic about the possibility of success of such policies elsewhere. As a general rule we recommend that in the lower rungs, particularly among the operative and clerical categories, seniority should be the basis for promotion. In respect of middle management technical, supervisory and administrative personnel, seniority-cum-merit should be the criterion. For higher managerial, technical and administrative positions, merit alone should be the guiding factor.

8.38. The evidence before us is conflicting in another related area viz., introduction of new talent at higher levels. Workers have suggested that recruitment from outside should be resorted to only when a suitable candidate is not available within the unit, whereas employers feel that in practice this will mean denying opportunity to newcomers. While we are in sympathy with the aspirations of workers, it is important to harmonise the claims of both the existing workers and new entrants. This will be possible if some vacancies at each level of responsibility are thrown open to competition. It goes without saying that persons already in the establishment should be permitted to compete along with the rest.

WORKERS' EDUCATION

8.39. Workers' education in India, except at certain centres where it has a history, is a recent development. Referring to illiteracy and lack of education among workers, the Whitley Commission observed :

"It is almost impossible to over-estimate the consequences of this disability, which are

obvious in wages, in health, in productivity, in organisation and in several other directions. Modern machine industry depends in a peculiar degree on education, and the attempt to build it up with an illiterate body of workers must be difficult and perilous. We should emphasize the fact that, precisely because of this, the education of industrial labour should receive special attention".¹

¹Report of the Royal Commission on Labour in India, p. 27.

Though this fact has been recognised since, no concrete steps were taken by Government or by employers or for that matter by most unions to educate and enlighten the worker for a long time. This apathy continued for some years even after Independence. The need for it was not so urgent in those days as it is today when labour has to play a vital role in an industrial complex which is different in several respects from the one in the past.

8.40. It was only in the Second Five Year Plan (1956—61) that training of workers in trade union philosophy and methods found a place and was rightly considered a necessity if unions were to become self-reliant in respect of office-bearers.¹ In view of the fact that most unions were not then equipped to undertake this responsibility, the Government of India had to take upon itself the task of running an education programme under tripartite auspices. Accordingly, a scheme of workers' education which envisaged an all-India coverage was formulated by the Government of India in March, 1957 with the help of an international team of experts. It was envisaged that while the Government would arrange directly for workers' education in the initial stages, the programme would ultimately be run mainly by workers' organisations. The aims and objectives of the scheme as launched, after tripartite consultation, are:

- (i) to develop strong and more effective trade unions through better trained officials and more enlightened members;
- (ii) to develop leadership from the rank and file and promote the growth of the democratic processes and tradition in trade union organisation and administration;
- (iii) to equip organised labour to take its place in a democratic society and to fulfil effectively its social and economic functions and responsibilities; and
- (iv) to promote among workers a greater understanding of the problems of their economic environment and their privileges and obligations as union members and officials and as citizens.

The Scheme

8.41. We will first describe briefly the scheme as currently operating. The Government of India appointed a semi-autonomous Board *viz.*, the Central Board of Workers' Education (hereafter referred to as the Board) to administer the

scheme. The Board has on it representatives of the Central and State Governments, organisations of employers and workers, and educational institutions, with a maximum of 20 representatives. To give it an orientation in favour of labour, workers' organisations have been given a relatively greater representation. While the Board normally meets once a year, mostly for an annual review of its work and adoption of the budget, a smaller body, the Board of Governors, consisting of not less than six but not more than ten members, meets four times a year. The administrative functions, training and induction of new officers, and preparation of literature, audio-visual aids, etc., are centralised in the Board's office. The educational activity is decentralised. Regional and sub-regional centres which conduct educational work in the local area have now been opened in almost all important industrial centres. To guide the policies at the regional level, a local committee, on the same model as the Board itself, is set up at each centre.

8.42. The programme operates in three tiers. In the first, education officers selected by the Board by open competition are given training at a central place by the staff of the Board. This staff is but only the nucleus; with it are mixed guest lecturers who are trade union leaders, employers' representatives, educational experts, administrators and the like. On successful completion of training, the education officers are posted to Regional Centres on the basis of the languages with which they are familiar. The language factor has necessarily to be kept in mind in the initial selection itself. With each batch of education officers, so trained, the Board's practice has been to include a fair number of trade union workers nominated by the Central organisations. This provides an opportunity to the trainees to be acquainted with trade union problems, albeit in a small way. The union nominees also get facilities to widen their interests and add theoretical knowledge to the practical background they possess.

8.43. The next stage in the programme is to prepare selected workers as teachers. The local committee is in charge of choosing workers from among those who are initially nominated by unions. If an employer releases a worker for training, the period of training is considered as duty and payment is made by him on that basis. Cases have occurred where an employer finds difficulties in complying with the requests of the local committee for releasing selected workers. By and large, these issues are settled by mutual

¹Second Five Year Plan, p. 573.

accommodation. For this training, though the bulk of the educational programme is the responsibility of education officers, 'guest lecturers' are invited with a view to improve the quality of training. A study tour to places of industrial importance also forms part of the education programme.

8.44 At the third stage, worker-teachers, on completion of their training return to the estab-

lishments and conduct programme for the rank and file of workers in their respective units, work places or localities. This activity is supervised by the education officers located at the centre.

8.45 The following table indicates the progress of the Workers' Education Scheme in each of the three periods.

TABLE 8.2: *Progress of Worker's Education Scheme*

Items	1958-61	1961-66	1966-68
(1)	(2)	(3)	(4)
1. Regional Centres	12	18	1
2. Education Officers trained—	100	217	32
(i) Direct candidates	67	154	25
(ii) Trade Union nominees	33	63	7
3. Worker-teachers trained	1,070	6,340	6,199
4. Workers trained	10,140*	3,15,810*	2,81,664*
5. Expenditure (Rs. million)	1.66	15.04	11.54

*Includes the number of workers trained as worker-teachers. Statistics do not include workers trained by trade unions.

8.46 Participation of the unions in the Workers' Education Programme takes place in two ways. We have already referred to the inclusion of trade union nominees in the course organised for the initial preparation of education officers. The Board also expects unions which send their nominees for the course to undertake educational work on completion of their participation in the training programme. For programmes approved by the Board, the union is entitled to financial assistance through 'grant-in-aid.' Such grants have been made in 31 cases to unions and other bodies. The grants varied from a nominal sum of just over Rs. 100 to Rs. 36,901 in one case. 10,059 workers have so far been trained through the schemes assisted by grants-in-aid and the total sum paid as grants is Rs. 1.49 lakhs.

An Assessment

8.47 The scheme, as it has operated so far, has been assessed on several occasions and some of these assessments have been made by experts from countries where workers' education is not the responsibility of the State. These assessments have naturally varied and have drawn attention to several aspects which are worth en-

couraging as indeed to its shortcomings. On one point, *viz.*, the desirability of strengthening the programme of workers' education itself—whether the agency be trade unions themselves or an organisation like the Central Board of Workers' Education—there is a fair measure of agreement. The Board has also made its own internal evaluation in its endeavour to improve its programme. In 1966, after the scheme had been in operation for about eight years, the Government of India, while favourably disposed towards the scheme, decided that before extending it further its assessment should be undertaken by a tripartite Committee. In the meanwhile, this Commission was set up and the committee proposed by Government was not appointed. We, however, constituted our own committee¹ to evaluate the Workers' Education programme and to make recommendations to us. After a detailed study and visits to several centres where the scheme had been in operation for a long time, the Committee made its assessment and framed recommendations. We have also had the benefit of the reaction of the Board to our Committee's recommendations. These have been considered by us and we have also weighed them against the direct evidence before us on the whole area of workers' education.

1. The Committee on Workers' Education.

8.48 On the basis of all this assessment and evidence, we find that the present scheme, like any other scheme, is not altogether perfect and there is need for improving it. The literature produced by the Board under the scheme, useful as it has been to the different levels of understanding of the workers it caters to, has not only to be enlarged but what is equally relevant, its quality has to be improved. The same holds good about the audio-visual aids and other media through which information is imparted to the workers. This latter teaching aid, we believe, should not be allowed to suffer for want of funds. Further, the number of workers covered so far by the programme represents only a minority of the industrial workers; and even if we take a norm of 50 per cent of the workers to be educated in this manner, the programme has to be considerably enlarged and its implementation speeded up. A more serious lacuna, however, is in respect of the quality of education. Our Committee reported: "Though training was not, unfortunately, of much help to trade union workers it did make the trainees good workers" and "stimulated in them the awareness of trade union." The trade unions' representatives feel that such awareness would have come in any case. While this may be true, there is evidence to show that the beneficiaries of the Workers' Education Scheme have shown more interest in union activities than others who have not had this education. However, it is the degree of satisfaction to trade union leaders that counts in this regard, and from this viewpoint the scheme has a long leeway to make.

8.49 We recognise that the programme can be bookish if there is no close cooperation between trade unions and those who administer the programme. Unfortunately, this still remains halting in spite of the efforts of those who are in charge of it. The Board, at present, seeks cooperation from the unions at various levels in framing policies, in selecting the persons to be trained and in advising on the literature and audio-visual aids to be produced. Union representatives have been quite active in the Central Board and have shown a fair measure of earnestness and initiative. Their experienced leaders have given talks at various courses of the Board at different levels. Certain unions have organised their own programmes of workers' education. But, by and large, in the actual running of the programme, participation of the unions has been limited, though some unions did seek and receive grants-in-aid from the Board for running educational courses. But all this cooperation could be considered as marginal.

8.50 The trade unions complain that greater cooperation has not been possible because any programme of workers' education should rightly have been entrusted to them. But since they have not been able to get adequate finances and facilities to promote workers' education, the Board's responsibility should have been to remove those impediments. In regard to the grants, the Board has been bound by financial procedures and rules which are common to all institutions receiving aid from government. The unions, however, find that these procedures are so onerous that even the better organised among them seldom qualify to receive a grant-in-aid for running the programme. Another difficulty in the way of the unions has been that while employers have given certain facilities to the Board to run the official programme, the same facilities have not been extended to the unions for running their classes, even when they have the Board's approval.

Our Approach

8.51 Certain basic issues arise in respect of the workers' education scheme; these are related to its objectives, organisation and administration. The content and method of workers' education are operationally significant. In evolving the approach, on which depends the success of any programme of workers' education, we recognise that there has to be a responsive system of programme formulation and implementation. Further, its objectives need to be clearly laid down to avoid any drift in its course. Our recommendations are, therefore, confined to these basic aspects as we believe that other issues can be settled as they arise, given the cooperation and goodwill on all sides. The exact form of settling the issues will differ from time to time, from locality to locality, and in accordance with changes in circumstances and needs.

8.52 'Workers' education' is all functional and has to be judged by its impact on the workers, the industry and the community. In this sense, the outlays on it must bring their own returns, social or economic. The precondition of workers' education is literacy. This is an important consideration at the present stage of development in the country when in certain areas/industries large proportion of workers are illiterate. Workers' education has to be a post-literacy programme. Audio-visual aids do help to improve the understanding of the illiterate, but far better results could be achieved if workers are literate. The establishment of this precondition in our opinion is a responsibility of the

State and we recommend that the Government should undertake an extensive adult literacy programme for eradication of illiteracy among workers.

8.53 Apart from literacy, there has to be training which is required to make a worker an efficient and disciplined operative. This part of education is best left to the employer. We believe that with modern technology, machines will be delicate, complex and costly. A regular pre-employment shop-floor training of the type suggested earlier will be a part of the comprehensive programme of workers' education.

8.54. Workers' education, proper, should have the following objectives. It should make a worker:

- (i) a responsibly committed and disciplined operative;
- (ii) understand the basic economic and technical aspect of the industry and the plant where he is employed so that he can take an intelligent interest in its affairs;
- (iii) aware of his rights and obligations;
- (iv) understand the organisation and functioning of the union as well as develop qualities of leadership, loyalty and devotion towards trade union work so that he can intelligently participate in the affairs of his union;
- (v) lead a clean and healthy life based on a firm ethical foundation; and
- (vi) a responsible and alert citizen.

8.55 We recommend that the programme of workers' education should be formulated, administered and implemented by the trade unions themselves, though some elements of it will not be within this field of activity. Having stated this, we recognise the difficulties of the unions as at present organised. The activities of the Board thus have a relevance, because the withdrawal of the Board may create a vacuum. To make the transition towards this goal smoother, it is necessary that current procedures and rules for giving aid to trade unions for workers' education are simplified and adapted to the structure and needs of unions on the one hand and to the accountability of public funds on the other. Simultaneously, the employers should cooperate with the unions by giving them similar facilities as are made available by them for the programme under the Board.

8.56 It will also be necessary that trade union officials and organisers at a senior level should

receive functional education suited to their respective roles. For this purpose, national trade union centres, in collaboration with universities and research institutions, should draw up a suitable programme. The broad operational division will be that the national centre will provide opportunities for practical field work while universities/research institutions can be mobilised to impart education in the fundamentals of trade unionism, industrial relations, labour laws, the organisation of the country's economy etc. In addition to this, the Government should encourage universities to provide extension courses for the benefit of union leaders and organisers.

8.57 For the transition from the present scheme to workers' education mainly as a trade union activity, the present Board of Governors and Central Board of Workers' Education will have to be reorganised both in respect of their composition and scope of activities. In this regard, the recommendations made by our Committee, most of which have been accepted by the Central Board, do not need to be elaborated. We would like to emphasise that the Board of Governors should be presided over by a nominee of the unions; the Central Board of Workers' Education should also have a Chairman from amongst the workers' representatives. The main functionary of the Board, the Director of the scheme, should also be a nominee of the unions. Further, at present, there is no representation of the public sector on the Central Board. This is somewhat anomalous since the public sector is assuming greater importance. We recommend that the Central Board should have a representative of the public sector, but in granting this representation, the present arrangement by which workers' nominees will form the largest single group on the Board should not be disturbed. If necessary, the workers' representation on the Board should be strengthened further.

8.58 The Board appears to be tied down somewhat rigidly to the frame-work which was prepared for it by the team of experts referred to in para 8.40. We recognise that the Board does explore the scope for experimentation within the framework of the experts' recommendations. We would suggest that as circumstances change, the framework which the Board has accepted for its operation may itself have to be altered. If the constitution of the Central Board of Workers' Education requires to be changed to make the Board more dynamic, such changes should be effected consistent with the general approach indicated above.

8.59 Finally, our Committee has recommended that the Board should be put on a permanent basis. We feel that a coordinating and national policy-making body will be necessary even after the trade unions completely take over the programme of workers' education. We, therefore, recommend that subject to changes in the constitution and functions of the Board, it should be put on a continuing basis in respect of its tenure.

8.60 During the course of our inquiry, we have noticed the education schemes operated by some State Governments and trade union organisations, irrespective of the programme set up by the Board. They are, however, so small in number and the area in which they operate is so limited that we do not propose to comment upon them.

Five Year Programme for Labour—1946

In recognition of its duty to protect the working class and promote its welfare, a blueprint on labour policy—A Five Year Programme for Labour—was drawn up in 1946 when the interim National Government came to power at the Centre. In the course of a debate in the Central Legislative Assembly in 1946, Shri Jagjiwan Ram, the Member in-charge of Labour, revealed that Government had formulated a plan for bringing about essential reforms in the interest of the working classes of India. The main features of the proposed Programme were:

“Statutory prescription of minimum wages in sweated industries and occupation and in agriculture.

“Promotion of ‘fair wage’ agreements.

“Steps to secure for workers in plantations a living wage.

“Reduction in the hours of work in mines to bring the working hours in line with the hours of work in factories which have been recently reduced from 54 to 48 a week.

“Legislation to regulate hours of work, spread-over, weekly rest periods and holidays with pay for other classes of workers not now subject to regulation, e.g., those employed in shops and commercial undertakings, road transport services, docks and municipal labour.

“Overhaul of the Factories Act with a view to the prescription and enforcement of right standards in regard to lighting, ventilation, safety, health and welfare of workers. Conditions of work are to be improved, particularly in unorganised industries and work places to which the present Factories Act does not apply.

“Revision of the Mines Act to bring about similar improvements in the working conditions in mines.

“Organisation of industrial training and apprenticeship scheme on a large scale with a view to improving the productive and earning capacity of workers and enabling them to qualify for promotions to higher grades.

“Provision of adequate housing for workers to the extent of the resources, both of manpower and materials, that can be made available for this service.

“Steps to secure for workers in plantations, mining and other categories provision of housing.

“Organisation of the Health Insurance Scheme, applicable to factory workers to start with, for the provision of medical treatment and monetary relief during sickness, maternity benefit on an extended scale, medical treatment in the case of disablement and the substitution of pensions during periods of disablement and to dependents, in case of death, in place of the present lump-sum payments.

“Revision of the Workmen’s Compensation Act with a view to extending to other classes of workers the benefit provided for under the Health Insurance Scheme in respect of disablement and dependent benefits.

“A central law for maternity benefits to secure for other than factory workers the extended scale of benefits provided under the Health Insurance Scheme.

“Extension to other classes of workers, the right, within specified limits, to leave with allowance during periods of sickness.

“Provision of creches and canteens.

“Welfare of the coal mining labour and welfare of the mica mining labour.

“Strengthening of the inspection staff and the Inspectorate of Mines.”¹

¹Indian Labour Gazette, April '47, pp. 461-62.

ANNEXURE II
(Ref. Para 8.7)

Statement showing the Seating Capacity of Industrial Training Institutes

Sl. No.	State/Union Territory	Non-Engineering Trades				Engineering Trades			
		I Plan*	II Plan*	III Plan*	30-11-68	I Plan*	II Plan*	III Plan*	30-11-68
1	2	3	4	5	6	7	8	9	10
1	Andhra Pradesh	48	48	272	240	590	2372	6672	8264
2	Assam	64	64	128	160	224	1136	3020	3196
3	Bihar	80	80	80	80	488	3681	10720	12936
4	Haryana	..	..	..	304	..	..	..	6892
5	Gujarat	..	..	..	16	..	1384	3596	5668
6	Kerala	..	..	..	..	264	2040	5336	6548
7	Madhya Pradesh	64	80	192	288	352	2612	7392	8396
8	Madras	112	176	256	288	752	3064	9048	13084
9	Maharashtra	48	48	256	368	1074	4244	10272	15900
10	Mysore	32	32	96	160	450	1688	3420	5092
11	Orissa	48	48	96	128	284	1180	2692	3648
12	Punjab	160	176	784	768	1312	3842	14184	10216
13	Rajasthan	..	..	..	32	288	1264	3204	3224
14	Uttar Pradesh	688	880	1424	1968	1160	4664	15296	18876
15	West Bengal	208	288	304	288	792	4076	7428	9360
1	Pondicherry	..	..	..	..	..	..	..	152
2	Chandigarh	..	..	..	288	..	..	..	492
3	Delhi	328	416	1176	1160	464	1860	4104	4436
4	Himachal Pradesh	32	32	128	240	128	170	684	1524
5	Manipur	..	..	16	16	..	96	180	276
6	Goa	..	..	..	..	..	..	..	56
7	Tripura	..	48	32	32	..	160	312	412
8	Jammu & Kashmir	..	64	186	288	..	264	636	792
ALL INDIA		1912	2480	5426	7112	8622	39797	108196	139440

*At the end of the Plan period.

Source : Directorate General of Employment and Training.

CHAPTER 9

WORKING CONDITIONS

The Whitley Commission discussed working conditions in the context of the health, safety and welfare of workers and the administration of the Factories Act then in force. In the context of the situation then prevailing, working conditions was a subject of major interest. With the codification of many of the recommendations made by that Commission and the relative shift in emphasis to other issues connected with labour emerging since Independence, we have set for ourselves a somewhat limited task in this area of our inquiry. The topics chosen by us for discussion cover *inter-alia* the strength of inspectorates, frequency of inspection, safety, health, working environments (ventilation, temperature and lighting), and hours of work. Aspects like sanitation, canteens, creches, drinking water, rest shelters and other facilities have been dealt with in the next two chapters.

9.1 In reaching conclusions and framing recommendations, we have derived considerable assistance from the deliberations in the Conference of the Chief Inspectors of Factories (CCIF) of different States whom we invited to discuss the problems they faced in their work, as also the possible remedies. Where necessary, we have distinguished between traditional industries and new ones which have already been established or are likely to be set up. There is an essential difference between the working environments in units belonging to the two groups, although certain features such as hours of work and rest intervals can be common to both.

1946 Programme for Labour

9.2 The components of the 1946 Programme relevant for the present discussion are:

- (1) "Reduction in the hours of work in mines to bring the working hours in line with the hours of work in factories which have been recently reduced from 54 to 48 a week";
- (2) "Legislation to regulate hours of work, spread-over, weekly rest periods and holidays with pay for other classes of workmen not now subject to regulation, namely, those employed in shops and commercial undertakings, road transport services, docks and municipal labour";¹

- (3) "Overhaul of the Factories Act with a view to the prescription and enforcement of right standards in regard to lighting, ventilation, safety, health and welfare of workers. Conditions of work are to be improved, particularly in unorganised industries and work places to which the Factories Act does not apply";
- (4) "Revision of the Mines Act to bring about similar improvements in the working conditions in mines"; and
- (5) "Strengthening of the inspection staff and the inspectorate of mines".

9.3 This statement of policy acquired an added significance when, after Independence, the framers of the Constitution made special reference to working conditions in the Directive Principles of State Policy. The relevant provisions in the Constitution are: Article 39(e) and (f) and Article 42.² As these Articles were being written into the Constitution, the implementation of the 1946 Programme had already begun. The Factories Act, 1948 replaced the old Act of 1934. Regulations under the Indian Dock Labourers' Act, 1934, the implementation of which had been kept in abeyance on account of the Second World War, were brought into force in 1948. Further, the Dock Workers (Regulation of Employment) Act, 1948 was brought on the statute book to regulate the employment of dock workers and to cover those workers who had been left out of the scope of the 1934 Act. The Minimum Wages Act, 1948, which regulates *inter alia* hours of work, rest interval and weekly off days in sweated industries, was enacted. The Plantations Labour Act, 1951 and the Mines Act, 1952 followed in the next four years. Thus, by 1952, a framework of legislation incorporating the main elements of the 1946 Programme was on the ground.

Plan Policies and Implementation (1951—66)

9.4 The recommendations on working conditions in all the three Plans recognised the adequacy of the legislative framework, but emphasised measures for effective implementation. According to the First Plan, factory inspection was to be an educative process. The Plan, therefore, laid stress on a better understanding

¹Some aspects of this will find a place in the Chapter on 'Unorganised Labour'.

²Annexure to Chapter 6.

of occupational diseases, medical examination of workers at regular intervals and arrangements for research in health, safety and welfare of workers apart from the need for strengthening inspection arrangements. It sought cooperation from Governments and employers' organisations in the humane task of ensuring safe and better working conditions. Bipartite agreements were suggested for ensuring compliance at the industry level. These guidelines were evolved with reference to factory employment, but they applied *mutatis mutandis* to other work places. The Second Plan envisaged no departure from this approach nor did the Third, except to the extent that the latter, in view of the economic difficulties the country was passing through, introduced a strong element of productivity in its relationship with working conditions.

INSPECTION AND SAFETY

9.5 To understand the progress of implementation since the time the 1946 Programme was drawn up, we propose to examine at this stage only two aspects *viz.*, (i) the augmentation of inspectorates and (ii) the incidence of accidents.¹ The first has to be examined in terms of the number of factories per inspector. The data available show that as against 234 factories per inspector in 1946, there were 205 in 1954. The statement below shows the position in regard to some States. Except in Bihar and Madras,

TABLE 9.1: *Average number of factories per inspector*

State	1946	1954
Bengal	224	176
Bihar	143	339
Bombay	354	171
C. P. & Berar	164	133
Madras	214	419
U. P.	135	76

the situation had generally improved. The First Plan laid special emphasis on the medical aspects of inspection work. By 1954, there were

10 medical inspectors in the country where there were none before. The Inspectorate of Mines was also strengthened; inspectors of docks started functioning since 1948.

9.6 Data on accidents (Annexures I&II), being subject to a number of limitations such as change in the definition of accidents and type of reporting, may not be a reliable indicator of safety, but can still be used in understanding trends. As against 0.11 fatal injuries per 1,000 workers in 1946,² the year 1954 showed almost no change; non-fatal injuries showed a significant increase, even allowing for improved reporting in the latter year, from 25.71 per 1,000 workers in 1946 to 38.54 in 1954. The number of mine inspectors increased from 14 in 1946 to 37 in 1955. The rate of fatal accidents per thousand workers in mines dropped from 0.73 in 1951 to 0.63 in 1955; serious injuries showed an increase from 5.48 to 7.37. In major ports, the number of fatal accidents dropped from 19 in 1951 to 18 in 1955, but non-fatal accidents almost doubled during the period.³

9.7 In the six years that followed, the number of factories per inspector increased from 222 in 1956 to 247 in 1962. The statement below gives the State-wise distribution. The rate of fatal

TABLE 9.2: *Average number of factories per inspector*

State	1956	1962
Andhra Pradesh	397	319
Bihar	281	677
Madras	380	170
Madhya Pradesh	211	262
Maharashtra	214	195
Uttar Pradesh	132	180
West Bengal	272	208

injuries went up from 0.10 in 1956 to 0.13 in 1960 and non-fatal injuries from 43.2 to 44.2. The Inspectorate of Mines was strengthened. As against 42 inspectors in 1956, 57 were in position in 1961. In terms of mines to be inspected

¹(i) and (ii) need not be considered to have a direct correlation, though an efficient and vigilant inspectorate can help in reducing the incidence of accidents.

²In presenting data on accidents, we have used a three-year moving average throughout with the year against which the figure is shown as the centre.

³This increase is attributed to better reporting as a result of Dock Inspectors functioning since 1948.

by each officer, however, the change was only marginal. In mines, the rate of fatal injuries per thousand workers dropped from 0.52 in 1956 to 0.49 in 1960, while serious injuries registered an increase from 6.7 to 7.2. There was one serious accident in Chinakuri mines in 1958 which claimed 173 lives and led to a detailed judicial inquiry. The Court could not arrive at a definite finding whether the accident was the result of any carelessness or negligence on the part of management. In its opinion, the probable source of ignition which resulted in explosion was a flame shooting out through the inlet of a diesel loco which was without its usual flame-trap.¹ The findings of the inquiry were placed before a Conference on Mines Safety, which in turn proposed the setting up of a National Council for Safety in Mines for promoting safety through education and publicity. In major ports, the number of fatal accidents

decreased from 20 in 1956 to 11 in 1960, while non-fatal accidents increased from 4,487 to 4,546.

9.8 The strength of inspectorates during the Third Plan period could not keep pace with the expansion of industry. The ratio of factories per inspector went up further from 247 in 1962 to 286 in 1965. In the case of the inspectorate of mines, there was considerable expansion towards the end of the Third Plan; the number of mine inspectors (all categories) stood at 79 in 1965 as compared to 57 in 1961, a major part of which could be due to the expansion in the mining activity. Strengthening of the inspectorate in Ports and Docks was also reported during this period.

9.9. Comparable statistics of injuries for the Third Plan period, sector-wise, are shown below:

TABLE 9.3: Rate of injuries per 1000 workers employed

(1)	Fatal		Non-fatal/serious	
	1961	1965	1961	1965
(2)	(3)	(4)	(5)	
Factories	0.14	0.15	44.90	51.08
Mines	0.51	0.55	7.36	4.75
Major ports†	11†	18†	4782†	4725†

*The rate was high due to a major disaster in Dhori in which 268 persons were killed.

†Absolute number in the case of ports.

Source : Indian Labour Statistics.

Inspectorate Strength

9.10. While there may be strictly no relationship between the strength of the inspectorates and the upkeep of an establishment, the establishment has to be inspected to spot out possible dangers. To decide on the number of factories which should be entrusted to an inspector, the CCIF relied on a norm which was fixed in the early fifties. In the situation then prevailing, when industrial units were scattered and there was a fair preponderance of older units with older types of management, 150 factories per inspector could have been a fair work-load. Changes which call for a re-examination of the 'norm' have taken place since. With every State

encouraging industrial activity, a number of industrial areas in close proximity have sprung up in recent years. Special facilities are provided for location of manufacturing units; in some cases industrial estates have been built up to bring factories almost under one roof. Also new units may not require the same detailed inspection as the older ones. We recommend, therefore, a re-examination of the 'norm' taking into account these developments.

9.11 The basic qualification for the post of the factory inspector is a degree in mechanical engineering. In days when industrial development was tardy, mechanical engineers were

¹The recommendations made by the Court related to the fitting of an automatic recording water gauge to the main fan in all gassy mines, certification of the equipment as flame-proof by the engineer or the supplier of the equipment, appointment of mechanical engineers in the Mines Inspectorate, taking of air samples by rescue teams, the appointment of ventilation officers and analysis of mine air, research by the Central Mining Research Station on the suppression of coal dust explosions and its equipment to carry out all other kinds of research, responsibility for the maintenance of registers and records, etc.

available for employment which did not utilise their knowledge or skills in full measure. With the engineering industry coming into its own and with increase in steel production, mechanical engineers have wider avenues of employment, the current employment difficulties notwithstanding. Also, the industrial complex itself is undergoing a change. The hazards to be guarded against in new industries like chemicals, petro-chemicals, fertilizers and oil refining may not be the same as those in engineering or in other traditional factory establishments. The inspectorate thus requires diversification in any case; the different disciplines which should be introduced for making the inspectorate more efficient have to be ascertained and the number of inspectors with different academic disciplines worked out. For routine jobs and follow-up, it should be possible to use persons with non-engineering qualifications.

9.12 In the mining industry, a similar situation prevails. Though mining engineers are at present available, pressures are developing for controlling their future outflow. The measures suggested in the above paragraph with reference to factories will apply *mutatis mutandis* to mines also.

9.13 We have been apprised of a different situation in plantations. The basic qualification of the inspector raise less problems than those created by the distances that he has to cover in order to be effective. Scattered plantations can be reached only by mechanised transport, and surprise checks become difficult unless the inspector has a vehicle of his own. This has a relevance; but the other point which goes with it is really one of concern. We are told that the inspectors are at times given transport facilities by the planters themselves. This makes the inspectorate suspect in the eyes of workers. This aspect of inspection work on plantations should not be allowed to continue. Provision of adequate transport facilities for the plantations inspectorate is, therefore, a matter of urgency.

9.14 A reason for the inadequacy of inspectorates, apart from shortage of personnel, has been stated to be lack of funds. We are not satisfied with this argument. Under the Factories Act, 1948, licensing and registration fees are levied on every establishment. The levy is intended to provide a service of the type the inspectorate is required to render. An examination of the income accruing from these fees and of the expenditure on the inspectorate reveals that the income in almost every State

exceeds the expenditure. The points to the fact that the inspection fees are used as a source of income by the Governments despite judicial pronouncements decrying the practice of making profits out of levies collected for a specific purpose. We would urge that the appropriate Governments should use inspection and registration fees for expanding the inspectorate and making it more efficient.

Set-up of Factory Inspectorates

9.15 There is no uniformity in the existing set up of factory inspectorates in the States. In most of them, the Chief Inspector of Factories is an independent whole-time functionary under the administrative control of the Labour Commissioner. In few States, he is a separate head of department, responsible to the Labour Secretary. In some others, the Labour Commissioner himself is designated as the Chief Inspector of Factories.

9.16 The CCIF has strongly urged that the inspectorate of factories should be subordinate only to the Secretary to Government in the Labour Department. The reasons stated for this proposed change are: (i) factory inspection is a technical job; (ii) the inspectorate is large enough to warrant the setting up of a distinct department with a Departmental Head; (iii) the Chief Inspector should be in a position to advise Government directly in matters connected with the implementation of the Factories Act; and (iv) the Labour Commissioner who functions as the main authority for settlement of disputes should not be the head of an organisation which is required to function as an agency to initiate penal action on the defaulting employer. The arguments against this view have been stated with equal force by the Working Groups on Labour Administration. According to them, the Labour Commissioner has overall responsibility for administration of all labour enactments. In many cases, labour-management relations are affected by complaints regarding non-enforcement of legislation including inadequate attention to the provisions of the Factories Act. For proper co-ordination between different functionaries of the Labour Department, supervisory jurisdiction of the Labour Commissioner over the factory inspectorate is a necessity. While some functions of the Factory Inspector are indeed technical, there are others which do not require technical expertise; particularly the welfare functions. It is in the interest of labour administration as a whole that the Labour Commissioner should be aware of what is happening in these fields. We feel that there

is considerable force in the argument on both sides. On the one hand it cannot be denied that the agency which intervenes in labour disputes should not have supervisory function over the department which has inspectorial function; on the other, the argument that the Commissioner has to be placed in charge of the entire gamut of arrangements for implementation of labour laws is equally appealing. Since, however, in the new arrangement that we have suggested for settlement of labour disputes, the Labour Commissioner will be divested of work relating to settlement of disputes, the argument in favour of separation loses its force, and the case for continuing the *status quo* emerges stronger. We, therefore, recommend no change in the present arrangements.

Inspections and Penalties

9.17 **Factories:** Other indicators of the state of inspection in factories and mines also need to be recorded. In 1965, 78 per cent of the factories were inspected as against 83 per cent of the factories in 1952; the number of register-

ed factories which were not inspected, even once, rose from 6,000 in 1952 to 15,000 in 1965. Ordinarily, a factory has to be visited twice annually; factories where managements are known to be slack in implementation have to be inspected more often. The statistics show that in 1959 about 2 per cent of the factories had more than three inspections, 4 per cent had three, 20 per cent were inspected twice and 52 per cent once; the remaining 22 per cent were not paid even a single visit. Thus, in respect of nearly three-fourths of the factories, the officers had to remain content with less than the required number of two inspections. Though the latest statistics are not available, the CCIF concluded that except for marginal improvement in some States, the overall position in respect of inspections was not likely to be very different now from what it was a decade ago.

9.18 The table given below shows the position in respect of the nature of offences under the Factories Act, 1948 and the number of convictions obtained therefor.

TABLE 9.4: *Convictions obtained for offences under the Factories Act, 1948*

Year	Offences relating to					Total
	Employment and hours of work	Notices, registers, returns and licences	Safety provision	Health, sanitation and welfare	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1951	887	1,060	127	136	533	2,743
1956	1,671	1,758	360	882	1,574	6,265
1961	1,757	1,258	638	335	1,049	5,037
1965*	1,576	1,434	698	355	930	4,993
$\frac{1965}{1951} \times 100$	178	135	550	261	174	182

*Provisional.

Source: Indian Labour Year Books.

We notice that convictions for offences relating to safety have been steadily on the increase. This may lead to one of three conclusions or a combination of them: (i) the safety provisions are increasingly violated; (ii) the inspectorate is jealously guarding the provisions for safety; and (iii) the courts are showing readiness to convict. While (i) can be disturbing, (ii) and (iii) are welcome developments. Detailed information on the extent of fines imposed is not available. The CCIF felt, however, that minor punishment was the rule. This feeling ap-

pears to be substantiated by the limited data provided by the Working Group on Labour Administration (Eastern Region) in its report. According to the Group, during 1966 and 1967, the fines imposed by courts for violations of the Factories Act, 1948 ranged from Rs. 5 to Rs. 350 in Bihar and from Rs. 20 to Rs. 200 in Orissa.

9.19 **Mines:** For a long time after the Mines Act, 1952 had been enforced, the inspectorate remained inadequate. An occasional accident

would activate the inspectorate, but the inadequacy of numbers made sustained progress difficult. With the expansion of mining activity, mining engineers were in demand since the beginning of the Second Plan; the pay scales for the inspectors in Government proved unattractive and recruitment was difficult. With subsequent arrangements for a larger out-turn of mining engineers and also better scales provided for them, the position improved by about 1964. The percentage of mines inspected increased from 71 in the First Plan to 74 in the Second and 82 in the Third. The frequency of inspections per mine also improved from 1.9 in the First Plan to 2.3 in the Second and 2.8 in the Third.

9.20 Information about the number of prosecutions launched, convictions obtained and the nature of penalties imposed for violations of the Rules and Regulations under the Mines Act, 1952, available for the last three years, is given in the table below:

TABLE 9.5: *Violations of Rules and Regulations under the Mines Act*

Items	Years		
	1965	1966	1967
(1)	(2)	(3)	(4)
1. No. of prosecutions actually launched	154	172	241
2. No. of prosecutions which ended in convictions	83	77	55
3. No. of cases in which the accused were acquitted	16	9	3
4. Nature of penalties imposed	Fines ranging from Rs. 50 to Rs. 4000 and in a few cases simple imprisonment for one or two months.		

Source: Report of the Central Working Group on Labour Administration.

9.21 Viewed in relation to the working of coal mines at progressively deeper levels, and the increase in production, productivity and employment in the last twenty years, the declining trend of accidents in mines is creditable. Subject to the usual limitations of international comparisons in this regard, the rate of fatal accidents in mines in India appears to be be-

low that in other countries as would be seen from the statement below:

TABLE 9.6: *Rate of Fatal Accidents in Selected Countries*

Country	Fatality rate per thousand persons employed
(1)	(2)
India (1966)	0.45
United Kingdom (1964)	0.58
France (1964)	0.73
Japan (1964)	0.65
USA (1963)	1.75

We expect that such comparisons will not lead to complacency. Accidents do not just happen; they are usually caused, and caused to a large extent by human failure.

Penal Provisions

9.22 We realise that the process of improving working conditions has to be, in the main, educative, but we cannot close our eyes to the fact that penalties will have to be imposed on defaulters. The CCIF has brought to our notice the fact that the current penal provisions are adequate only for formal offences relating to maintenance of registers and records and submission of notices. Offences relating to safeguarding of machinery or other matters which may result in accident and occupational diseases should attract more rigorous sanctions. We have referred to the evidence which shows that the penalties imposed by courts are light, and judicial pronouncements often do not take into account the broader social objectives of legislation. Although, on principle, we do not consider a minimum penalty as desirable in a legislation which emphasises the educative aspect, we do feel that the penalties should be more stringent than at present so that their deterrent effect is felt. Serious offences should be made cognizable.

Safety in Factories

9.23 Inadequate inspection alone does not explain the trend of accidents. Human failure due to carelessness, ignorance, inadequate skill and improper supervision, all contribute to their causation. Other factors brought to light in the CCIF are: (i) rapid industrialisation; (ii) expansion or modification in existing factories; (iii) setting up of new industries involving hazards not known earlier; (iv) lack of safety consciousness on the part of both workers and managements; and (v) inadequate realisation of the financial implications of accidents. Our

recommendations on safety are divided into three groups, viz; (i) measures for safety, (ii) training in safety and (iii) safety equipment.

9.24 Measures for Safety: (i) The statutory provisions on safety are adequate for the time being. Effective enforcement is the current need. In the wake of the new type of industries coming up and continuing technological change, it may become necessary to write into the law additional safeguards and safety precautions to match new hazards.

(ii) The number of accidents in construction industry has been on the increase. The enactment of a comprehensive legislation covering health, welfare, safety and other aspects of working conditions in this industry which the Government have in view will be adequate for the purpose if properly implemented.¹

(iii) The inspectorate should develop frequent and informal contacts with management and unions. By doing so, the inspectorate will be in a position to play the effective role of an adviser, a role expected of it in these changing times. Unfortunately, in recent years and in some cases at least, the social distance between senior management and the factory inspector has been widening.

(iv) In the case of every fatal accident, the inspectorate shall conduct an inquiry and the findings given wide publicity among workers in the unit where the accident has occurred.

(v) There is little evidence of collective action by the employers' associations in safety and accident prevention programmes, although some of them have made a significant contribution in this regard. Enlightened employers have been taking interest in promoting safety through formation of Safety Committees, publication of safety guides and other means. We feel that the employers' organisations have to play a special role in arousing safety consciousness.

(vi) 'Safety' should become a habit with employers and workers. At present it has assumed the form of a ritual. The employer provides safety devices if he must; the worker uses safety equipment, if at all he does it, to complete a formality. This is particularly so in the case of smaller establishments and unorganised workers.

(vii) Opinion on the usefulness of introducing safety standards through bipartite agree-

ments is divided. According to the employers, although basic safety standards cannot be negotiable and have to be evolved by experts, the actual implementation of safety arrangements/programmes should be effected through the efforts and co-operation of both the parties. Unions in general are not averse to evolving bipartite agreements which ensure effective functioning; but they would like that such agreements should be treated as settlements under the Industrial Disputes Act, 1947. On the other hand, the experience of bipartite standards in some industries cautions us against relying on this procedure. Safety cannot be made the subject matter of bargaining; and codes, if evolved, are likely to meet the fate of other codes. We, therefore, doubt the efficacy of a bipartite approach on safety, though it would be welcome if it develops on its own.

(viii) Unions by and large have not taken much interest in safety promotion. Unsafe working conditions have not attracted their attention to the same extent as claims for higher wages and other cash benefits. This attitude has to change.

(ix) Every factory employing 100 or more workers should have standing arrangements at the plant level to ensure continued participation of workers in matters connected with safety. These arrangements may be in the shape of safety committees which should be set up and run with the assistance of factory inspectorates, if necessary.

(x) Safety officers should be appointed in all factories employing 1,000 or more workers or where the manufacturing process carried on exposes the workers to serious risk of bodily injury, poisoning or disease.

9.25 Training in Safety: (i) The factory inspectorate should advise and assist employers in drawing up induction and training programmes in safety. These should cover managerial personnel, supervisors and workers. We are impressed by the arrangements made by some progressive units in this regard. There are dangers, however, in making it a statutory obligation.

(ii) Industrial safety should be included as a subject in the syllabi of all technical institutions, particularly the Industrial Training Institutes which provide a substantial number of skilled workers to industrial establishments.

¹The Study Group for the Construction Industry has recommended early enactment of such a legislation.

(iii) Periodic training courses in accident prevention designed for safety officers, supervisors and middle management should be organised by the factory inspectorates. Safety centres at the Central Labour Institute and the Regional Labour Institutes can provide facilities for integrated training. Safety training for supervisors is especially vital. Good intentions of management as regards safety will not be effective unless every supervisor takes the necessary precautions on the shop floor. The supervisor is the main link between the management and workers and he is in continuous touch with the workers under his control. It is he who can put into practice the intentions of the management and make the workers safety-minded.

9.26 Safety Equipment: (i) The difficulties experienced in procuring safety equipment for installation in industrial establishments mainly relate to their inadequacy and deficiency in quality. Indigenous manufacture of safety equipment undertaken of late by a few firms is not comprehensive in range to meet the requirements; it also suffers in quality. Such manufacture needs encouragement. Safety features in machinery and equipment are best introduced at the designing and fabrication stage of manufacture. Introducing safety devices during its operation is now outmoded; improvisation at that stage is often unsatisfactory and unreliable. The machine building industry has come to stay in the country. A Standing Committee consisting of users of machines, machine manufacturers and safety experts should be set up for encouraging the incorporation of built-in safety features in new machinery and equipment.

(ii) Workers do not use safety equipment because (a) they generally dislike use of masks worn by others; and (b) in the tropical climate the use of these appliances is inconvenient. This reluctance of workers can be overcome through education of the workers on the need for using safety equipment.

Safety in Mines

9.27 Our recommendations on the subject of safety in factories apply equally to mines. We refer here to a point made by unions about the misuse of safety provisions for effecting closures which ultimately are used by the employer to his personal benefit. Closures ordered by the Department of Mines for violations of safety provisions are at times used by mine owners to lay off workers without payment of statutory compensation. In some cases, rationalisation is

effected by this process without any terminal benefit to workers. This practice needs to be curbed. Loss of wages suffered by workers during such closures, whether intentional or otherwise, is undeserved.

Safety in Ports and Docks

9.28 (i) Apart from our other recommendations in respect of safety, we suggest that a fully qualified safety officer should be appointed at each port by the port authorities to advise all employers on the precautionary measures to be taken in connection with loading, unloading, storage and handling of hazardous and dangerous cargoes. This is necessary in view of the large number of workers involved in these processes.

(ii) Dock Safety Committees set up in different ports have attained a measure of success in making the workers safety conscious through the media of posters, literature, film shows, safety talks, safety awards, safety weeks and study of accidents. These efforts need to be encouraged.

(iii) The Dock Workers (Safety, Health and Welfare) Scheme, 1961, covers the health and welfare of all port and dock workers and also the safety of those workers as are not covered by the Indian Dock Labourers' Regulations, 1948. The Regulations and the Scheme are not in conflict; many provisions in the two enactments relating to safety at work places and approaches, testing of lifting machinery and gear, and notification of accidents and dangerous occurrences are common. All the same, some confusion has been experienced in their administration, particularly with regard to their applicability to workers. Those working alongside the ships are covered by the Regulations, and those working in other parts of the port are not so covered. Such anomalies require to be removed by having one enactment covering all workers.

A REVIEW OF CHANGES

Ventilation, Lighting and Temperature

9.29 As a starting point for reviewing changes in working conditions, we propose to refer to some typical features of working conditions prevailing before Independence as available in the Main Report of the Rcge Committee (1944-46). Our approach will be selective both in regard to the topics included under working conditions and the employments covered. In

any comparison that would emerge, one has to take note of the fact that the Committee reported on conditions prevailing during and immediately following the Second World War, when maintenance of machinery and upkeep of the undertakings were subordinated to exigencies of production. While considering working conditions in general under the three main heads viz., ventilation, temperature and lighting, the Rege Committee expressed dissatisfaction with the situation then prevailing. Taking note of the evil effects of deficient ventilation, natural or artificial, it sought to bring out the difficult conditions of work, especially in the textile mills. Quoting from the Report of the Bombay Textile Labour Enquiry Committee (1940), it highlighted how exacting the temperatures at the place of work could be. The Committee was inclined to view the lighting conditions then prevailing as a heritage of the past. Old unsuitable structures, proximity to other buildings, dirty window panes, walls and ceilings were stated to be the common drawbacks responsible for unsatisfactory natural lighting. It brought out in particular the effect of inadequate lighting arrangements on the eye-sight of compositors in the printing industry. Considering that inspectors of factories seldom gave thought to this aspect of working in the course of their inspections, the Committee urged the necessity of statutory provisions for the installation of adequate and suitable lighting in every part of a factory.

9.30 Working conditions in bigger units were, on the whole, adjudged to be satisfactory. In smaller and unregulated units, the general picture, according to the Committee,¹ was that most employers were indifferent and merely contented themselves with satisfying the letter of the law rather than the spirit underlying it. The result was that even within the limits laid down by the law, the actual provisions made in regard to protection of machines were in several cases disregarded.

9.31 **Present Conditions:** Compared to what has been said above, it cannot be denied that in general significant improvements have taken place since, though it is still possible that in some units conditions may have changed for the worse. Our assessment is based on the impression gathered by some of us during our visits to various plants. While we are aware that this improvement is due to a totality of factors, we would like to single out two of them for special mention. The first is the enactment

of the Factories Act, 1948 which contained several new provisions for regulating working conditions. Among other things, the Act specifically incorporated provisions requiring (i) previous permission to establish or extend a factory, (ii) submission of plans and specifications for securing such permission, and (iii) registration and licensing of factories and renewal of licences. The impact of these provisions and the specific provisions about ventilation, temperature and lighting have certainly been beneficial. The second factor contributing to an overall improvement in working conditions is the coming into existence, during the last twenty years, of several new units both in traditional and new industries. As against 15,900 registered factories in 1948, the country had 64,500 in 1966. Taking into account the fact that of the older factories some might have been scrapped, the proportion as between the new and old factories would be even better than what the statistics indicate. In some old units too, changes introduced by modern technology must have helped in improving working conditions. A comparative view of working conditions in selected industries as at the time of the Rege Committee and in the current decade is presented in Annexure III.

9.32 The factories which have taken on new lines of manufacture have been a feature of industrial development in recent years. We refer to industries like oil-refining, fertilizers, chemicals and pharmaceuticals, electrical goods and food processing. In some, one finds 'turn key' operations; in others, the market compulsions of purity, precision and presentation of the final product make the maintenance of pleasant work environments a necessity. With further technological development, we expect that more and more of the new units will conform to this pattern of working conditions.

Hours of Work

9.33 The Rege Committee reported that in most factories hours of work ranged from 8 to 9 hours per day; where 3 shifts were in operation, the working hours were 7½ per day (excluding a rest interval of half an hour). In some unregulated factories like shellac and carpet-making, working hours extended to even 12 a day. During the war years, employment in jute mills, engineering workshops, chemical factories, etc., which were connected with the war effort, secured exemption from the provisions of the Factories Act in respect of hours

¹Labour Investigation Committee, Main Report (1958 Print), p. 140.

of work and rest day and worked on an average from 10 to 12 hours day. Ordinarily, weekly hours ranged from 48 to 54. Factories which obtained exemption regarding hours of work and unregulated factories worked between 56 to 60 or even 70 hours per week. Mines worked 8 hours a day underground, but the hours of actual work did not exceed 4 to 5 and that too for about 4 to 5 days in the week. Generally, mines worked three shifts. The provisions of the law in regard to hours and rest intervals were not strictly followed, although such evasion did not necessarily result in longer hours except perhaps in the case of contract labour. In Assam and Bengal, tea garden working being on a 'hazira' basis, no rigid rule regarding the hours of work existed. Usually, one 'hazira' could be finished in 5 to 6 hours. Piece-raters worked upto 10-11 hours a day to improve their earnings in the plucking season. Daily hours of work ranged from 8 to 9 hours and the spread-over from 10 to 11 hours in tea and coffee estates in South India. Workers were given set tasks and were free to go when these were finished; usually the work assigned took about 8 to 9 hours.

9.34 Normal weekly hours under the existing labour enactments do not exceed 48. In practice, the hours of work in establishments working three shifts daily amount to 45 per week, as each shift is generally of 8 hours' duration, including the half-hour rest interval.

9.35 **Reduction in Hours of Work:** Unions have sought reduction in the existing hours of work without loss in wages. They have suggested a forty-hour week, a five-day week with eight hours a day. For commercial offices, still shorter work hours are demanded. The reasons given are that reduction in hours will (i) improve health of workers and (ii) generate additional employment. Shorter hours, it is claimed, will not result in a fall in production and indeed will lead to higher productivity. Obviously, the demand is based on the practices prevalent in more advanced countries and on the ILO Recommendation No. 116 which states that where normal weekly hours of work are either forty-eight or less, measures for a progressive reduction of hours of work to forty a week should be taken. In making this Recommendation, however, the ILO has shown sufficient caution by saying that due regard should be paid to:

"the level of economic development attained and the extent to which the country is in a position to bring about reduction in hours of work without reducing total production or productivity, endangering its eco-

nomie growth, the development of new industries or its competitive position in the international trade, and without creating inflationary pressures which would ultimately reduce the real income of the workers..... and "the need in the case of countries still in the process of development."

9.36 The considerations visualised in the Recommendation have a bearing on the situation in our country. We do not propose immediate reduction in working hours in view of the current requirements of the economy. At the same time, we would like it to be kept as a goal to be reached in two stages. In the first stage, the working hours should be brought down to 45 a week and in the second to 40 a week. We hope that the economy will permit this phased reduction over the coming years. It may be stated that the German Democratic Republic is the only country which has statutorily introduced a five-day week of 43½ hours for general workers and of 42 hours for shift workers. In other countries, the reduced hours of work have been achieved as a result of collective agreements and not through law. In the U.K., while hours of work of adult men are not restricted by law, the agreed weekly hours are mainly in the range of 40 to 42 hours. We expect that similar evolution will take place in this country. At the same time, legislation may be necessary at the appropriate time for a phased reduction of the hours of work. Immediate reduction in hours of work in industries where obnoxious processes have to be looked after or where workers are exposed to fumes and gases may, however, be called for. Our Study Group on Heavy Chemicals has recommended that the duration of work in hazardous areas should be reduced by the employment of workers for short and conveniently broken spells and shifting workers elsewhere for the rest of the period. Since this may not be feasible always, we recommend a reduction in the total hours of work for such workers. Working hours during the night shift should be reduced. Credit of ten minutes should be given for each hour of work in the night shift. Six hours' work should entitle a work to extra payment for one hour.

9.37 Arduous and hazardous nature of work has been advanced as the main ground for reduction in hours of work in mines. In other countries, miners work for shorter hours as compared to workers in factories. In several countries, miners work for seven hours a day with a five-day week. Though there appears to be a stronger justification for reduction in working hours for miners, we recommend its achievement through the process of evolution.

9.38 The demand for reduced hours of work, according to unions, should apply to plantations also. We are not impressed by the arguments advanced. One anomaly, however, requires to be removed. Plantations are covered both by the Plantations Labour Act, 1951 and the Minimum Wages Act, 1948. While the former prescribes a fifty-four hour week, the latter envisages only forty-eight hours work. The relevant provision under the former Act needs to be changed to bring it in line with that under the latter.

9.39 The Study Group on Rail Transport has suggested that review of the classification of staff under the Hours of Employment Rules in Railways should be a continuous process and should be expeditious. The Central Working Group on Labour Administration, supporting this suggestion, has stated that the Railway Administration should examine all cases of classification of railway servants for this purpose once in five years. We recommend that effect should be given to this suggestion. Our recommendation for the gradual reduction of hours of work applies to Railways also.

Overtime Work

9.40 According to Section 64(4)(iii) of the Factories Act, 1948, the total hours of overtime work should not exceed fifty for any one quarter. Some employers and their organisations feel that this limit is too unreal to meet the needs of industry. They argue that double the rate of wages at which overtime has to be paid is itself a sufficient deterrent and no employer would resort to overtime except when absolutely necessary. Section 65(2) of the Act provides for exemption by the State Government from the limit of daily and weekly hours of work to enable factories to deal with an exceptional pressure of work. Employers suggest an amendment to this provision which in effect will make it unnecessary for an employer to approach Government for exemption. Their view is that factories should be permitted to resort to overtime work for production purposes as a matter of course. The restrictions on overtime work are based on the rationale that human capacity to work has an upper bound or limit. Workers, in the interest of their health and to avoid accidents, should not be allowed to work beyond a certain limit. We do not deem it necessary to relax the restrictions on duration or nature of overtime

work nor do we wish to recommend an amendment to Section 65(2) of the Act.

National and Festival Holidays

9.41 On the question of uniform standards in respect of paid national and festival holidays and the number of working days in a year, the Standing Labour Committee, in its Sixteenth Session in 1957, decided to watch the experience of the State Governments who were then contemplating legislation on the subject. The States of Kerala, Tamil Nadu, U.P., Mysore, Punjab and Haryana and the Union Territory of Pondichery now have State Industrial Establishment (National and Festival Holidays) Acts; Bihar and Orissa are contemplating similar legislation. The Southern States generally provide for 7 or 8 paid holidays (including Independence Day, Republic Day and Gandhi Jayanti Day), whereas States in the North have 4 to 6 paid holidays. There is also a trend towards industry-wise uniformity in the matter of holidays as in the case of coal and jute.

9.42 Within this broad pattern, there is still avoidable variation in the number of paid holidays enjoyed by workers; variation not only between different regions, but also between units in the same region/industry, and even among employees in the same establishment.¹ In general, clerical and supervisory staff enjoy a larger number of holidays as compared to operatives. The demand from almost all quarters for bringing about uniformity in the number of holidays through a Central legislation is understandable. Employers and workers, however, differ in their suggestions about the level at which the uniformity should be achieved. Workers' organisations generally favour a minimum of 7 to 12 paid holidays in a year with no differentiation being made as between different categories of employees. Employers, on the other hand, feel that the number of paid holidays enjoyed by workers in India is already on the high side, and, therefore, uniformity should be achieved at a much lower level. Employers have argued that from the point of view of increasing production there is need to ensure and guarantee a minimum number of working days in a year, say, between 305 and 310, to all factories and establishments working six days in a week. This objective could be achieved by means of substitute holidays as in the case of several industries in different areas.

¹To cite but one instance, in Maharashtra paid festival holidays range between 2 and 21.

9.43 We have considered both these viewpoints. We have also taken into account the number of paid holidays enjoyed by workers in other countries, where also differences occur according to the social, economic and cultural traditions of the people. We are inclined to support the recommendations made by our Study Group on Labour Legislation that every employee shall be allowed in a calendar year three paid national holidays; *viz.*, 26th January (Republic Day), 15th August (Independence Day) and 2nd October (Mahatma Gandhi's Birth Day) and five paid festival holidays, as may be fixed by the appropriate Government in consultation with the representatives of employers and employees.

Industrial Health

9.44 Industrial health comprises measures for:—

- (a) protecting the workers against any health hazards which may arise out of their work or the conditions in which it is carried on;
- (b) contributing towards the workers' physical and mental adjustment in particular by the adaptation of workers to the jobs for which they are suited; and
- (c) contributing to the establishment and maintenance of the highest possible degree of physical and mental well-being of the workers.

9.45 We consider the first important; the other two should be left to the process of evolution. The changing character of health hazards necessitates a continuous study of new problems connected with it with a view to adapting remedies suitable to environments. There are two aspects of such protection: (i) preventive and (ii) curative. The former consists of pre-employment and periodic medical examination; removal of health hazards to the extent possible; surveillance over certain classes of workers such as women, young persons and persons exposed to special risks; emergency treatment for accidents; training of first-aid personnel; and education of workers in health and hygiene. The curative aspect will begin once a worker suffers from ill-health or disease. The statutory provisions in the labour laws for safeguarding the health of workers such as *restrictions on employment of women* at certain hours and places; protection for young persons; provision of first-aid and ambulance services; provisions relating to cleanliness, disposal of wastes and effluents, ventilation and

temperature, and dust, fumes and lighting are known already and do not require repetition.

9.46 While the curative side can be attended to, the basic difficulty associated with the preventive aspect is the general economic condition in the country. There is a general fear among workers that a medical check-up may result in disqualification for continuing in employment if something adverse is detected. This can be overcome only in the long run. Presently, all that can be done is to move towards the preventive side. In addition, the more malignant and difficult cases should be taken up and arrangements made for both physical and psychological treatment. This is an area where closer cooperation between authorities who are in charge of prevention and others who look after cure will be necessary. Help may be sought from agencies like the Central Labour Institute, the All-India Institute of Public Health and Hygiene, the Industrial Hygiene Division of the Central Public Health Research Institute, the Employees' State Insurance Corporation and various sections of the Central Mining Research Station, Dhanbad, which deal with safety, health and efficiency in mines.

The Central Labour Institute

9.47 We note with satisfaction the completion of a project which was spread over the span of three Plans—the establishment of the Central Labour Institute. The Institute was set up to facilitate the proper implementation of the Factories Act, 1948 to provide a centre of information for inspectors, employers, workers and others concerned with the well-being of industrial labour, and to stimulate interest in the application of the principles of industrial safety, health and welfare. The Institute started on a small scale with its activities spread over different places. A well coordinated activity began only during the Third Plan. The Institute located at Bombay has the following wings: (i) industrial safety, health and welfare centre, (ii) industrial hygiene laboratory, (iii) productivity centre, (iv) staff training centre, (v) industrial physiology section, (vi) industrial psychology section, (vii) library-cum-information centre, and (viii) training centre. Though it had a delayed start, the Institute is now poised for making significant advance in research in the whole area of working conditions, as also for disseminating the results of research through conferences, seminars and other training media. To give the Central Labour Institute adequate field support, Regional Labour

Institutes have been set up in Calcutta, Madras and Kanpur.

National Safety Council

9.48 The President's Conference on Industrial Safety held at New Delhi in December, 1965 was another landmark in focussing public attention on improvement in working conditions. It highlighted the obligations of employers, unions and Government agencies for prevention of accidents in industries other than mines. As a result of a decision taken by the Conference, a National Safety Council was set up in March, 1966. Safety Councils have been set up in some States; Safety Conferences are also organised from time to time. Introduction of schemes for Shramvir National Award and Safety Awards has been helpful. These efforts need to be intensified in future. The States which have not yet formed State Safety Councils or introduced Safety Award Schemes should do so. Steps should also be taken to constitute safety councils at the industry level for all major industries and those involving hazardous operations. We consider that these, together with the National Council for Safety in Mines set up in 1963, are important developments in the whole field of working conditions.

Working Conditions and Social Attitudes

9.49 Against the general background of working conditions such as untidy work places, industrial effluents and unhealthy odours, which are a part of our industrial life, it seems workers develop their own attitudes towards their place of work. They get used to a rhythm of work with all the good and the bad points thrown in, whether they work in transplanting operations on a paddy field in knee-deep mud or in a city or town drainage, in unorganised tanneries or butcher shops, or for that matter, in the cleaner surroundings of factories, particularly in modern units where chemical or pharmaceutical products are manufactured. A

worker in unorganised tanneries will not rue over the odours he has to work with, because a worker in a chemical unit is free from them. Even within the same industry, a worker recognises differences between establishments and is at his job without comparing working conditions in better units. He accepts certain environments associated with certain types of work. It is only when these get changed for the worse, and that too beyond a limit, that protest begins. This limit itself is elastic. If no special hazard is involved, protests can be negotiable for better wage rates.

9.50 In concluding this chapter, we turn to a somewhat general aspect, viz, social attitudes towards working conditions. This concerns not merely the employer who provides a place of work, the worker who has to put in his productive effort therein, the union which guards the totality of the workers' interest, the inspectorate which has both advisory and 'policing' functions in regard to statutory provisions in this humane aspect of industrial work in its broad connotation, and the judge who tries offences under the relevant legislation, but also the whole community. In a country as populous as ours, there can be danger of a tendency developing to discount the value of human life. Its loss in accidents or through the slow and agonising process of an occupational disease may not stir the community as much as it would in countries with chronic labour shortages, though to the near ones it is a tragic occurrence. Relief gets organised after the event, but prevention gets side-tracked. We have noticed, in the years since Independence, a welcome improvement in such public attitudes, but this has been slow and brought about largely through shocks administered by serious happenings. A constant educative effort is called for in which all must participate. Specific methods to be adopted will change with time, but the significance of this subject has to be borne in mind by the community as a whole.

Statement showing the number of Industrial Injuries in Factories and the Frequency Rates per 1000 workers employed, 1951—67

Year	Fatal injuries		Non-fatal injuries		Total injuries	
	Number	Frequency Rate	Number	Frequency Rate	Number	Frequency Rate
1	2	3	4	5	6	7
1951	234	0.09	75,713	29.84	75,947	29.93
1952	257	0.10	91,033	35.46	91,290	35.56
1953	256	0.10	93,431	36.96	93,687	37.06
1954	267	0.10	93,765	36.21	94,032	36.31
1955	274	0.10	1,16,010	42.44	1,16,284	42.54
1956	278	0.09	1,28,177	44.47	1,28,455	44.56
1957	346	0.12	1,31,149	42.66	1,31,495	42.78
1958	369	0.12	1,36,031	43.88	1,36,400	44.00
1959	341	0.11	1,41,675	44.23	1,42,016	44.34
1960	454	0.13	1,44,549	42.92	1,45,003	43.05
1961	474	0.14	1,59,222	45.53	1,59,696	45.67
1962	523	0.14	1,68,755	46.26	1,69,283	46.40
1963	496	0.13	1,84,013	47.67	1,84,509	47.80
1964	626	0.16	1,88,969	46.96	1,89,595	47.12
1965	587	0.14	2,02,236	49.11	2,02,823	49.25
1966	591	0.15	2,08,253	57.18	2,08,844	51.33
1967(P)	537	0.13	1,93,887	47.63	1,94,424	47.66

*Excluding figures in respect of Defence factories in the States of Assam, Bihar, Bombay, Madhya Pradesh, Uttar Pradesh, Ajmer and Coorg.

P—Provisional.

Source : Indian Labour Statistics.

Statement showing the Number of Industrial Injuries in Mines and the Frequency Rates per 1000 workers employed, 1951—67

Year	Injuries in mines			
	Fatal injuries		Serious injuries	
	Number	Rate per 1000 workers	Number	Rate per 1000 workers
1	2	3	4	5
1951	425	0.77	2,568	4.86
1952	453	0.81	3,887	7.10
1953	388	0.65	4,286	7.03
1954	407	0.72	4,491	7.90
1955	377	0.64	4,385	7.42
1956	335	0.53	4,281	6.80
1957	261	0.40	3,732	5.70
1958	504*	0.78	3,925	6.05
1959	288	0.47	4,084	6.61
1960	317	0.49	4,661	7.15
1961	344	0.51	5,173	7.71
1962	368	0.54	4,945	7.23
1963	344	0.49	4,110	5.89
1964	287	0.42	3,371	4.91
1965	547†	0.79	3,298	4.76
1966	319	0.45	3,210	4.58
1967	293	0.43	2,837	4.22

*Includes those killed in two disasters (Chinakuri 173 and Central Bhowra 26).

†Includes 268 killed in Dhori disaster.

Source : Indian Labour Statistics.

*Review of changes in working conditions since 1944—46 (ventilation, temperature and lighting)
in some selected industries*

1. *Textile Mills.*—The arrangements for lighting and ventilation were found to be unsatisfactory, particularly in older units, by the Rege Committee. In established industries like cotton and jute, it expected something more than mere compliance with the minimum statutory standards. Although at present there is a preponderance of older units both in cotton and jute, the rationalisation which has been going on in the post-Independence period can be assumed to have resulted in better working conditions.

2. *Engineering.*—At the time of the Rege Committee, ventilation and lighting, in most cases, were adequate and satisfactory. In the post-Independence period, this industry has considerably expanded and diversified. While in new and large units working conditions could be compared with similar establishments in more advanced countries, in the smaller units everywhere, the position is not very satisfactory.

3. *Printing Presses.*—Most of the presses, according to the Rege Committee, were located in premises such as stables, improvised sheds and ill-ventilated rooms. Inadequate and unsatisfactory lighting arrangements put a heavy strain on the eyes of compositors. Crude arrangements for handling molten lead were stated to be responsible for slow absorption of this metal into the body of the worker. The industry even now has a large segment of older units which do not exhibit any notable change in their attention towards lighting arrangements or latent health hazards.

4. *Glass Industry.*—The conditions were extremely depressing in 'cottage factories' each of which consisted of a small ill-ventilated one-room building, the floors of which were entirely monopolised by an open furnace containing a number of fire-clay pots of various coloured glasses. They had no chimneys and were always full of smoke. Although many new units with better environment have since come up, old units in traditional centres still continue to prosper. The working conditions in the latter have gone from bad to worse.

5. *Sugar Industry.*—Although disposal of effluents and sanitation was a problem in all

units, lighting and ventilation arrangements were adjudged as satisfactory by the Rege Committee. The number of units has more than doubled during the last ten years. With the type of working environments dictated by installation of the latest equipments, it would be safe to conclude that a certain improvement in working conditions must have set in.¹

6. *Bidi Factories.*—The conditions were reported to be equally bad both in urban centres and in rural areas where most of the factories were located. In Bombay, e.g., a bidi factory was usually situated either in or behind a 'pan shop' and conditions of lighting, ventilation and sanitation begged description. A substantial drop, both in the number of organised establishments and in the workers employed therein, over the past years suggests that the industry is spreading out in rural areas in small households, or in shops of the type mentioned above or there is a parcelling of work in a manner so as not to attract the provisions of the Act. Thus, working conditions in the unorganised sector continue to be more or less the same.

7. *Coal Mining.*—According to the Rege Committee, safety provisions of the Mines Act were found to be observed more in letter than in spirit. Lighting arrangements were poor and sanitation was conspicuous by its absence. While new mines, mostly in the public sector, today provide better working conditions, we have reason to believe that in the older mines because of the increase in the depth at which miners have to work, conditions may have deteriorated. There is now a comprehensive legislation on safety which is kept under constant review. The problem of dust in mines has also received special attention.

8. *Plantations.*—The problem in plantations was one of protection against vagaries of the weather rather than of ventilation, temperature or lighting. With the enactment of the Plantations Labour Act, 1951, considerable improvement has resulted in working conditions on plantations. The Act empowers the State Governments to make rules for providing umbrellas, blankets, raincoats or other like amenities for protection from rain or cold.

¹We, however, received complaints about conditions of work in co-operative units.

CHAPTER 10

LABOUR WELFARE—I

Four months prior to our appointment, the Government of India had set up the Committee on Labour Welfare (hereafter referred to as CLW) to review the functioning of welfare schemes in industrial establishments, mines and plantations and make recommendations about the improvements needed in their functioning. The Committee was also required to examine the working of the statutory welfare funds created for certain minerals, examine possibilities for introducing welfare schemes for agricultural labour, and consider related matters. To avoid duplication of investigations in this area, we decided to draw upon the information collected by the CLW to the extent necessary. In the recommendations which the CLW has sent us, it has covered several aspects of welfare and industrial housing and has made suggestions about social security. For this and the following three chapters, we have taken into account the relevant recommendations of the CLW, but have come to our own conclusions.

10.1 The need for adding welfare activities to the contractual relationship between an employer and the workers hardly received attention in any country in the early stages of industrialisation. The State had to intervene using its persuasive powers and/or by enforcing legislation. Our country has been no exception to this process. Barring a few cases, employers were not generally inclined to accept the financial burden on account of welfare activities. Where they did provide the amenities, it was more a matter of paternalistic approach to labour rather than a recognition of workers' needs. The Whitley Commission, in taking note of the varying conditions in different establishments, recommended that the more indifferent employers might be brought at least upto the general level which was much below what was provided by the enlightened and progressive employers. It favoured the consolidation and extension of the principle already recognised in the Factories Act in the clause dealing with the general health, safety and welfare of the operatives. It did not desire to overload the Act, but sought a method by which Governments could secure a uniform minimum standard of welfare where the nature

of the processes carried on or the special conditions and circumstances of employment demanded it.¹

10.2 The Government of India started evincing interest in welfare programmes during the Second World War, when they introduced schemes of labour welfare in their ordnance, ammunition and other factories engaged in war production. The services of reputed labour leaders were availed of for advising Government on this important aspect of the workers' life. Government's anxiety in those days was to take steps to keep up the morale of the workers employed in these factories to help in the war effort in the midst of a politically difficult situation.

10.3 The Rege Committee, while recognising that some aspects of welfare had been receiving attention in individual centres/establishments mainly from local associations of employers, referred to the effect of welfare measures on the general atmosphere in the factory and their contribution to the maintenance of industrial peace. It recognised the role both of the employer and of the Government in this regard and listed a number of facilities which, if provided, were likely to promote a feeling amongst the workers that they had a stake in the industry as much as anyone else and reduce labour turnover and absenteeism and stabilise an economically efficient working force.²

SCOPE OF WELFARE

10.4 The concept of 'welfare' is necessarily dynamic, bearing a different interpretation from country to country and from time to time, and even in the same country, according to its value system, social institution, degree of industrialisation and general level of social and economic development. Even within one country, its content may be different from region to region. According to pre-Independence notions, it could cover, apart from known amenities, items like housing, medical and educational facilities, cooperative societies, holidays with pay and social insurance measures.³ The Directive Principles of State Policy

¹Report of the Royal Commission on Labour, pp. 63-64.

²The Labour Investigation Committee, Main Report 1946, pp. 345-346.

³*Ibid.*, p. 345.

in our Constitution refer generally to the promotion of the welfare of the people. In its specific application to the working class, 'securing just and humane conditions of work' has been highlighted, but what these actually imply cannot be specified in rigid terms for all times.

10.5 In its Resolution of 1947, the ILO defined 'Labour Welfare' as "such services, facilities and amenities as adequate canteens, rest and recreation facilities, arrangements for travel to and from work and for the accommodation of workers employed at a distance from their houses, and such other services, amenities and facilities as contribute to improve the conditions under which workers are employed".¹ The Governing Body of the ILO (Geneva, May-June, 1953) considered the subject and urged that it was essential to define precisely and closely the scope of labour welfare in view of the fact that it was a very wide subject, covered a very broad field and was not limited to any one industry or occupation. The ILO Recommendation No. 102 concerning welfare facilities for workers refers to (a) facilities for food and meals in or near the undertaking; (b) rest and recreation facilities provided by the undertaking (excluding holiday facilities); and (c) transportation facilities to and from the place of work where ordinary public transport is inadequate or impracticable.

10.6 The study team appointed by the Government of India in 1959 to examine labour welfare activities then existing, divided the entire range of these activities into three groups, *viz.*, (i) welfare within the precincts of an establishment: medical aid, creches, canteens, supply of drinking water, etc., (ii) welfare outside the establishment: provision for indoor and outdoor recreation, housing, adult education, visual instructions, etc., and (iii) social security. The Committee of Experts on Welfare Facilities for Industrial Workers convened by the ILO in 1963 had divided welfare services in two groups—(a) within the precincts of the establishment and (b) outside the establishment—but the total content of the activities was the same as included in the three groups mentioned above.

10.7 We reproduce below the classification adopted by the ILO.

I. Welfare and amenities within the precincts of the establishment

(1) Latrines and urinals, (2) washing and bathing facilities, (3) creches, (4) rest shelters and canteens, (5) arrangements for drinking water, (6) arrangements for prevention of fatigue, (7) health services including occupational safety, (8) administrative arrangement within a plant to look after welfare, (9) uniforms and protective clothing and (10) shift allowance.

II. Welfare outside the establishment

(1) Maternity benefit, (2) social insurance measures including gratuity, pension, provident fund and rehabilitation, (3) benevolent funds, (4) medical facilities including programmes for physical fitness and efficiency, family planning and child welfare, (5) education facilities including adult education, (6) housing facilities, (7) recreation facilities including sports, cultural activities, library and reading room, (8) holiday homes and leave travel facilities, (9) workers' cooperatives including consumers' cooperative stores, fair price shops and cooperative thrift and credit societies, (10) vocational training for dependants of workers, (11) other programmes for the welfare of women, youth and children and (12) transport to and from the place of work.

10.8 We deal with housing and social security in separate chapters because of their special importance. The remaining aspects of welfare will be discussed in this and the following chapter under the broad classification: facilities inside and outside the premises. In discussing welfare measures within the premises, we will leave out such aspects as have been covered in the chapter on Working Conditions.

10.9 It is the employer's responsibility to provide facilities within the precincts of an establishment, as they form a part of working conditions. This has also been the underlying principle of the policy adopted by the Government. For many components of such welfare, legislation in the country has set certain minimum standards. Improvement upon them has been left to the employers.

¹There is also a detailed description of what welfare should mean in the proceedings of the Second Asian Regional Conference of the ILO (1950)

Government Policy

10.10 The elements relating to labour welfare in the 1946 Programme were: (1) Provision of medical treatment inside the establishment, (2) provision of creches and canteens, (3) welfare of the coal mining labour and the mica mining labour. To give effect to this programme, Government considered it urgent in 1947 to amend the Factories Act, 1934, even as a complete change in that Act was in the process of enactment, so as to authorise appropriate Governments to make rules requiring specified factories employing more than 250 workers to set up canteens, in conformity with prescribed standards and conditions. The Factories Act, 1948, departing from the old, made provision for washing facilities, seats for occasional rest for workers obliged to work standing, shelters or rest room and/or a lunch room if employing over 150 workers and lockers for keeping workers' clothes during working hours. Factories employing more than 500 workers were required to appoint welfare officers to see that the welfare aspects of the factory legislation were properly attended to within the establishment itself. In the case of mines, provision of cool drinking water and a canteen of prescribed standard were obligatory even prior to the 1946 programme. Such facilities had been left to the employers' discretion in plantations. All these and other requirements acquired a statutory force as a result of the Plantations Labour Act, 1951 and the Mines Act, 1952.

10.11 The First Plan, in recognising that the Factories Act, 1948 was a comprehensive measure, emphasised its effective implementation. The Plan made similar suggestions in respect of plantations. No special mention was made about mines in view of the legislation which was passed in the year the Plan was published. The policy spelt out in the First Plan continued to be followed during the Second Plan. To understand the changes which had taken place in different aspects of labour, including welfare within the precincts of the establishment, a scheme for a comprehensive survey of labour conditions was recommended in the Plan. The survey, apart from serving the above purpose, was expected to provide a 'benchmark' for any future assessment of this nature. In view of the close association between efficiency and welfare, Government at one time thought of securing voluntary acceptance of a 'Code of

Efficiency and Welfare' which was drawn up by a committee appointed by it. The Code, as drafted, went through various stages of discussion in the Indian Labour Conference and the National Productivity Council. Trying it out voluntarily on a pilot basis was decided, but even this limited idea had to be dropped. Some elements of the Code were subsequently included in the Industrial Truce Resolution, 1962. The Third Plan reiterated the proposition made in the earlier Plans that legislation enacted for the protection, safety and welfare of workers was adequate and better enforcement was all that was needed.

REVIEW OF CHANGES

10.12 We begin our review of the changes that have taken place in respect of welfare facilities within the premises with a description of the situation as reported by the Rege Committee. According to that Committee, there was a need to prescribe minimum standards of welfare to be observed by employers in different industries, since, barring a few enlightened and far-sighted employers, others took "a most indifferent and nonchalant attitude towards welfare work and say that no rest shelters are provided as the whole premises belong to the workers themselves, no latrines are provided because workers prefer the open spaces, no canteens are necessary because they are not likely to make use of such facilities and so on".¹ The findings of the Committee are recorded below separately for each component of welfare inside the establishment.

Sanitation

10.13 The general impressions recorded by the Committee of which the above quotation is a sample, need not be reproduced in detail. Apart from making the minimum arrangements which an employer could get away with, service and maintenance appeared to be so poor that if they existed at all, the workers felt it impossible to make use of the so-called facilities.² Only in the case of cement factories, sanitation arrangements were satisfactory. In cotton textiles, regulated tanneries, glass factories, sugar factories, printing presses, etc., the letter of the law was observed but maintenance was hopelessly inadequate or was non-existent. In unorganised tanneries and bidi factories, even the letter of the law was not followed. No sanitary arrangements had been

¹The Labour investigation Committee, Main Report 1946, p. 349-50.

²*Ibid*, p. 154

made for underground workers in coal mines on the plea that they would not be made use of by them because of caste and other prejudices. Employees in a mine, where an experiment was made, did not make use of the urinals and latrines, because these were never kept clean. Generally, the workers used abandoned work places and the employers had engaged some sweepers to remove the dirt. In plantations, sanitary facilities were provided only in the factory part of the estate.

Washing Facilities

10.14 Provision for washing and bathing facilities was not obligatory on employers. The Committee commented on arrangements only in those establishments where the nature of operations made it necessary for workers to have a wash or a bath after a day's work. In tanneries, printing presses and sugar factories, barring exceptions, bathing and washing facilities were totally absent, and where they did exist, other accessories for bathing were missing. After explaining the imperative necessity for a coal miner to wash himself at the end of the day's work, the Committee observed that special arrangements for washing or bathing in coal mines were an exception. Workers washed or bathed in an adjoining tank or from an open surface hydrant which drew out the mine water.

Creches

10.15 Provision of a creche of prescribed standard was a statutory obligation in factories and mines employing 50 or more women. In this case also, the standards observed were much below what were expected. Barring some progressive employers, creches were neglected even by textile mills employing a considerable number of women. In glass factories which employed more than 100 women and in bidi works of similar description, the situation was not different. The use of opiates to lull the infants to sleep was a common feature. No provision for creches had been made in most of the mines. The Committee, however, did come across cases where there were very good arrangements in the creches for bathing, change of clothes, supply of food and nurses/ayahs for their supervision.

Rest Shelters and Canteens

10.16 Rest shelters were provided by only a small number of concerns. Most of the cotton mills provided them; they were non-existent in

the jute mills. Larger units in other industries had set up rest shelters or dining sheds, but in smaller units, they were more an exception than the rule. Where rest shelters were provided, their structure usually consisted of brick walls and roofs of corrugated iron sheets. In a number of cases, the walls were *kutchha*. None of the factories seemed to have pre-planned erection of rest shelters. They were put up at any place convenient to the employers. The sheds could not generally accommodate all or even most of the workers. More often than not, they were dirty and unclean and the workers preferred the shade of trees to them. Cotton textile mills and cement factories were found to run canteens where tea and light refreshments were sold to workers. In some cases, there were arrangements for serving meals. Progressive employers gave subsidies to canteens either to meet losses or to sell preparations below cost. In many cases, canteens were not kept clean. Sugar factories had some arrangements for snacks outside the place of work; those were unsatisfactory in respect of both price and hygiene. Tanneries, printing presses, glass factories, bidi works, mines and plantations, barring a few, had neither a canteen nor a rest shelter.

Drinking Water

10.17 Most factories made some provision for drinking water, but the arrangements were neither uniform nor satisfactory. Earthen pots used for storage were not properly cleaned in some cases; water cups, where provided, were not kept clean either. Very often, the employers did not engage workers for serving water at the place of work. In such cases, workers made small contributions to pay the watermen privately engaged by them. In textile mills, tanneries, printing presses, glass and sugar factories, bidi works, and mines and plantations, no arrangements generally existed; where they did, they were altogether unsatisfactory. It was only in cement factories that there were satisfactory arrangements for supply of drinking water.

10.18 The Rege Committee did not make a special study of the facilities available for dock labour.

PRESENT POSITION

10.19 In understanding the present position, we have relied largely on the account provided to us by the CLW. Wherever necessary, we have supplemented the account by impressions which some of us could form during the course

of our observation visits.¹ We propose to preface the account by stating the important changes which have taken place since the Rege Committee concluded its investigations. Many welfare amenities described above have become a part of the employers' statutory obligations. Statutory welfare measures can be classified into two parts: (i) those which have to be provided irrespective of the size of the establishments or the number of persons employed therein, such as washing, storing and drying of clothings, first-aid, drinking water, latrines and urinals, and (ii) those which are to be provided subject to employment of a specified number of persons, such as canteen, rest shelter, creche and ambulance rooms. The scope of various Acts differs from one industry to another and as between different types of welfare amenities. While the Factories Act is applicable only to such factories as employ 10 or more workers with power or 20 or more workers without power, the Mines Act is applicable to all mines. The position for plantations seems to be more flexible; though the Act requires a minimum area and a minimum number of workers for attracting its provisions, State Governments have been given powers to notify the application of the Act for a plantation which may be smaller both in size and employment. However, there is no evidence to show that the States have exercised these powers to bring in more gardens under the purview of the Act.

10.20 The relevant welfare amenities contained in the various enactments are as recorded below:

(i) **Factories.**—The Act makes it obligatory on the employer to provide:

1. Cool clean drinking water, latrines and urinals, and washing and bathing facilities.
2. One first-aid box for every 150 employees.
3. Canteen in establishments which employ more than 250 workers.
4. Rest shelters or rest rooms and a suitable lunch room in all establishments employing 150 workers or more.
5. Creche in factory establishments employing more than 50 women.

The State Governments have been empowered to frame rules for prescribing standards and to grant exemptions, wherever considered necessary. They have laid down elaborate standards

for all welfare amenities, keeping in view mainly the requirements of workers.

(ii) **Mines.**—Provisions for drinking water, conservancy, first-aid (including a first-aid room in every mine, wherein more than 150 persons are employed) and creche (in every mine employing women) have been laid down in the Act. The Mines rules provide that (i) an ambulance room shall have to be maintained under the charge of a qualified medical practitioner assisted by qualified staff at every mine employing 500 or more persons; (ii) shelters shall be constructed for taking food and rest at every mine employing 150 or more persons on any one day of the previous calendar year, as also near loading places, workshops or open cast workings in mines employing 25 or more persons; and (iii) a canteen is to be provided in every mine having 250 or more persons.

(iii) **Plantations.**—Drinking water, conservancy, medical facilities, canteen, creche, recreational facilities, and provision of umbrellas, blankets and raincoats have been made statutory. A canteen has to be set up on plantations with 150 workers or more and a creche where 50 or more women are employed.

(iv) **Ports and Docks.**—Certain welfare facilities are provided to workers in ports and docks under the Dock Workers (Safety, Health and Welfare) Scheme, 1961 which applies to all major ports and docks in the country. Housing, education and recreation facilities are provided to port workers by the Port Trusts with the help of the Port Trust Employees' Welfare Funds. All the Dock Labour Boards have constituted Labour Welfare Funds to provide amenities, including medical and recreation facilities, to dock workers. Welfare facilities to workers employed in the workshops located in port areas are provided under the Factories Act, 1948.

ASSESSMENT

10.21 The general impression, which the CLW has formed, is that the statutory welfare amenities have not been properly and adequately provided, except in units managed by progressive employers or in the modern units where the technology of production requires maintenance of adequate welfare standards. In several cases, particularly in medium and small-sized units, the standards are distinctly poor. Arrangements for drinking water and first-aid boxes and up-keep and maintenance

¹We are annexing, in addition, data collected from the Survey of Labour Conditions undertaken by the Labour Bureau in 1960—66 in respect of some industries.

of conservancy services are not satisfactory in these units. Workers' organisations have been invariably critical of the manner in which the legislation has been implemented by employers and supervised by the Inspectorate. In many cases, though the letter of the law may have been observed, the spirit behind it is completely missing. Employers have not seriously challenged this contention, but have argued that these amenities (i) have caused a heavy financial burden on the industry and (ii) where provided, have either remained under-utilised or are improperly utilised by the workers. Of the latter, there is some evidence but the former cannot be an argument to deny facilities which are absolutely necessary to meet the minimum human needs in the current social milieu. It is another matter if the employers argue that the present statutory welfare amenities are enough and that their coverage or scope need not be extended. By and large, the State Governments have also subscribed to the view that, although there is a need to extend the coverage of statutory welfare amenities, this should be done only after proper administrative arrangements can be made to ensure implementation. What has been said above, mainly with regard to factories, applies *mutatis mutandis* to mines and plantations.

10.22 In the case of ports and docks, all stevedore workers employed on board any vessel within the limits of a port, and all shore workers working 'alongside' a vessel, are covered by the Indian Dock Labourers' Regulations, 1948 framed under the Indian Dock Labourers' Act, 1934. The health and welfare of all port and dock workers and the safety of those not covered by the Indian Dock Labourers' Regulations, 1948 are taken care of by the Dock Workers (Safety, Health and Welfare) Scheme, 1961. Some confusion has been experienced in the administration of the respective provisions, particularly with regard to their applicability to shore workers. The one-man Committee appointed by the Government of India in 1964 came to the conclusion that facilities available to the workers were inadequate and even those limited facilities were not main- or supervised properly nor were they used by the workers with the needed care.

Enforcement

10.23 Two agencies look after the implementation of the various statutory provisions: (i) the agency within the establishment itself and (ii) the State Inspectorate (dealt with in the previous chapter). Every factory and mine employing 500 or more workers and every

plantation employing 300 or more workers is required to have a welfare officer. The Model Rules framed by the Government of India under Sections 49(2) and 50 of the Factories Act, 1948 prescribe the duties of welfare officers appointed under that Act. In the case of mines, similar provisions have been made in rules 72 to 74 of the Mines Rules, 1955. A review of the duties of welfare officers as specified in these rules indicates that functionally they have been identified as special officers for discharging the new social obligations cast upon the employer through various labour laws. The care of workers in all matters affecting their well-being, both at the place of work and outside, puts a special responsibility on the welfare officer who has to be a maintenance engineer on the human side. However, in many cases, the welfare officers also handle grievances and complaints of workers relating to terms and conditions of service and domestic and other matters which lie in the domain of personnel management. There is, thus, virtually no demarcation between personnel management functions and welfare functions. The welfare officers, at present, do not have job satisfaction, since the subject of welfare is not generally accorded adequate importance. It is treated more as a statutory requirement to be tolerated.

10.24 To have a proper assessment of the implementation of statutory welfare provisions in factories, the CLW requested the State Governments to conduct special studies on a sample basis. The Director General, Mines Safety was also asked to help in the same manner with regard to mines. The position as revealed in the studies regarding factories seems to be varied. Where there is a statutory obligation, the employers are reported to provide only the minimum facilities the quality of which is uniformly poor except in the case of the more enlightened managements. The studies made by some States in respect of different components of welfare—and these include sanitation, washing facilities, first-aid appliances, ambulance rooms, drinking water, canteens, shelters, rest rooms, and creches—strengthen the general impression that compliance with the statutory welfare provisions is half-hearted and inadequate. The studies in mines reveal that canteen arrangements are not satisfactory. Mines which are not required to provide canteens under the law have provided them in some cases, while mines which should have done so, have not complied with the requirement. A similar position obtains with regard to creches. Managements are reluctant to invest funds in the construction of

standard-type creches. Latrines and urinals have been provided, but are not maintained well. Even ambulance vans have not been provided by mines, though they are required to do so. In plantations, the position is equally unsatisfactory though some of the better organised estates have provided a high standard of welfare amenities. Inspection machinery suffers from inadequacy of powers and the necessary means to secure compliance from the employers. Some workers' representatives are of the opinion that unless the inspectorate is empowered to prosecute the defaulting employers without waiting for permission from Government, enforcement of the Act, in letter and in spirit, cannot be ensured. Penal provisions, under Sections 36 and 37 of the Act, are not deterrent enough to prevent employers from continued violation of law. Though in respect of medical facilities, the Act contemplates recovery of the cost from such employers as fail to provide the required amenities, in practice, these clauses have not been used by the State Governments so far.

10.25 The establishments that some of us visited in the course of our inquiry presented a pattern of welfare facilities as varied as the one described earlier. For instance, in some of the new factories, the standards were as good as could be expected. The observance of the spirit of the law was very much in evidence. We also visited some reputed industrial establishments, where the position could be considered hardly better than what is described elsewhere; workers in these units were themselves indifferent about getting conditions improved though recognised unions existed. Even after years of development, canteens and rest shelters have not received adequate attention from the management. We noticed in some units that with regard to 'canteens', an important statutory facility, the employer, on occasions, sought to avoid this responsibility by seeking the assistance of a contractor. The observations of the CLW on rest shelters are, to a large extent, corroborated by our observation visits. Workers prefer open places to the shelters which have been provided, though the shelters are less oppressive.

10.26 We heard reports from workers' representatives in some centres that to secure drinking water for workers a threat of direct action was required to bring the employer round. Such instances may be rare, but it is a fact that the attitude among some older employers is still one of indifference towards workers' wants in general.

10.27 We have formed a poor impression about creches—whether in factory, mine or plantation—barring some exceptions. The lack of this amenity is more noticeable in seasonal factories, though employment of women is very common in them. The evidence before us and our own impressions confirm that employment of women is kept deliberately below the level at which the employer is required to provide a creche. One wonders why this should be so when one sees the inadequately maintained creches. In the bidi establishments where a large number of women are employed, there are still no creches. The absence of creches could be understood at the time the Rege Committee reported, as there was no statutory compulsion then for their maintenance. But now that the necessary legislation is there, one would normally have expected to find an improvement in the situation. Unfortunately, this has not come about. In some large bidi manufacturing units, we noticed rows and rows of improvised cradles made of sack cloth for depositing babies at the place of work itself, a place which had too low a ceiling to protect either the child or the mother who was working there, from the oppressive summer heat of Central India.

10.28 We have, at the same time, information about the misuse of facilities provided for workers. A report prepared by the Directorate-General of Factory Advice Service and Labour Institutes brings out the position in one of the important dockyards in the country. Missing taps, missing lights and misuse of furniture are some of the difficulties mentioned by management and verified by the Director General of Factory Advice Service and Labour Institutes. We have already referred to similar experience in mines. Another significant feature is lack of recognition, on the part of the users, of the genuine difficulties of managements in providing certain amenities. Reverting to canteen arrangements, at a time when sugar was in short supply in some centres and the management found it difficult to resort to the black-market because of difficulties of audit, the workers insisted on the supply of sugar for tea in the canteen because a contractor next door was running his canteen for the workers with black-market sugar and charging his own price. Such instances, indeed, may be rare, but they reveal an attitude which calls for a change.

10.29 To quote international experience in the area of welfare is only to indicate how far we have yet to go to reach the desired standards.

From descriptions of what obtains in the countries of Western Europe, U.S.S.R., Eastern Europe, U.S.A. and Australia, the disparity seems to be too wide, and yet, it could be said that some of the modern units set up in our country can compare favourably with many above-average units elsewhere. In several countries, however, the present standards of welfare facilities inside the unit have been reached as a result of the operation of many factors viz., (i) better understanding of human dignity, (ii) continuous pressure from organised labour, (iii) industrial prosperity over a long period, and (iv) a measure of support from public opinion. Many facilities which we seek to provide under statutory compulsion are taken for granted as part of the every day life and environment of the community in the advanced countries. Workers' organisations do not have to seek such facilities nor does the employer wait for a demand from them or, for that matter, for State intervention. In some cases, for instance, local communes in Yugoslavia and the East European countries, or even private agencies, take upon themselves the responsibility for running the creche. Again in several countries, with their current level of affluence, transport presents no problem. But where it is, many units do provide transport facilities to workers engaged by them. About rest shelters, drinking water, etc., no legislation has been necessary anywhere. Though provision of canteens in some countries is a statutory obligation, this presents no problem as they are run in close consultation with workers' organisations and are subject to their supervision.

RECOMMENDATIONS

10.30 We now proceed to outline the policy that should underlie steps to be taken in future to provide new facilities or to extend the existing ones. We consider separately the arrangements for different sectors of employment: factories, mines, plantations, ports and docks, and transport undertakings.

10.31 Two points of general application may be dealt with in the first instance. The first is about contract labour. While contractors' workers are not entitled, under existing legislation, to use welfare facilities meant for others, they cannot be debarred from using them where such facilities exist. Amenities provided are already overstrained, as evidence before us points out. And when expansion work in a unit proceeds side by side with production or where contract labour is still in use, these

overstrained availabilities get curtailed further. This is an anomalous situation which requires to be remedied. The Government of India have introduced the Contract Labour (Regulation and Abolition) Bill, 1967, which will remove this anomaly in those cases where employment of contract labour is permitted. The second point relates to the inspection of statutory welfare facilities. We have stated elsewhere¹ that the inspectorate is not able to cope up with the inspection work. One way to improve matters will be to take away the enforcement of welfare facilities from their regular work. Inspection of the welfare aspects of the law does not require any technical knowledge or engineering qualification. This aspect of welfare, we feel, can be best handled with the assistance of the recognised union or even with the help of the Works Committee.

Factories and Mines

10.32 Creches.—The present statutory provisions for creches take away more than 75 per cent of the registered factories from the purview of the Act. Small and medium sized establishments are likely to come up in future because of the increased importance given to such type of establishments by Government in the industrial development programmes. We recommend, therefore, that the statutory limit of 50 women workers in the Act for provision of cheche should be brought down. An employer should be made to provide a creche, even though the number of women employed by him falls below 50. State Governments should be allowed to prescribe a lower limit taking into account local circumstances. Alternatively, the State Governments may make the provision of a creche obligatory, whenever there are 20 or more eligible children of working mothers to avail of this facility. In the case of smaller units, we recommend that the State should provide creches, as part of its labour welfare activity. It should be possible in such cases, for the States to recover a part of the expenditure on running a creche from the employers concerned. At present, creche facilities are not extended to women workers employed through contractors. It is necessary to amend the law so that women workers engaged by contractors are also ensured this benefit. In the case of contractors who employ women below the minimum number, arrangements similar to those for smaller units should be made. While no rigid standards can be laid down in regard to creches in the case of the building and construction industry, arrangements, like pro-

¹Para 9.17

vision of temporary sheds, should be made for the use of children of women workers.

10.33 In a majority of factories and mines which provide creches, the standard needs to be improved. This is an aspect which could be covered by rules and their effective enforcement. The rules should, however, permit local variations.

10.34 **Canteens.**—The shortcomings brought to our notice are: (a) the limit of employment for a statutory canteen, viz., 250 is high; (b) the law requires that establishments where employment exceeds the limit have to be notified before canteens are opened and this notification takes time; and (c) where canteens exist, the purpose for which they are set up, namely, provision of clean and nutritious food to workers is not fulfilled due to lack of attention and supervision.

10.35 We consider that the present employment limit for making the employer set up a canteen compulsorily should not be disturbed. However, where, in a unit, there is an established demand for a canteen from a majority of workers, the employment limit should be brought down to 200. The need for notifying the establishment should be done away with; it should be obligatory on the employers to provide canteens automatically as soon as the employment exceeds the prescribed limit. Workers should be associated with the running of canteens. Canteens should, preferably, be run by the workers themselves on cooperative principles. Wherever canteens are run on cooperative basis, employers should give subsidies in the shape of free accommodation, fuel and light, furniture and utensils. Workers should be allowed to make credit purchases from the canteen and such dues should be recovered from their wages. Suitable amendments should be made in the Payment of Wages Act, 1936 to permit such deductions. In industries involving operations over a large area, provision of mobile canteens should be considered. They should aim at providing at least one balanced meal a day, whether in a factory or in a mine.

10.36 **Miscellaneous.**—The statutory provisions in regard to sanitation, first-aid boxes, washing and bathing, storing and drying of clothes, rest shelters, drinking water etc., are adequate; no change seems to be called for. There is need for ensuring stricter enforcement. Non-compliance with these provisions, on many occasions, gets ignored or is treated with a measure of indulgence. We recommend that

habitual non-compliance should attract penalties.

Plantations

10.37 The Plantations Labour Act, 1951, is applicable to plantations admeasuring not less than 10.117 hectares or employing 30 or more workers. The majority of plantations are not covered by the Act, since 80 per cent of the tea plantations and over 90 per cent of the plantations in the Southern States admeasure less than the prescribed area. In the matter of provision of welfare measures in plantations which are covered under the Act, the present position, except in the case of fairly large-sized estates, is not as good as in the case of factories and mines where, as already pointed out, it is unsatisfactory. Our recommendations in respect of those employments are equally applicable to the plantations covered under the Act and, perhaps, with greater force. The problem in the case of plantations, however, is the extension of at least the minimum welfare facilities prescribed in the Act to the vast majority of workers who are not covered by it. The policy of the Government should, therefore, be to extend the coverage of the Plantations Labour Act, 1951 progressively to as many plantations as possible. Even as this process continues in a phased manner, it should use its persuasive powers to make employers realise that more needs to be done in this matter.

Ports and Docks

10.38 The Dock Workers (Safety, Health and Welfare) Schemes, 1961 contains provisions in regard to basic amenities like drinking water, maintenance of latrines and urinals, rest shelters and canteens. But, implementation of the provisions of the Scheme by the Port authorities and the Dock Labour Boards is inadequate. We recommend that the provisions of the Scheme relating to welfare should be strictly enforced by the Dock Labour Boards. These facilities should be extended to the large number of casual and contract labour employed in ports and docks. All major ports employ workers round the clock; there is need to extend the canteen facility to night shift workers. It should also be extended to workers who have to perform their duties in mid-stream. Sufficient financial powers should be delegated to the managements of all the canteens to ensure their smooth running.

Road Transport

10.39 The Motor Transport Workers Act, 1961 covers only transport undertakings

employing 5 or more workers. We considered the question of covering smaller transport establishments. But the task of supervising implementation of legislation in small units is hardly feasible. Also, in units engaging less than five workers, there will be many where employer-employee relations are absent. We, therefore, do not recommend lowering of the limit. The headquarters of transport companies, particularly those handling goods transport, are usually located within a small area in the several cities from where they operate. Basic amenities such as sanitation, first-aid, canteen and rest shelters can be provided jointly by all the companies. The State Governments should persuade employers at such places to mobilise their resources to provide such facilities.

Welfare Officers

10.40 The statutory provisions for the appointment of a welfare officer in factories, mines and plantations, were made to ensure that the managements appointed a person exclusively to look after the welfare needs of their workers and also to help them in discharging their statutory obligations in respect of welfare measures. In order to ensure that the welfare amenities, statutory or otherwise, are provided and organised properly, such officers should form part of the administration. The management should ensure that only such officers are appointed to look after welfare activities as are properly qualified to hold these posts and have aptitude for welfare work. The Welfare Officer should not be made to work as an agency to handle labour disputes on behalf of management.

TABLE 10.1: *Conservancy Arrangements*

S. No.	Industry	Estimated percentage of establishments									
		Providing		Employing women and having separate arrangements for them		Where latrines were			Providing water taps near latrines	Where latrines were properly screened	
		Latrines	Urinals	Latrines	Urinals	Water-borne, sewer type or septic-tank type	Dry type, bore type or dry type pan	Other types or combined types			
1	2	3	4	5	6	7	8	9	10	11	
1	Cotton (1960-61) Textiles	82.6	53.4	67.5	34.3	50.3	46.3	3.4	69.2	97.8	
2	Printing (1965-66) Presses	86.0	42.0	80.0	67.0	60.0	37.0	3.0	83.0	100.0	
3	Glass (1965-66)	94.0	80.0	77.0	86.0	26.0	24.0	50.0	75.0	94.0	
4	Sugar (1962)	92.0	63.0	60.0	†	41.0	59.0	..	66.7	100.0	
5	Tanning & Leather Finishing (1965-66)	94.0	29.0	65.0	20.0	20.0	68.0	12.0	57.0	85.0	
6	Coal Mines (1962-63)	92.1	63.1	89.6*	75.0	19.6	60.2	20.2	31.2	98.5	
7	Tea Plantations (1961-62)	4.5	1.3	0.3	..	78.6	21.4	..	85.6	100.0	
8	Cement (1961-62)	85.0	56.0	79.0	21.0	100.0	..	..	100.0	‡

NOTE.—Figures within brackets in col. 2 indicate the period to which the data given in this as well as the subsequent tables relate.

*Percentage relates to mines employing women and providing latrines/urinals.

†Among the units providing urinals, none had any women worker on roll.

‡Mostly screened.

TABLE 10.2.1: *Washing Facilities*

S. No.	Industry	Estimated per-centage of establishments providing washing facilities.	Percentage distribution of establishments providing facilities, according to type of facility		
			Water stored in receptacles	Through wash-basins with taps on stand-pipes	Others*
1	2	3	4	5	6
1	Cotton Textiles	69.6	8.2	83.8	8.0
2	Printing Presses	89.0	30.0	70.0	..
3	Glass	32.0	16.0	45.0	39.0
4	Sugar	69.0	..	100	..
5	Tanning and Leather Finishing	86.0	53.0	29.0	18.0
6	Tea Plantations	5.0	..	100.0†	..
7	Cement	100.0	..	100.0	..

*Relate to such arrangements as tubewells etc.

†In all the estates, taps on stand-pipes were provided.

TABLE 10.2.2: *Bath Rooms*

Sl. No.	Industry	Estimated percentage of establishments providing bath-room	Estimated percentage of establishments providing bath-rooms*			
			Only for men	Only for women	Separately for men and women	Combined for men and women
1	2	3	4	5	6	7
1	Cotton Textiles	19.9	36.3	3.2	45.7	14.8
2	Printing Presses	15.0	95.0	2.0	3.0	..
3	Glass	46.0	51.1	5.1	39.2	4.6
4	Sugar	35.0	†	†	†	†
5	Tanning and Leather Finishing	25.0	‡	‡	‡	‡
6	Coal Mines	49.0	3.0	..	37.0	60.0
7	Cement	48.0	75.0§	..	250.0§	..

*Percentage relates to col. 3.

†Of the sample factories providing bathing facilities, only one employed women workers and it had no separate arrangements for them.

‡Of the factories employing women and providing bathing facilities, only about 33% had provided separate bath-rooms for women workers.

§Information relates to large units only. In all the small units providing bath-rooms (25%), they were for men only.

TABLE 10.2.3: *Cleansing materials and separate washing arrangements for women*

Sl. No.	Industry	Estimated percentage of establishments having washing facilities and supplying cleansing materials*	Estimated percentage of establishments		
			Employing women	Employing women and providing separate washing facilities for them	Where separate facilities provided for women were not properly screened †
1	2	3	4	5	6
1	Cotton Textiles	39.5	53.6	31.8	33.7
2	Printing Presses	86.3	6.0	25.0	79.0
3	Glass	18.9	50.0	33.3	100.0
4	Sugar	42.5	8.0	‡	‡
5	Tanning and Leather Finishing	57.6	20.7	20.0	16.0
6	Cement	85.0	39.0	16.0	100.0

*Percentage relates to the total number of factories in the country.

†The percentage relates to factories in col. (5)

‡Among the factories providing washing facilities and employing women workers, separate arrangements for such workers, duly screened, existed in only one factory surveyed in Southern India.

TABLE 10.3: *Creche Facilities*

Sl. No.	Industry	Estimated percentage of establishments					Percentage of creches deficient in			
		Employing women	Under statutory obligation		Employing women and not under statutory obligation but providing creche	Employing women and providing creche	Clothes	Soap	Towel	Milk or refreshment
			To provide creche	And providing creche						
1	2	3	4	5	6	7	8	9	10	11
1	Cotton Textiles .	53.6	39.0	86.2	3.0	35.7	21.0	11.0	16.0	3.0
2	Printing Presses .	6.0	5.0	..	..	..	..	..	..	..
3	Glass . .	50.0	8.0	64.0	..	5.0	100.0	56.4	56.4	56.4
4	Sugar . .	8.0	*	..	..	..	..	..	..	..
5	Tanning and Leather Finishing . .	20.7	†	..	..	..	..	..	..	..
6	Coal Mines . .	82.0	82.0	56.0	..	56.3	21.8	9.2	9.2	11.0
7	Tea Plantations .	100.0	91.3	73.5	1.8	68.9	92.5	87.4	90.1	54.2
8	Cement . .	39.0	20.0	100.0	‡	8.0	..	..	..	..

NOTE:— Percentages in col. 4 relate to factories in col. 3 and those in col. 5 relate to factories in col. 4.

*Only one of the factories surveyed in South India employed more than 50 women workers and that too did not provide a creche.

†No unit was under statutory obligation.

‡Negligible.

TABLE 10.4.1: Rest Shelters

Sl. No.	Industry	Employing more than 150 workers	Estimated percentage of establishments						
			Employing over 150 workers and having				Not under obligation but having rest shelters	Having rest shelters whether under obligation or not	Where rest shelters did not conform to prescribed standards
			Rest shelters only	Canteens as well as rest shelters	Canteens and hence no rest shelters	Neither canteens nor rest shelters			
1	2	3	4	5	6	7	8	9	10
1.	Cotton textiles	31.0	7.1	56.9	28.7	7.0	1.4	21.4	58.2
2.	Printing Presses	3.9	6.9	24.0	37.9	31.2	1.3	2.5	42.1
3.	Glass	30.6	13.7	22.8	31.0	32.5	0.9	12.1	38.0
4.	Sugar	11.0*	33.3	..	..	66.7	‡	40.0	69.0
5.	Turning and Leather Finishing	5.0	59.0	..	41.0	..	‡	9.0	59.0
6.	Coal Mines	71.7	91.1	..	5.5	3.4	70.3	85.3	NA
7.	Cement	†	†	†	†	†	60.0	60.0	87.0

*Percentage of factories required to provide rest shelters as they employed more than 150 workers and had no canteens.

†None of the factories was under statutory obligation since they were running canteens.

‡Negligible.

NA—Not available.

TABLE 10.4.2: *Canteens*

Sl. No.	Industry	Percentage of establishments employing more than 250 workers	Percentage of establishments employing more than 250 workers and having canteens	Percentage of establishments employing 250 or less workers but having canteens
1	2	3	4	5
1.	Cotton Textiles.	29.8	87.5	1.8
2.	Printing Presses	3.0	8.0	†
3.	Glass	22.0	72.0	†
4.	Sugar	61.0	80.0	†
5.	Tanning and Leather Finishing	5.0	81.0	..
6.	Coal Mines	35.5	70.5	14.8
7.	Tea Plantations*	83.4	15.8	..
8.	Cement	71.0	100.0	NA

* Figures in Cols 3 and 4 relate to estates employing 150 or more workers; in Col. 5 to estates employing less than 150 workers.

† Negligible.

NA— Not available.

TABLE 10.4.3: Agency for Running Canteens and Articles Sold therein

S. No.	Industry	Estimated Percentage of Canteens which were run by					Percentage of establishments which sold meals in addition to tea, snacks etc.	Percentages of establishments where articles sold at		
		Managements	Contractors	Jointly by workers and managements	Workers Cooperatives	By workers		Subsidised rates	No profit, no loss	Market rates
1	2	3	4	5	6	7	8	9	10	11
1.	Cotton Textiles	55.4	25.6	3.5	15.5	..	35.7	34.4	29.8	35.8
2.	Printing Presses	26.0	44.0	19.0	..	11.0	33.3	48.0	11.0	41.0
3.	Glass	40.0	41.0	15.0	..	4.0	31.0	28.0	49.0	23.0
4.	Sugar	17.0	67.0	11.0	..	5.0†	60.0	42.0	16.0	42.0
5.	Tanning and Leather Finishing	73.0	27.0	..	..	..	77.0	§	§	..
6.	Coal Mines	77.2	13.9	4.3	4.6	..	38.4	8.4	81.4	10.2
7.	Tea Plantations*	12.0	61.4	12.2	..	2.5	21.8	34.2	14.6	51.2
8.	Cement†	83.0	17.0	..	..	..	33.3	80.0	||	||

* 11.9% of canteens were run by private individuals.

† Data relate to large units.

‡ Run by Workers' Union.

§ Articles sold either at subsidised rates or on a 'no-profit no-loss' basis.

|| Prices were fixed by canteen managing committees.

TABLE 10.5: *Drinking Water Facilities*

S. No.	Industry	Estimated Percentage of establishments where drinking water arrangements existed	Estimated Percentage of establishments where water supply arrangement was					Estimated percentage of establishments making arrangements for cool water in summer
			Refrigerated water/ water coolers	Earthen Pitchers and buckets drums etc.	Tube-wells or hand pump	Taps	Combination of one or more	
1	2	3	4	5	6	7	8	9
1.	Cotton Textiles	82.9	6.1	52.2	9.0	32.7	..	63.4
2.	Printing Presses	98.8	..	52.5	1.5	21.7	24.4	79.8
3.	Glass	100.0	..	9.8	3.2	40.7	46.3	63.8
4.	Sugar	100.0	3.9	19.2	49.2	27.7	..	65.5
5.	Tanning and Leather Finishing	100.0	..	42.1	7.3	21.5	29.1	54.5
6.	Coal Mines	98.3	..	29.3	35.0	35.7	..	52.0
7.	Tea Plantations*	83.5	..	60.2	11.4	10.3	18.1	3.5
8.	Cement	100.0	†	45.9	..	54.1	..	56.0

*The arrangement was to supply liquid tea in place of water and through *paniwalas* (others).

†All large factories which had special arrangements for summer months were providing refrigerated water or were keeping coolers or other such devices.

TABLE 10.6: *Seats for Workers*

Sl. No.	Industry	Percentage of Factories Providing seats
1	2	3
1.	Cotton Textiles	15
2.	Printing Presses	92
3.	Glass	48
4.	Sugar	30
5.	Tanning and Leather Finishing	28
6.	Cement	80

TABLE 10.7: *Estimated Percentage of Factories Employing Labour or Welfare Officers*

Sl. No.	Industry	Percentage of factories employing 500 or more workers	Percentage of factories employing 500 or more workers and having Welfare Officer*
1	2	3	4
1.	Cotton Textiles	24.8	87.1
2.	Printing Presses	1.4	80.0
3.	Glass	9.0	100.0
4.	Sugar	58.5	98.2
5.	Tanning and Leather Finishing	2.0	100.0
6.	Coal Mines	35.1	87.6
7.	Tea Plantations	72.4†	7.2
8.	Cement	56.0	85.0

* Percentage of factories in col. (4) relate to col (3).

† Percentage of estates employing 300 or more workers.

CHAPTER 11

LABOUR WELFARE—II

We now proceed to consider welfare amenities outside the precincts of the establishment. These fall into broadly four categories: (a) medical, (b) educational, (c) recreational and (d) other amenities. All these facilities are non-statutory, except in the case of plantations where provision of some of them is obligatory on the employer.

FACILITIES PRIOR TO INDEPENDENCE

11.1 While some of the facilities listed in the introductory paragraph were provided by employers in townships specially built up for workers and in certain centres of industrial importance, their scale was not so significant as to attract attention. The Rege Committee reported that it was not until the outbreak of the Second World War that the Government of India and the State Governments realised the need for adoption of welfare measures as a means to increase the workers' efficiency and boost their morale. The Coal Mines Labour Welfare Fund Organisation sponsored by the Central Government had just begun its work. The States had taken steps to encourage the starting of cost-price grain shops and cooperative societies in industrial establishments as part of their contribution to the war effort. Besides, three Provincial Governments had organised welfare centres the activities of which are described below.

(i) *Bombay*: Model Welfare Centres were organised for the first time in 1939 at 27 places. The centres were classified according to the range of their activities. Outdoor games were available in all of them. Indoor recreation and educational activities, ordinary and circulating libraries and dispensaries were added on according to the importance of the area where a centre was located. A full-fledged welfare centre provided a nursery school for children, a women's section running literacy, sewing and embroidery classes, suitable games (outdoor and indoor) and a gymnasium for men, and separate arrangements for water taps and shower-baths for men and women; radio programmes and monthly cinema shows also formed a part of its activity.

(ii) *United Provinces*: Welfare centres of three types, with varying activities, had been set up in 28 places. The facilities available to workers in these centres were similar to those in Bombay. Occasionally, the centres arranged baby

shows, music parties and *mushairas*.

(iii) *Bengal*: The Government was running 41 welfare centres, besides giving grants to private organisations to look after a part of the labour welfare work. The main activities at the centres were conducting of literacy classes and indoor and outdoor games. A gymnasium was available in some, whereas radio, gramophone records, cinema shows and similar recreational facilities were more common.

11.2. The employers in general looked upon welfare work as fruitless and barren, though some of them indeed had done pioneering work. We record, in brief, the welfare facilities which were available in some selected industries in those days.

(i) *Factories*: Prior to the medical facilities provided through the Employees' State Insurance Corporation, cement factories, sugar factories, some large tanneries and several units in the textile industry, had their own arrangements for treatment of workers. Some units in the glass industry had arranged with local practitioners for help in case of need. Small size tanneries, bidi works, and printing presses had no arrangements worth the name. For educational facilities, all industrial units looked to local authorities, with the exception of some cement factories, large tanneries, fair-sized sugar mills and textile units located in smaller centres. Adult education also was not much in evidence. Outdoor and indoor games were provided by some units in the textile industry. Cement factories and large-sized tanneries provided a room for indoor games. In other industries, no such facility was available. Because of exigencies of war, cheap grain-shops had been provided in several units of the textile and cement industries and also in some large-sized tanneries, but were not to be found in others. Other activities like cooperative societies and mutual benefit societies were restricted to large units in the textile and cement industries. The general impression formed by the Rege Committee was that the cement industry provided, by far, the best welfare facilities judged by the then prevailing standards.

(ii) *Mines*: Only a few big mines had hospitals; others had dispensaries where the level of dispensing left much to be desired. In general, the arrangement for medical relief was inadequate. Despite efforts, malaria continued to

take a heavy toll. Arrangements for education of workers' children were meagre; no adult education classes existed. Recreational and cultural activities were sponsored only in some mines. Cheap grain shops had been opened by several employers as a war-time necessity. Workers generally purchased their requirements from bazars or 'hats', which were held in the vicinity of the localities where they stayed, twice or four times a week.

(iii) *Plantations*: The extent of welfare work in plantations was dependent on their size. Many large plantations had arrangements for looking after the workers' health. There was no provision for education beyond the primary stage, nor was there any demand for it. Such recreational facilities as were there were mostly for the use of the supervisory staff. Even those made a poor showing compared to what was available in the exclusive clubs for selected supervisory staff in many plantation areas, particularly in the North East. Cheap grainshops, however, were established during the war years.

Employers' Associations

11.3. Responsibility for organising welfare work for mills run by their members was accepted by some employers' organisations; the Indian Jute Mills Association and the Bombay Mill-owners' Association were instances in point. They organised activities in working class localities with the object of providing recreation for the workers. The emphasis was on outdoor games such as volley ball, badminton and wrestling. Dramas and song recitals were arranged on holidays. The Indian Jute Mills Association provided indoor attractions too; classes were conducted during working hours for workers' children; Women's Corners where baby shows were held and milk distributed free to mothers and children were also a part of this activity.

Workers' Organisations

11.4. The Rege Committee reported on the activities of the Ahmedabad Textile Labour Association (TLA), the railwaymen's unions and the Mazdoor Sabha of Kanpur. The TLA spent a fair share of its income on welfare activities which included day and night schools, a residential boarding house for working class girls, study homes for boys, reading rooms and libraries, physical culture centres, etc. Some railwaymen's unions had organised cooperative societies and set apart various kinds of funds for providing specific assistance such as legal defence, death and retirement benefits, unemployment and sickness benefits, and life insurance.

The Mazdoor Sabha of Kanpur maintained a reading room, a library and also a dispensary for workers. There were a few other unions which carried on incidental welfare activities. The main handicap which prevented the trade unions from taking up this activity was lack of funds.

ASSESSMENT OF POLICIES: 1946-66

11.5. It is against this background of welfare activities in their totality prior to Independence that we have to view the policies since 1946. Welfare of coal and mica miners was mentioned in the 1946 Programme as needing particular attention, though in the broader concept of welfare as explained earlier, many other industrial workers were also sought to be covered. Funds for welfare of workers in these industries had started being built up. Diverting a part of these for housing, also an element of welfare, was under consideration.

Plan Policies

11.6. Not much emphasis had been laid on labour welfare under the First Plan: the welfare needs of urban workers were assumed to be adequately met by the then prevailing State Government schemes and of workers in mines statutory arrangements. As for plantation labour, the Plan sought to lay down priorities in welfare. It put health, housing and education in one group and recommended that when one or the other of these was adequate on any estate, attention should be concentrated on other items which were below standard. In the case of small plantations, welfare facilities, according to the Plan, were to be the responsibility of a group of plantations. The Second Plan made a significant statement on the principles which should govern labour welfare. It suggested the constitution of a welfare fund for manganese mining similar to the Coal and Mica Mines Welfare Funds, and the creation of similar funds, either by the appropriate Government or the employers, for other industries. The employers' responsibility in this regard was emphasised and the suggestion made in the earlier Plan for pooling of the resources of small plantations was made applicable to all small employers. The Third Plan made no specific reference to welfare, but stressed that for improving work efficiency, welfare within the establishment should be ensured. This was in line with the emphasis in that Plan on reorientation of labour policy with accent on efficiency. As a part of this reoriented policy, cooperative activity was to be intensified as a labour welfare measure.

11.7. In pursuance of policies initiated in the Plans, a welfare fund for manganese mines was sought to be created. Several attempts were made to select industries in the Central sphere for constituting welfare funds, but no progress was possible because of other stresses and strains on the economy. Some States passed legislation for constituting a welfare fund out of the fines imposed by employers, unclaimed wages and the like. These attempts were successfully challenged in the Court by the employers, and for some time, alternative arrangements had to be made for running the welfare activities. Several State Plans made provision for labour welfare, but all these did not amount to much even as the Plan schemes were formulated. Their content was diluted further during the course of implementation.

PRESENT POSITION

11.8. (i) *Central Government*: An experimental scheme to finance non-statutory welfare activities in industrial undertakings owned and controlled by the Government of India was initiated in 1946. The scheme, however, did not cover railway establishments and major ports. A fund, built up from voluntary contributions of the workers, government grants, receipts from fines, rebates from contractors, profits of canteens and yields from cinema shows and other entertainment, was constituted to finance welfare activities envisaged in the scheme. These moneys are being utilised for indoor and outdoor games, establishing reading rooms and libraries, and celebration of special festivals. Apart from this scheme, the Government of India has also instituted special welfare funds for certain minerals; these merit separate discussion.

(ii) *State Governments*: State Governments and Union Territories run welfare centres with the object of providing educational, recreational and other welfare facilities for workers. A statement showing the number of such centres and the activities undertaken by them is annexed. These apart, a statutory fund was created for financing welfare measures for plantation workers in Assam under the Assam Plantation Employees' Welfare Fund Act, 1959. The fund, which was constituted out of fines realised from employees, grants from the Central/State Governments and the Tea Board, as also unclaimed wages or forfeited sums in the provident fund accounts and donations, is utilised for activities authorised by a Board of Trustees on which labour is represented. Among the activities are adult education and literacy drives, maintain-

ing community and social education centres, organising games and sports, excursions, tours, running holiday homes, providing training in subsidiary occupations and home industries for women and unemployed persons, and also corporate activities of a social nature. In the case of Gujarat, Maharashtra, Mysore and Punjab, the labour welfare centres are administered by Welfare Boards created under (i) the Bombay Labour Welfare Fund Act, 1953 (as amended after the Supreme Court judgement)¹, (ii) the Mysore Labour Welfare Fund Act, 1965, and (iii) the Punjab Labour Welfare Fund Act, 1965.

(iii) *Employers*: There has been growing appreciation on the part of employers of the utility of welfare work. With the gradual extension of the Employees' State Insurance Scheme, medical aid as an element of welfare has been declining in importance, and so has education because of the entry of the State into the field. While this is the general picture, we propose to discuss the progress in each item of welfare separately for factories, mines, plantations and other employments. It should be noted, however, that in regard to mines, the provision of these facilities is being undertaken by the welfare fund organisations. For plantations, the Plantations Labour Act, 1951, makes certain welfare facilities obligatory on the employers. In that sense, welfare work done in mines and plantations is not voluntary.

Factories

11.9 (a) *Medical*: Medical facilities in varying degrees are provided by large undertaking, either in their own hospitals or by arrangement with well-established medical institutions, supplementing those available under the ESIS.

(b) *Education*: Except in a few large undertakings, no attempt has been made to provide educational facilities for workers' children. Invariably, every exclusive industrial township provides suitable educational facilities. Some townships have taken on the responsibility of running secondary schools and colleges. Alternatively, transport is provided for workers' children to attend institutions which are situated away from the residence, but within reasonable distance. Where factories are located in a city or town which has educational institutions run by the State, local bodies and private institutions, the most which an employer is expected to do is to provide the workers' children with scholarships, text books and other educational material. The more enlightened among the

¹Bombay Dyeing and Manufacturing Company V. the State of Bombay, 1958, S. C. R., 1122.

employers have accepted this burden. Instances are not entirely unknown of employers in the organised industries making arrangements for the education of the workers' children in cooperation with the State or local institutions.

(c) *Recreation*: In the large establishments, increasing attention has been paid to recreational activities as a means of healthy diversion to workers. Employers recognise that the monotony of a worker's life has to be relieved, as it has a sapping effect on his work. Some establishments bear the capital cost of construction of buildings designed for recreation and the cost of sports material and also make available grants-in-aid to meet day-to-day recurring costs; others give grants on a matching basis. The scale of facilities offered varies from employer to employer and from project to project. The establishments that provide such amenities have been taking pride in the fact that their workers have received recognition in sports and cultural activities organised at the State and national levels. Cash awards are offered to workers who are outstanding in the field of sports or to those of their family members who excel in cultural performances. Progressive employers have evinced varying degrees of interest in this aspect of labour welfare depending upon their capacity to pay, the importance they attach to recreation, and the interest which their workers take in the concerned activities.

Mines

11.10. (a) *Medical*: Elaborate arrangements have been made for medical facilities to workers employed in collieries by the Coal Mines Labour Welfare Fund Organisation through a network of hospitals and dispensaries, including Ayurvedic dispensaries. The Fund also gives grants-in-aid to dispensaries set up by colliery owners. Arrangements have been made for treatment of cancer, T.B. and other malignant diseases. The Mica Mines Labour Welfare Fund Organisation, too, has made similar arrangements, though on a smaller scale. The Iron Ore Mines Labour Welfare Fund is expected to operate in similar fashion in respect of its beneficiaries.

(b) *Education*: Educational facilities have largely been provided by the State Governments or local bodies, the Coal/Mica Mines Labour Welfare Funds and some progressive employers. Assistance to miners' children is given in the form of scholarships, book aid, and other facilities which are considered necessary locally. Though the activities are financed through a

fund which is collected from mines, both large and small, welfare of workers in smaller mines is neglected. In non-coal mines, except in a very few large undertakings, little has been done to supplement the efforts of State Governments or local bodies in this regard.

(c) *Recreation*: Large scale undertakings in coal and non-coal mines have given due importance to the provision of recreational facilities. Workers in small coal mines have suffered from neglect; in mines other than coal, the position is worse still. Employers with large factory establishments have what are known as 'captive mines'; the coal or limestone mines of a steel plant are an instance in point. In the same way as workers in smaller mines are left out in matters of welfare as compared to those in bigger ones, factory employees in these units get a favoured treatment as compared with miners. During our observational tours, this preferential treatment was repeatedly brought to our notice at many places.

Plantations

11.11 (a) *Medical*: The Plantations Labour Act, 1951 lays down that every plantation "there shall be provided and maintained so as to be readily available such medical facilities for the workers (and their families) as may be prescribed by the State Government". The Act further lays down that "if in any plantation medical facilities are not provided and maintained as required, the Chief Inspector (of Plantations) may cause to be provided and maintained therein such medical facilities and recover the cost thereof from the defaulting employers."¹ While this is the legal requirement, according to the CLW, wide disparities exist even within the same region in the actual provision of medical facilities. We came across in the Assam Valley and in some large plantations in the South, some of the best hospitals for workers, equipped with research facilities to understand the ailments peculiar to the region. However, small coffee and rubber plantations in Mysore and Kerala States, as also small tea plantations in the North, find it difficult to look after the health of their workers. The Act and the rules framed under it lay down the type of hospitals, their bed-strength and the number of medical and para-medical staff to run them; but the nature of the medical facilities to be provided has been left to the State Governments. Utilising these powers, three plantation States, namely, West Bengal, Tamil Nadu and Assam have laid

¹Evidence shows that this corrective was rarely exercised, not because there was no case of default on the part of the estates but because of inadequacy of staff at the disposal of the Government and disinclination to proceed against employers.

down detailed rules even for prescription of drugs and medicines, but the non-observance of these rules is a matter of general complaint.

(b) *Education*: Education for workers' children between the ages of 6—12, in any plantation where the number of such children exceeds twenty five, is to be provided free by the employers under the Act. State Governments have been empowered to make rules specifying the manner and standard of educational facilities to be provided by the employer for these children. Although the Plantations Labour Act, 1951, was made effective in 1954, only four State Governments have enforced the rules relating to statutory provision of free educational facilities. These States are Assam, West Bengal, Mysore and Kerala. In Tamil Nadu, Bihar, U.P. and Tripura, the rules have not been enforced so far. Even where they have been, workers are dissatisfied with the amenities provided. The Government of Assam has, in fact, taken over the management of educational facilities in some areas from the employers because of persistent complaints from the workers that the facilities provided are not adequate. On the other hand, in addition to the statutory obligation on the employers, the Tea, Coffee and Rubber Boards offer a limited number of merit or merit-cum-need scholarships to the children of workers. Employees of larger estates in general enjoy an advantage over others in this respect.

(c) *Recreation*: Though the Plantations Labour Act, 1951 makes it statutorily binding on employers to provide recreational facilities to workers, only four out of the eight plantation States have so far enforced the rules in this respect; Tamil Nadu, Bihar, Uttar Pradesh and Mysore have yet to enforce them. The employers complain that the workers do not avail themselves of the amenities provided and the workers maintain that the scale of facilities available is very inadequate.

Railways

11.12 The Labour Welfare Organisation in the Railways has taken up education as one of its important activities. It runs 744 schools (47 high/higher secondary, 26 middle and 671 primary) and two intermediate colleges. Subsidised hostels, for children of employees earning upto Rs. 349 per month, 13 in all, are spread all over India. The Staff Benefit Fund offers help, in cash and kind, to employees in distress, administers schemes for sickness relief, child welfare, and education of the staff and their children, and also arranges recreation facilities. Twenty six co-operative credit societies,

426 consumer cooperative societies, 416 fair price shops and twenty one cooperative housing societies were in existence in 1967-68. The Railways run 95 well-equipped hospitals, 544 health units, 67 chest clinics, 65 dental clinics, 22 homoeopathic dispensaries and 164 maternity centres. New hospital and health units are opened when needed. Doctors are sent for training in various specialities to render better service to employees. Benefits of the holiday homes built by the Railway Administration for its employees in various parts of the country are freely availed of travel passes to which the employees are entitled making this possible. The Railways take keen interest in spotting talent for sports. Employees who take part in the more sophisticated of such activities do not come from the rank and file, but in quite a few other games railwaymen have made a mark. And such performance is always appreciated.

Posts and Telegraphs

11.13 For the benefit of the employees of the Department, a Welfare Fund was set up in 1960-61. The fund gives distress relief in cases of death and protracted illness. Arrangements have been made with hospitals for treatment of staff members. The Department has schemes for award of scholarships, to children and dependants of employees whose monthly pay does not exceed Rs. 425 for technical and non-technical education. Some co-operative credit societies are also functioning.

Ports and Docks

11.14 All the major ports and docks maintain qualified staff in their hospitals/dispensaries. Medical facilities have been made available in the residential localities of workers. Scholarships are awarded to the children of workers. Consumers' cooperative stores and co-operative credit societies are functioning in many dock-yards.

Activities of Workers' Organisations

11.15 In addition to the Textile Labour Association, Ahmedabad (TLA), the activities of which have been described in para 11.4, other workers' organisations are also now taking interest in this aspect of workers' life outside the factory. The TLA itself has expanded its work with a view to encouraging the spirit of self-help and cooperation among workers' families. Thrift is being encouraged by providing banking facilities. Training is arranged in alternative occupations to provide continuity of employment. During our observation visits, we noticed similar work being done in the plantations in the Nilgiris by the Nilgiris District Estate Workers' Union. Education/cultural

programmes are increasingly becoming a part of the activities of well-organised unions. It could be said, as a general observation, that facilities sponsored by a union make a better appeal to workers than those made available through Government or employers.

Statutory Welfare Funds

11.16 (i) *Coal Mines Labour Welfare Fund*.—The Fund was constituted in 1944 through levy of a cess on coal. Welfare measures undertaken by the Fund in coalfields comprise medical, educational, housing and drinking water facilities. Two well-equipped central hospitals have been established with all modern facilities for specialised treatment. One more central hospital is under construction. By 1967, eleven regional hospitals were functioning for the treatment of simple cases requiring hospitalisation. Several dispensaries, mobile medical units and maternity and child welfare centres are also functioning. Besides these, beds have been reserved by the Fund in medical institutions run by State Governments and other agencies. Adult education and feeder adult education centres are run in many coalfields. Scholarships are awarded for general and technical education of miners' children. Besides tuition fees, grants-in-aid are paid to schools. For miners whose children are reading in schools away from their residence, a children's education allowance is given. Recreation facilities are provided in a number of Miners' Institutes. Twelve wholesale cooperative stores, 377 primary stores and 197 credit societies have been organised by the Fund till 1967. Financial assistance, at prescribed rates, is given under the Coal Mines Fatal and Serious Accidents Benefit Scheme in cases of death and permanent disability due to accidents in coal mines. Several holiday homes are being run. Tours are organised to different parts of the country to enlarge the outlook of workers on current developments. Sports meets are also a part of the activities.

(ii) *Mica Mines Labour Welfare Fund*.—The Fund was constituted in 1946 and is financed through levy of a cess. The Fund had established till 1967, seven hospitals, thirty four dispensaries, eight mobile medical units and seventeen maternity and child welfare centres. It has also set up nine multi-purpose institutes, eight community centres, nine women's welfare centres, twelve primary schools, twelve feeder centres, seven boarding homes/hostels, four mobile cinema units and eighty five radio centres. Workers' children are provided with mid-day meals, milk, snacks, stationery articles, and also grants for scholarships and tuition fees.

(iii) *Iron Ore Mines Labour Welfare Fund*.—The Fund was constituted through the Iron Ore Mines Labour Welfare Fund Act, 1961 which was brought into force in October, 1963. It is financed through levy of a cess on iron ore. A small hospital and two mobile ambulance-cum-medical units and two mobile dispensaries had been established by 1967. Some more institutions are in the process of being set up. Beds have been reserved in T.B. hospitals run by State Governments and other agencies. Scholarships are granted to school-going children of workers. A number of multi-purpose institutes have been set up. A holiday home is run for providing recreational facilities. Excursion-cum-study tours are also arranged.

Fair Price Shops

11.17 There has been admittedly an increase in prices of consumer goods over the period under review, and particularly since 1962. The increase has been more marked in the case of food articles. The main cause of discontent among industrial workers in recent years has been the price rise and the inability of the employer or Government to provide adequate relief against it. The Indian Labour Conference recommended in 1962 the setting up of consumer cooperative stores in all industrial establishments employing 300 or more workers. Under the scheme, which is voluntary, assistance from employers was to be in the form of (i) participation in share capital, (ii) provision of loan for working capital and (iii) grant of managerial subsidy. Apart from these, the employers undertook to arrange accommodation for stores, free of rent or at nominal rent, and give other facilities such as free supply of furniture and electricity. Since adequate progress has not been made in the setting up of such shops, Government is intending to enact suitable legislation for the purpose.

RECOMMENDATIONS

Our Approach

11.18 Since the days when the Rege Committee expressed dissatisfaction about the range and content of labour welfare, some components of welfare have been written into the law of the land; for others, persuasion has worked; and in case of still others, a combination of various factors has brought benefits to workers. A large area, however, is yet to be covered. There are two distinct views on workers' welfare: (i) Welfare is something which is personal to workers; the State should not have anything to do with it. Workers should be allowed to

bargain collectively with the employer for such facilities as they need. (ii) This country has not reached a stage where welfare could be left entirely as a matter to be settled between an employer and his worker. We apprehend that if even the minimum facilities are left to collective bargaining, standards are not likely to be uniform, nor will the facilities reach less organised workers. We do not yet find ourselves in a position where society can take on some of these activities as in several developed countries. We, therefore, suggest (i) that facilities which have been written into the law should be implemented so as to conform to the spirit of the legislation and (ii) that Government should, if the need arises, bring in new legislation consistent with the general approach that persuasion is always the best policy. It is in this light that the recommendations which we make for different sectors of employment should be viewed.

11.19 **Factories.**—Compulsions of balanced regional development require that industries should be dispersed over a wide area. While several big factories have made arrangements for medical treatment for their workers, very little of it is seen in smaller units. In areas where small units are concentrated, the employers should come together to provide such treatment jointly. With the extension in the coverage of the E.S.I.S., however, this will be but a passing phase. We, therefore, do not envisage legislation for the purpose. Periodic medical examination of workers to facilitate timely diagnosis and treatment of occupational diseases, should be a charge on the employer. For non-occupational diseases, the Employees' State Insurance Corporation should assume the responsibility. We do not visualise the setting up of convalescent homes, sanatoria and health resorts and the like for workers in the near future nor is there any demand for them at present from the workers. But these must remain as goals to be achieved, albeit distant. Even where factories are located in out of the way places, primary education is the responsibility of the State as a part of Government policy. To encourage employers to open schools in such areas, they should be exempted from the levy of the education cess or, where it is collected, given rebate to the extent that schools run by them reach the prescribed standard. Apart from the facilities available under the merit scholarship schemes, employers should, either after consulting unions or with the active help of unions, undertake to provide scholarships to deserving children of their workers. Since schools are meant primarily for the benefit of workers' children, unions should,

participate actively in their efficient running. Welfare centres run by the Government in predominantly working class areas should arrange for some schooling. The standards in these schools should be improved and a number of new schools set up. We feel that recreational facilities should be left to evolve in the natural course. There has been sufficient progress in this matter to hope that workers will press for satisfaction of their legitimate needs and, to the extent of their capacity, employers will accept the burdens agreed to between them and their workers' representatives.

11.20 **Mines.**—The Coal Mines Labour Welfare Fund was set up two decades ago. It has been utilised well in spite of administrative and financial difficulties which are unavoidable in all welfare measures of this type. Such funds have been set up in mica and iron ore mines and proposals in respect of manganese and limestone and dolomite mines are under consideration of the Government. Facilities offered by these Funds are available only to those workers who are engaged in extracting the minerals for which the funds are constituted. During the course of our observation visits we were told that though there would be limits to improving working conditions in mines, living conditions offered much scope for improvement. In this respect the Funds could achieve a fair measure of success through the active cooperation of the workers themselves and their unions. We believe that the responsibility for seeking this cooperation will rest with the Fund. To the extent the trade union response is inadequate, the utility of the work of the Fund would be open to question.

11.21 The Chief Medical Superintendent of the Central Hospital for Mines at Asansol drew our attention to the pitiable condition of miners, especially women, many of whom suffered from lung diseases. The prevalence of the disease could be checked if arrangements for proper and regular examination are made. With its present staff and resources, the hospital could not take on this work; some other arrangements to supplement their effort would be required. It has been reported to us that the basic requirement was a periodic medical check-up of the workers which may not be feasible within the financial and other resources available. We consider that this is a short-term view. If the check-up reveals some ailment this will be both to the good of the beneficiary and of the Fund. Periodic medical check-up, we feel, should be a part of the Funds' activity. We recommend that the essential apparatus

for detecting and curing the disease should be made available through more liberal allotment of funds.

11.22 The CLW has recommended:

A *General Mine Labour Welfare Fund* be created which will undertake welfare activities in respect of workers in all mines. The medical facilities arranged by this new Fund should include maternity, ante-natal and post-natal care, child welfare, family planning, prevention and control of diseases prevalent in or associated with the type of working situation and living environments as also emergency medical care. Educational facilities provided by the Fund should be organised on the same lines as in the case of the Coal Mines Labour Welfare Fund. Since primary education is free in almost all the States, the Fund should be given grants by the State Governments wherever it arranges primary education. The type of recreational facilities including the arrangement for excursion tours, which are provided by the Coal Mines Labour Welfare Fund, should be arranged by the new fund. Finances for the *General Mine Labour Welfare Fund* will be arranged on the same lines on which finances are found for the existing statutory welfare funds, that is, by the levy of a cess.

11.23 While we generally agree with these recommendations, our preference would be to tackle each mineral separately. This is because there are certain minerals in which the setting up of funds is already under examination of Government. The present recommendation should not delay the setting up of these funds. Where a cess is collected, it is the responsibility of the Government to ensure that it is utilised only for labour welfare work. We would also suggest that to avoid duplication of effort in the same area, all the Funds so created should have an arrangement which permits pooling of facilities.

11.24 It has been brought to our notice that mine owners practise discrimination as between persons recruited for work from distress areas through the Gorakpur Labour Organisation (GLO) and those recruited locally. This discrimination is allegedly of two types. Workers recruited through the GLO are treated

differently from others engaged locally in matters such as hostels, food and right to organise. They are given some facilities at the place of work and at the time of termination of their short-term contract. These are denied to others. We disapprove of any discrimination based on the source of recruitment. Once in employment, all workers should be treated on par. No distinction of any sort or control should be exercised and they should become part and parcel of the labour force as soon as they join the mine. Hostel facilities, where made available, should be open to all workers, not only in principle but also in practice, and so should be the right to organise. The system of repatriation after eleven months of service should be abolished and they should be in a position to return to the employer who gives them leave, as a matter of right. Such leave, within limits to be prescribed, should not be construed as break in service.

11.25 *Plantations.*—We have already referred to the difference in the standard of medical facilities available on plantations. Where the standards are poor, all round improvement is needed in the provision of medical personnel, para-medical personnel and the standard of hospital/dispensary arrangements¹. Absence of adequate arrangements for domiciliary or specialised treatment is reported in almost all estates. This assumes special importance in the State of West Bengal and Assam where the incidence of T.B. and leprosy is reported to be high amongst plantation workers and their families. In order to ensure that hospitals are properly equipped and disparity in the standards of medical facilities available to workers is reduced, the State Governments should prescribe a list of medicines, drugs and equipment for the hospitals. Suitable arrangements for detection and treatment of occupational diseases is another requirement which needs to be met. Priority should also be given to family planning programmes. Provision of educational facilities is a statutory obligation on the employers. The State Governments should ensure that these are provided according to the scale. The commodity boards should also evolve schemes for the provision of relief to workers in cases of distress and prolonged illness. The provision of minimum recreational facilities should be undertaken by the Statutory Labour Welfare Boards, the creation of which has been recommended by us.²

¹We noticed in a small area in Assam four well-equipped hospitals, two belonging to public sector units and the other two to the private sector. A fifth one is being planned by the State Government for its industrial employees. With some understanding on the part of all concerned, this multiplication of effort, which may lead to under-utilisation of medical personnel, could have been avoided.

²See Para 11.27

Ports and Dockyards

11.26 A substantial percentage of the total labour force in ports consists of casual and contract workers who are not eligible for the welfare measures undertaken by the Port Trusts Employees' Welfare Fund. There is need to extend the facilities to such workers also. Where schooling is not available within a convenient distance of the housing colony, port authorities or the concerned Dock Labour Board should open schools or arrange adequate transport for workers' children. There is also need for evolving a scheme for distress relief and assistance in the event of death, injury, sickness, etc.

Activities of State Governments

11.27 Welfare centres run by the State Governments have done useful work. In several States, the centres are run by Statutory Labour Welfare Boards which are autonomous and tripartite in composition. As a result, workers take adequate interest in utilising the facilities, as also in their better and efficient management. We recommend that Statutory Labour Welfare Boards, on the lines of the existing boards, should be brought into being in all States. The activities of these Boards should be financed in the same way as is being done at present in States where they are already functioning.

Excursions

11.28 To broaden the outlook of workers and to enable them to understand their surroundings better, excursions should be regularly organised. Part of the expenditure on such excursions should be necessarily borne by the workers, if such schemes are to be of real interest to them. The workers' share of the expenditure on such tours should be the minimum possible; the remaining cost should be borne by the State and the employer. Employers have been coming forward in the past to arrange such tours and we hope that they will continue to do so more actively in future. We do not favour legislation in this regard; it should be developed as a tripartite convention.

Transport to and from the Place of Work

11.29 Inadequate provision of transport puts the worker to avoidable strain, loss of time and fatigue. The need for improving existing transport facilities is therefore obvious. Though this is normally a function of the State or local authorities, it is commendable that a few employers have provided this facility to their workers. Inasmuch as the location and

development of an industry in an area add to the resources of the State and the local bodies, it is incumbent on them to streamline and improve the local transport services to enable the worker to reach his place of work in time. Where transport is provided by the State or the local body, steps should be taken, to the extent feasible to frame the time-table of the service to suit the timings in factories. For the convenience of the workers on night shift, special services should be arranged. In major industrial centres like Bombay and Calcutta, the working hours in different units should be staggered to enable the State or the local body to provide efficient service. We hope that while employers who are already providing this facility will continue to do so, others, particularly those having no housing colonies close to the workplace and those where industry is located away from residential areas, should consider making suitable arrangements. In the case of ports, launches should be provided to workers who are required to work mid-stream.

Adult Education

11.30 The CLW has recommended that the need for eradication of illiteracy among workers should be recognised. It supports the scheme drawn up by a Panel set up by the Planning Commission in 1964 to study the problem. This Panel recommended, *inter alia*, that (i) a suitable programme for adult literacy should be evolved and placed before the State Labour Advisory Boards and Indian Labour Conference for approval; (ii) the responsibility for implementing the programme should rest on organisations like the Coal Mines Labour Welfare Fund Organisation, commodity boards and employers' organisations in the case of workers in the respective industries; (iii) co-ordination of the activities of these organisations should be the responsibility of a tripartite Board, to be created; (iv) the programme should be financed through grants from the Governments and existing statutory welfare organisations and donations from the employers; and (v) employers should offer suitable incentives to workers for participating in the programme. We feel that adult education is important, and in plantations and mines where illiteracy among workers is high, not only should it receive encouragement, but special efforts should be made by the State to tackle the problem. Illiteracy is not likely to be such a widespread problem in future, particularly because (i) workers in new industries and new recruits to old industries will be more than literate, and (ii) the efforts of the State to improve literacy will gain momentum in the normal course.

Family Planning

11.31 In view of the increase in labour force from year to year, the CLW has stressed the importance of the family planning programme and of the problem involved in reaching this section of the population effectively. Notable work in this field has been done in some plantations in the Assam Valley. Even so, the CLW has felt that there is need for intensifying the efforts under the programme. While many employers are voluntarily providing additional incentives to their employees, there is need for other employers also to follow this example. The schemes of the Central and State Governments should be suitably adjusted and financial assistance thereunder should be made available to hospitals run by the employers. Employers' and workers' organisations should be eligible to receive direct assistance from the Government for this work in the same manner as other voluntary organisations. Workers' organisations can do useful work in educating the workers about the various methods of family planning, by means of low-cost periodicals. Government should provide mobile service to cover remote industrial areas, such as mines and plantations, which are not covered by the existing programmes.

Cooperative Stores/Fair Price Shops

11.32 Thirty five per cent of the establishments that employ more than 300 workers and are covered under the scheme for opening of fair price shops recommended by the 20th Session of the Indian Labour Conference, (Aug. 1962) have not opened such shops. Efforts should be made to see that the remaining establishments required to open fair price shops do so. To the extent possible, Government should start fair price shops to meet the requirements of workers in smaller establishments. Employers should also encourage setting up of cooperative stores by providing necessary facilities. Where workers of different establishments employing less than the prescribed number of workers live in the same area such establishments should join together in opening fair price shops. State Governments should ensure regular and adequate supply of essentials to these cooperative stores/fair price shops also.

Cooperative Credit Societies

11.33 Cooperative credit societies play a very important role in meeting credit needs of workers as also in promoting the habit of thrift. Wherever feasible, the employers should pro-

mote the formation of such societies by providing them furniture and accommodation. In the initial stages, the employers should give financial assistance to meet the expenditure on staff and to improve their lending capacity. The main obstacle in the efficient running of cooperative thrift societies has been the lack of trained and experienced persons to manage them. Employers and trade unions should, therefore, take steps to train workers for this purpose with the assistance of the Registrar of Cooperative Societies of the State concerned.

Role of Workers' Organisations

11.34 Trade unions should take greater interest in educating workers. Unions should also take steps to ensure that welfare facilities provided by employers, either statutorily or voluntarily, are popular with workers, since the object of creating these amenities is defeated if the workers do not use them. There is also the need for unions to advise workers to take interest in the activities of institutions, such as canteens and transport and welfare committees, wherever they have been formed by the management. Where they do not exist, unions should urge management to move in this direction. The unions should also associate themselves with the State inspection machinery for the implementation of various statutory welfare measures. To encourage unions for undertaking approved welfare activities subsidies should be given to them from the Statutory Labour Welfare Funds.

11.35 In conclusion, we would urge that the concept of welfare should necessarily be dynamic. Some facilities which are considered too difficult to be provided today would be taken for granted in the years to come, as additional needs overtake the working class. For instance, we were told that in one of the industrial townships, a demand for a primary school was made on the employer some ten years back. Within three or four years of its establishment the workers wanted a secondary school. Now that their children are growing out of the secondary stage of education, all sections of the working class—and this is a place with inter-union rivalry—are unanimous in impressing upon the management the need for a college. In the case of medical facilities too, aspirations are no different. A worker who would have been happy to be treated in a dispensary ten to fifteen years back, now chooses the doctor who should treat him and also the treatment he should get. So too, are the tastes for recreational and cultural activities changing. All these are symptomatic of the

changes coming over the whole society and the worker cannot be an exception. Indeed we may view it as indicating a welcome concern on the part of the workers for better living on which we have laid stress elsewhere.¹ The

agencies which provide welfare amenities to workers, whether they are specially created fund organisations, employers or Government, should keep this aspect in mind in organising welfare in the years to come.

¹Para 12.68

Welfare Centres run by State Governments/Union Territories

Name of the State	No. of Labour Welfare Centres	Activities conducted	Remarks
1	2	3	4
1. Andhra Pradesh	11	Adult Education classes, recreation facilities, cultural activities, craft centres for women workers, schooling of children upto nursery classes.	In view of the large labour population, the present number of centres is not sufficient. To cater to the needs of 25% of the labour population, at least 55 L.W.Cs. are required.
2. Bihar	25	Recreational and cultural activities, training in crafts, games and sports.	Besides, L.W.Cs. were run voluntarily by the employers' and workers' organisations. The State Govt. sanctioned a grant for the opening of L.W.Cs.
3. Gujarat	38	Recreational and educational facilities.	
4. Jammu & Kashmir	6	Recreational amenities like indoor/outdoor games, cultural programmes, medical and educational facilities, library and reading rooms.	It has been proposed to expand some of the existing welfare centres to make these more suited and helpful to workers.
5. Madhya Pradesh	33	Indoor and outdoor games, adult education, library and reading rooms, cultural activities, recreation including entertainments, games, and sports.	27 L.W.Cs. were managed by the representative trade unions. The State Government provided annual grants-in-aid. In 1964-65, Rs. 78,272 were paid as grants-in-aid.
6. Maharashtra	72	Reading room and library, sports, gymnasium, indoor/outdoor games and sports, training in handicrafts, education for children.	
7. Mysore	16	Facilities like reading room, sports, gymnasium, library, indoor and outdoor games, musical instruments, lessons in sewing were provided in these centres.	Besides these, there were labour welfare centres run by private enterprises with financial assistance given by the State Government.
8. Orissa	19 Multipurpose Centres and 5 Reading Room-cum-Recreation Centres.	Educational, cultural and recreational facilities to industrial workers, primary education facilities for children of workers; tailoring classes for women workers.	The Centre is managed by an Advisory Committee comprising membership from employers, employees and Government. This Advisory Committee tenders advice about the day-to-day activities of the Centres.
9. Punjab	21	Recreational and educational facilities, indoor/outdoor games, library and reading rooms, embroidery, sewing and knitting classes for women workers.	
10. Rajasthan	29	Medical aid, maternity and child welfare facilities, adult education, wrestling pits, handicrafts training such as tailoring and lace making, reading rooms, libraries and recreational facilities.	

1	2	3	4
11. Uttar Pradesh	71 Labour Welfare Centres and 2 children Recreation Centres.	Indoor and outdoor games, provision of medical assistance, provision of reading rooms and libraries, adult education, variety shows, dramatic performances, musical programmes, training in tailoring, knitting, lace-making and embroidery.	Five Peripatetic Training Centres were functioning at Kanpur. In these centres, training was imparted in handicrafts such as fruit preservation, toy making, basket making, paper flowering etc.
12. West Bengal	40 Labour Welfare Centres and 10 Model Labour Centres.	Recreational facilities such as indoor and outdoor games, children's sports, cinema shows, reading rooms, radio and musical instruments, primary classes for workers' children (accessories like books, slates and pencils were provided free of charge), literacy classes for adult workers, training in crafts e.g., tailoring, embroidery and knitting, leather and other handicrafts, toy making, etc.	
13. Delhi	10	Recreational facilities, music classes and adult literacy classes.	
14. Tripura	5	Recreational facilities, along with educational and vocational training.	
15. Pondicherry	2 Labour Welfare Centres, 2 Child welfare Centres and 2 Craft Centres.	Indoor games, library, radio-set and training in various handicrafts.	

CHAPTER 12

HOUSING

Housing, though a part of welfare, deserves separate treatment since it is a basic human need. Problems associated with it are many and each one of them intricate. This is an aspect of conditions of labour which in the early stages of industrial development created almost insurmountable difficulties. The dark side of industrialisation was brought to light by thinkers on social problems by drawing attention to the inadequacy of housing and, what is worse, its poor quality. Slums developing around industrial areas have always evoked in sensitive minds a feeling of revulsion against this aspect of industrial life. Vivid descriptions of the way in which workers have to live and the social consequences thereof are not unknown in writings on labour in India. Housing is one subject where, with the best of intentions on all sides, little has been achieved. Solutions offered have foundered on the rocks of practical difficulties and, in the process, many ideas have withered away even before they could be properly considered.

12.1 It is not necessary for us to refer to the ill effects that inadequate housing has on the health, efficiency and welfare of a worker and the social problems it creates. In general, a worker who is reasonably housed can be expected to be at peace with himself at the place of work making his maximum contribution. Hence, investment on housing brings its own returns. But these cannot be directly measured or related to the investment in the same way as workers' increased effort can be related to incentive wage payments. In consequence, management gives a low priority to investment in housing and often regards it as outlay on welfare. Allocation of funds for industrial housing out of State resources has to be made in the light of various competing claims on those resources. Housing for industrial workers thus requires on the one hand the resources of the employer who wants to use them for more production, and on the other, the resources of the State where considerations of equity make it difficult for industrial housing to secure adequate priority. Unless, therefore, industrial housing can be demonstrated to have comparable returns, larger allocations for it might be challenged both on grounds of equity and economy. It is against this background

that a solution to the problem of industrial housing has to be found.

CONDITIONS PRIOR TO INDEPENDENCE

12.2 We do not propose to refer to the appalling conditions under which workers lived in the *bustees* of Calcutta, *chawls* of Bombay, *cherries* of Madras, *ahatas* of Kanpur and *dhowrah* in coal mines and '*lines*' in plantations, at the time when the Whitley Commission reported,¹ except to state that in making its recommendations that Commission was influenced by the need for adequate space, ventilation, light, latrines, drainage and other sanitary arrangements. It also indicated the respective roles of Government, local boards, municipalities, employers and co-operative societies in improving the situation. Later inquiries in some States showed no change in housing conditions.

12.3 The Rege Committee (1944-46) summed up its assessment in the following words:

"Very little, by way of providing more and better housing for industrial labour, has been done either by Government or Municipalities. Employers have no doubt made some contribution to better housing by erecting lines, tenements or small cottages in certain industrial centres. The houses created by them differ greatly from one another and only a small percentage of workers are, on the whole, accommodated in them. It may, however, be said that employers' tenements are, all things considered together, far superior to the slums that have been allowed to develop in cities..... a perusal of our *ad hoc* survey reports in respect of different industries would show that the housing conditions in general are far from satisfactory."²

12.4 While this is the total picture, housing conditions as observed by the Rege Committee in some cities and industries require to be brought out in order to understand the changes which have taken place since.

¹Vivid descriptions will be found in the Report of the Royal Commission on Labour in India, pp. 271-272.

²Labour Investigation Committee, Main Report, pp. 287-288.

Housing in Cities

(i) **Bombay.**—The typical working class dwelling in Bombay was the *chawl*, a building with 3 to 4 storeys, with a central passage or a common verandah leading generally to a one-room tenement. The *chawls* were constructed by (i) the Government, (ii) the Municipal Corporation, (iii) the Port Trust, (iv) the textile mills, and (v) private landlords. Because of war, conditions in the *chawls* deteriorated beyond what were reported by the Whitley Commission. Overcrowding became the rule. Rents charged generally varied from Rs. 3 to Rs. 10 per month; they were higher in the private *chawls*. Sanitation and ventilation were depressing. The approximate space available per tenement was 103.23 sq. ft. or an average of 26.86 sq. ft. per person.

(ii) **Calcutta.**—A large majority of workers lived in dark, damp, leaky huts in *bustees*. A *bustee* was a native village consisting of a number of huts constructed without any plan or arrangement without roads and drains, ill-ventilated and never cleaned. Ponds, which were the receptacles of the filth drained from the huts, also served as the source of water supply for domestic purposes. Huts were *kutchas*; the size of a room, including the so-called verandah, was 80 sq. ft. and it provided accommodation for 9 persons on an average. It was a 'multi-purpose' room where ventilation and lighting were unsatisfactory. The number of houses provided by jute mills was about 43,000. In 94 per cent of the cases, the floor space available to a worker and his family was less than 100 sq. ft. Arrangements for latrines and urinals were inadequate. Sanitation was also unsatisfactory.

(iii) **Kanpur.**—Housing provided by the Municipal Board, the Improvement Trust or employers was inadequate. Workers lived in *ahatas* owned by private landlords. Accommodation in an *ahata* consisted of a single room, 8 ft. × 10 ft., with or without verandahs, and frequently shared by two, three or four families. The floor was generally below ground level while ventilation and sanitation were not worth the name. Workers had to crawl to enter their dwellings.

(iv) **Madras.**—Workers lived in privately owned houses comprising a single room with or without a verandah. More often than not, the room had no window, not even a ventilator. The floor area varied between 80 sq. ft. and 192 sq. ft. Latrines were insufficient. Workers also built their own dwellings or *cheries* on sites for which they paid ground rent. These

were thatched huts with no provision for sanitation. Doors measured 2' × 3'. The huts were by no means rain-proof. The *cheries* were dirty, damp and unhealthy. The whole place was littered with rubbish, garbage and night soil.

(v) **Jamshedpur.**—Housing in Jamshedpur presented a contrast. The Tata Iron and Steel Company had built 8,428 quarters to accommodate 34 per cent of its workers. Less than half of the quarters were one-room tenements, generally with separate kitchen, verandah, bathing platform and courtyard. The rent ranged from Rs. 2.25 to Rs. 11. Houses were equipped with electric lights. With the exception of the one-room quarters, which had common latrines, all others were fitted with flush latrines. The lay-out of the quarters was well planned to allow sufficient air and light. The Tin Plate Company had also constructed some housing for its employees. The condition of housing was more or less satisfactory, but separate bath rooms were conspicuous by their absence. The position with respect to latrines was not so unsatisfactory, though they were common for many families.

Housing in Mines

12.5 (i) **Coal Mines.**—Dwellings given to workers free of rent were known as *dhowrahs*, consisting of a room and a verandah per unit. Each room had the appearance of an arched frontage. The majority of them were placed back to back with an occupancy averaging six persons. Surroundings were generally filthy in the absence of latrines and urinals. The source of drinking water was a common tap. One tap served as many as 500 persons and water supply was limited to specific hours in the morning, afternoon and evening. No arrangements for washing or bathing existed in the *dhowrahs*. Tank water, pumped from the mines, was used for the purpose. The verandah or courtyard was used as a kitchen.

(ii) **Gold Mines.**—A fairly large number of workers had been housed. Most of the houses, whether single-roomed or double, were constructed out of bamboo *thaties*. These huts were constructed in a row but were independent. Ventilation was mainly through windows. The average number of persons per hut was 5.25. The *lines* were electrically lit and water was provided at convenient places.

(iii) **Manganese Mining.**—The C.P. Manganese Ore Company, which owned the bulk of the manganese mines, had housed 90 per cent of its imported labour. Generally, rooms were

like barracks. There were no urinals and latrines. Pucca wells, properly protected and well disinfected, was a welcome feature in some mines.

Housing in Plantations

12.6 (i) Assam and Bengal.—Housing was invariably provided for settled labour¹ which was about 80 per cent of the total labour force. Nearly 90 per cent of the houses were *kutchas* without windows or verandahs and with an average size of 180 sq. ft. Split bamboo walls which did not completely join the roofs provided ventilation, but afforded poor protection against rain and cold in winter. All houses were free of rent, but repairs were the responsibility of the residents; the material for repair was supplied by the employers once in two or three years. 90 per cent of the gardens did not have latrines. The usual source of water supply was an open surface well, though the tank or river was a supplementary source. Access to workers' quarters was prohibited to all except the workers' relations and friends.

(ii) South India.—Housing conditions were considered dismal but somewhat better than those in Assam—Bengal. The accommodation consisted of a single room and a kitchen which was often used to accommodate another family. Not in a single instance were the living room and kitchen allotted to the same family. Cases were common where the living room accommodated two families. Bore-hole latrines had been provided in nearly all estates. Tap water was available for a row of rooms. One or two bath rooms at the end of a line of houses were considered an additional facility.

Housing on Railways

12.7 The general policy of the Railway Board was to arrange for housing only for those who, for special reasons, were required to live close to their place of work and in cases where private enterprise was unable to meet the demand for housing. The majority of houses constructed were one-room tenements. The occupancy rate was higher in one-room houses than in others; it ranged between 2.7 and 4.9 per unit. A high percentage of dwellings had verandahs and courtyards. The one-room tenements had generally no kitchen, bath room or latrine. Water supply was by means of common taps or wells.

HOUSING POLICY

12.8 It was against this background that the National Government had to frame its housing policy, when it took over power at the Centre in 1946. The relevant pronouncement in the 1946 Programme included:

"Provision of adequate housing for workers to the extent of the resources, both manpower and material, that can be made available for this service."

"Steps to secure for workers in plantations and mining and other categories provision of housing."

The difference in emphasis envisaged in the two items in the programme is worth noting. In the former case, caution was shown in making the housing programme dependent on manpower and material resources, whereas in the latter, Government seemed to be keen on making a start irrespective of possible difficulties.

12.9 The difficult housing situation attracted the attention of the Standing Labour Committee even prior to 1946. A subsidised housing scheme was drawn up for the first time, with Provincial Governments as the only agency recognised for grant of subsidy. The response to the scheme was poor. Some Provinces enacted legislation on housing; the Bombay Housing Board Act, 1948 and the M.P. Housing Board Act, 1950 were the result. They refer to housing in general and not to labour housing in particular. Limited efforts to improve housing were made by some local bodies and by enlightened employers also; more coordinated action, however, had to wait till the formal process of planning began.

1951—1966

12.10 The housing policy enunciated in the First Plan envisaged acceptance by the Centre of a large measure of responsibility for financing housing programmes in the industrial centres where congestion and shortages had become very acute. The core of the policy was to concentrate efforts on improvement of the housing conditions of industrial workers and of low income groups through housing schemes involving an element of subsidy, limited to 50 per cent of the cost of construction for State Governments, and 25 per cent in the case of employers and cooperative housing societies of industrial workers. Rents to be charged from the workers were not to exceed 10 per cent of the average family earnings. Special emphasis

¹Labour residing in the garden premises as against *basti* labour residing in the adjacent villages.

was laid on the role of cooperative housing societies. Minimum standards for houses were prescribed taking into account the needs of health and privacy. The need was also underlined, for improvement of rural housing standards through the utilisation of local labour and material. Introduction of new schemes and

modifications and expansion of the scope of the old ones were the main features of the policy in the two Plans which followed.

12.11 The following social housing schemes were undertaken on the basis of the policies outlined in the three Plans:

Scheme	Year of Introduction
(i) Subsidised Industrial Housing Scheme	1952 (Revised in 1966)
(ii) The Low Income Group Housing Scheme	1954
(iii) The Subsidised Housing Scheme for Plantation Workers	1956 (Revised in 1967)
(iv) The Slum Clearance and Improvement Scheme	1956
(v) The Village Housing Projects Scheme	1957
(vi) The Middle Income Group Housing Scheme	1959
(vii) The Land Acquisition and Development Scheme	1959
(viii) The Rental Housing Scheme for State Government Employees	1959
(ix) The Jhuggi and Jhopri Removal Scheme (in Delhi)	1960

Two of these schemes viz., the Subsidised Industrial Housing Scheme (SIHS) and the Plantations Labour Housing Scheme are of direct interest to us as they cover industrial workers specifically. We propose to discuss in some detail the scope and progress of these two schemes, as also of others not specifically included above but having a bearing on our terms of reference.

12.12 **Subsidised Industrial Housing Scheme.**—The Scheme came into operation in September, 1952. It envisaged grant of long-term interest-bearing loans and subsidies by

the Government of India to the State Governments, and through them to other approved agencies, such as statutory housing boards, local bodies, industrial employers, and registered cooperative societies of industrial workers. Corporations or companies owned in part or in full by the Central or State Governments, if liable to income-tax, were also entitled to assistance under the scheme.

12.13 The pattern of Central assistance, as currently applicable to the three approved construction agencies, is as under:—

TABLE 12.1: *Pattern of Financial Assistance under the SIHS.*

Approved agency	Based on approved cost of construction	
	Loan	Subsidy
1	2	3
1. State Governments, Statutory Housing Boards and Municipal Bodies	50%	50%
2. Registered Cooperative Societies of eligible workers	65%	25%
3. Industrial Employers	50%	25%

Loans are recoverable in 30 annual instalments from the State Governments and co-

operative societies and in 15 to 25 instalments from industrial employers.

12.14 Ceiling costs and subsidised rents under the Scheme are as indicated: prescribed for various types of dwelling units

TABLE 12.2: *Ceiling costs and rents under the SIHS.*

Location	Ceiling cost	Subsidised rent based on 50% subsidy (per month)
1	2	3
1. For places outside Bombay, Calcutta and their Industrial areas	Rs. 1850 to Rs. 8050	Rs. 7.00 to Rs. 32.00
2. For places in Bombay, Calcutta and their Industrial areas	Rs. 2,800 to Rs. 10,600	Rs. 11.50 to Rs. 48.50.

[The ceiling costs and the rents indicated above can, however, be increased in view of certain specified special considerations.]

12.15 Benefits of the Scheme are available to workers whose wages do not exceed Rs. 350 per mensem. An allottee can retain the house even after crossing the wage limit of Rs. 350 per mensem till he reaches Rs. 500 per mensem, but the element of subsidy in the rent is to be gradually reduced. In addition to construction of *pucca* houses (small two-roomed and regular two-roomed houses), the State Governments can provide open developed plots, skeleton houses and hostel and dormitory buildings at lower rents for the eligible industrial workers who cannot afford to pay the

rent prescribed for *pucca* houses.

12.16 The Scheme permits State Governments, housing boards, local bodies and co-operatives of industrial workers to sell houses to eligible industrial workers on hire-purchase basis. But, to discourage the sale of houses by the workers, the benefit of 25 per cent subsidy, earlier allowed to the workers getting houses on hire-purchase basis, has been discontinued in view of the recommendations made by the Housing Ministers' Conference in November, 1967.

12.17 The following table, which is self-explanatory, summarises the achievements of the Scheme since its inception upto the end of 1967:—

TABLE 12.3: *Assistance sanctioned and number of houses constructed under the SIHS.*

Agency	Assistance sanctioned (Rupees in crores)			Number of houses	
	Loan	Subsidy	Total	Sanctioned	Built
1	2	3	4	5	6
1. State Governments	27.39	26.22	53.61	138,639	124,122
2. Industrial Employers	6.52	4.21	10.73	40,955	30,498
3. Cooperative Societies of Industrial Workers	1.80	0.73	2.53	7,111	5,251
TOTAL	35.71	31.16	66.87 (+) 2.01*	186,705	159,871†
			68.88		

*Central Expenditure in Delhi.

†According to the Fourth Five Year Plan (1969-74) Draft, 1,70,000 tenements are expected to be built during the next five years.

Source: Note received from the Ministry of Works, Housing and Supply.

12.18 The progress has not been satisfactory. Achievements against the targets fixed in the First, Second and Third Plans were 57 per cent, 97 per cent and 71 per cent respectively. The main factors which impeded the progress, we understand, were (i) low priority given by the State Governments to housing projects vis-a-vis other development schemes, (ii) non-utilisation of even the small allocations made, (iii) diversion of funds to meet other urgent needs, (iv) scarcity of developed land in urban areas, (v) high cost of building material, and (vi) lack of capacity of workers to pay even the subsidised rents.

12.19 Out of a total of 1,59,871 houses built under the Scheme till the end of 1967, only 30,498 (19 per cent) had been built by the employers. This explains in part the tardy progress of the Scheme. The main difficulties experienced by employers have been:—low ceiling cost, inability to acquire land at reasonable prices, comparatively higher standards of the houses to be built,¹ limitations placed by industrial tribunals on the rent to be charged from workers, high cost of insurance, delay in legal formalities, excessive municipal taxes on industrial tenements, non-availability of essential building material and inability to evict unauthorised persons. In spite of some modifications in the Scheme, the response from employers continues to be discouraging; some of their genuine difficulties still seem to persist.

12.20 The original subsidised industrial housing scheme has been integrated with the

housing programme for the economically weaker section of the community since April, 1966 and is now known as Subsidised Housing Scheme for Industrial Workers and Weaker Section of the Community. The Fourth Plan (1969—74) Draft has a larger provision for housing and urban development than what was available for the years 1961—66, but the distribution *inter se* is not yet available. The effect of the inclusion of weaker sections of the community in the integrated subsidised housing scheme will be seen only after the scheme has worked for some time. The possibility is that industrial housing will suffer in the process.

Housing Schemes for Miners

12.21 Housing schemes for coal miners, who form about 61 per cent of the total mining labour, are somewhat different from those for workers in non-coal mines. We discuss the arrangements for each separately.

12.22 Coal Mines.—Housing for coal miners depends on both voluntary effort by employers and the activities undertaken through the Coal Mines Labour Welfare Fund² built up under the Coal Mines Labour Welfare Fund Act, 1947, and which has, in addition to providing welfare facilities to workers, assumed some responsibility in respect of housing. It has its own agency for construction and also offers financial assistance to employers. About half the collections in the fund are spent on housing. The Table below shows the achievements as at the end of March, 1968.

TABLE 12.4 : Progress in respect of Housing for Coal Miners

Scheme	No. of houses constructed
1. Subsidy-cum-loan Scheme (25% of the cost of construction as subsidy and 37½% as loan)	2,070
2. New Housing Scheme (entire cost borne by the Fund)	30,544
3. Low-cost Housing Scheme (entire cost borne by the Fund subject to certain ceilings)	13,072 76
4. Subsidised Housing Scheme	1,638
5. Township Scheme	2,153
6. Miscellaneous which include (i) Scheme for subsidy in the shape of building materials/cash to the extent of Rs. 400 for construction of kutchha houses by workers on land owned by them; (ii) Kutchha Houses (subsidy of Rs. 200 per house to colliery owner); (iii) Houses constructed by the Housing Cooperative Societies.	44
TOTAL	49,597

¹According to employers, this made it difficult for workers to pay even the subsidised rent.

²For details about the Fund, please see paras 11.16(i) and 11.20.

Source: Report of the Ministry of Labour, Employment and Rehabilitation, Government of India—1967-68.

12.23 As against the progress indicated above, a survey of housing conditions of coal miners undertaken by the Labour Bureau, Simla, in 1967, revealed that 16.25 per cent of miners lived in standard accommodation; another 26.61 per cent had housing but not of the requisite standard. Leaving a small percentage of workers who did not require to be housed, nearly 56 per cent of workers were yet to be provided for. The reasons for this slow progress are more or less the same as those mentioned in para 12.18.

12.24 Non-Coal Mines.—Welfare funds on the lines of the Coal Mines Welfare Fund have been in existence in mica and iron ore mines since 1946 and 1961 respectively, though housing schemes under these funds have yet to take shape. Some houses have been constructed for mica miners; none, however, for those working in iron ore mines. Although the Subsidised Industrial Housing Scheme, 1952, applies to mines other than coal and mica, there is no evidence of employers availing themselves of the assistance under it. Their reluctance is due to the fact that the life of these mines is short and generally their size is too small to permit providing of facilities which only a large unit can afford. Employers who operate such mines have no permanent interest in them. We are told, for instance, that in mica mines the reserves cannot be ascertained with any reasonable accuracy. Fortunately for these employers, the small number of workers whom they engage have some residential facilities in surrounding rural areas. Other workers who need accommodation and who are also indispensable are presumably provided the houses by employers.

12.25 The forty-three major non-coal minerals are extracted from 2,508 mines with an average daily employment of about 2.75 lakhs. Estimates of the housing requirements in their case are not available. But the Survey of Labour Conditions undertaken by the Labour Bureau in 1962-63 revealed that the percentage of workers who had been provided accommodation by employers was 72 in gold mines, 45.8 in iron ore mines, 35.7 in manganese mines and 27.5 in mica mines. The position is not likely to be different now.

Plantation Labour Housing Scheme

12.26 Housing is a statutory obligation on employers in plantations. The Plantations

Labour Act, 1951 lays down that "it shall be the duty of every employer to provide and maintain for every worker and his family residing in the plantation necessary housing accommodation." Rules framed by State Governments prescribe the standard of housing to be provided. Since progress in this direction was slow for want of resources, the Plantation Labour Housing Scheme was drawn up in 1956 for grant of assistance in the form of interest-bearing loans to the extent of 80 per cent of the approved ceiling cost of houses. But even with this assistance, employers' response to the scheme has not been encouraging. They have been pressing mainly for (i) relaxation of statutory requirements; (ii) benefits as under the Subsidised Industrial Housing Scheme, and (iii) changes in the standard of construction.

12.27 The Working Group on Plantation Labour Housing set up in 1962, after assessing the progress made in housing plantation workers¹ upto 1962, suggested a number of modifications in the scheme. These were accepted and consequently a revised scheme known as the Subsidised Housing Scheme for Plantation Workers was drawn up in April, 1966. The main features of the revised Scheme are:

- (i) Subsidy to the extent of 25 per cent of the approved cost to be given to plantations whose financial condition justifies such assistance.
- (ii) Suitable increase in the ceiling on costs of houses.
- (iii) Assistance for construction of houses to housing cooperatives of plantation workers (Central financial assistance upto 90 per cent of the approved cost of a house is admissible to the cooperatives—65 per cent as loan and 25 per cent as subsidy—the balance of 10 per cent being arranged by the cooperatives).
- (iv) Owners of small estates, located contiguously, to be allowed to take up joint housing colonies, for reasons of economy.

12.28 Projects for the construction of 1923 houses had been sanctioned upto the end of 1967. Of these, 1,350 houses had been completed and a sum of Rs. 33.25 lakhs disbursed as financial assistance.

¹As against requirements of about 451,670 houses of the approved type, only 240,329 had been constructed.

Housing Scheme in Ports and Docks

12.29 A provision of Rs. 2 crores had been made in the Third Plan for giving housing loans to Dock Labour Boards at Bombay, Calcutta, and Madras to cover 80 per cent of the cost of construction. About 5,000 tenements were to be built under this programme. In view of the poor response to the Scheme, a 'housing scheme for dock workers', involving a subsidy as in the case of industrial workers, has now been drawn up. Under this latter scheme, the Dock Labour Boards are entitled to get Central assistance to the extent of 55 per cent (35 per cent as loan and 20 per cent as subsidy). A number of tenements have been constructed at Bombay, Calcutta and Madras under this new scheme.

Village Housing Project Scheme

12.30 Improvement of rural housing has been viewed not as an isolated objective, but as part of the larger scheme of rural reconstruction which includes raising of agricultural production, provision of adequate water supply, drainage, sanitation, and village roads, welfare programmes for scheduled castes and other backward classes, and programmes for providing more work and better living conditions for village artisans. The Village Housing Projects Scheme formulated in 1957 envisages remodelling of selected villages on aided self-help basis. Assistance is given in the form of loans for new houses or improvement of existing ones to the extent of 80 per cent of the cost of construction/improvement, subject to a maximum of Rs. 3,000 per house. The Scheme also provides for a 100 per cent grant to State Governments for provision of house-sites to landless agricultural workers and for laying of streets and drains for improvement of village environments. Technical guidance is given to villages and local authorities through Rural Housing Cells created by State Governments. The Scheme is intended to cover about 5,000 villages spread over the country. Upto the end of December, 1967, constructions sanctioned totalled 63,769 and constructions completed 36,180. Loans sanctioned to villagers amounted to Rs. 9.73 crores out of which Rs. 7.85 crores were disbursed. The main difficulty faced in housing landless agricultural workers, Scheduled Castes, Scheduled Tribes, backward classes and even small peasants, who predominate among the rural workers, has been the non-availability of house sites. We were given to understand that this difficulty was sought to be overcome through special efforts involving the co-operation of local communities and civic institutions.

CHANGE IN HOUSING CONDITIONS

12.31 To describe the changes in housing conditions which have taken place since the Rege Committee reported, we rely mainly on the following sources. (i) the reports of the Family Living Surveys conducted in 1958-59 by the Labour Bureau in important industrial centres, (ii) the reports on Survey of Labour Conditions in different industries in 1960-63, also by the Labour Bureau, and (iii) observation visits made by some of us to working class localities, old and new.

Family Living Surveys 1958-59

12.32 The following conclusions emerge from the data on housing (*Annexures I and II*) collected in the course of the Family Living Surveys in respect of some selected industrial centres:—

- (i) Most of the sample families in the industrial centres were residing in buildings which were of the type of *chawls/bustees* as distinct from flats. Jamshedpur, Delhi, Madras, Amritsar and Jharia were notable exceptions in this regard;
- (ii) Only in a small number of industrial centres like Jamshedpur, Delhi, Jharia and in Plantation centres, had housing been provided by employers to a sizeable proportion of families. In others, workers were residing, by and large, in rented houses;
- (iii) In most of the centres, particularly in large cities, a majority of the families were living in *pucca* buildings;
- (iv) The state of repairs was generally good or moderately good;
- (v) Sewage arrangements were generally satisfactory or moderately satisfactory;
- (vi) Ventilation was by and large tolerable;
- (vii) A fairly large proportion of families were residing within a mile from the place of work;
- (viii) Dwellings mostly consisted of one living room;
- (ix) Use of electricity for lighting purposes was not common except in some centres;
- (x) Separate provision for latrines, bath rooms and stores was, broadly speaking, conspicuous by its absence;
- (xi) The source of water supply was in most cases a tap located outside the dwelling, but the use of wells, tanks and ponds, rivers, and lakes and springs was not uncommon.

Labour Conditions Survey 1960—63

12.33 The table below, based on the information in the Reports on Survey of Labour Conditions, 1960—63, brings out the contrast in the extent of housing provided by employers where (a) there is a statutory obligation on them in this respect as in plantations, (b) funds for housing are institutionalised as in coal mines, and (c) the employer has been given complete

discretion whether to provide housing or not, while Government makes efforts in this direction through financial assistance, however meagre it may be, as in factories and in mines other than coal and mica. The employers' performance is in the order mentioned, the number of establishments providing housing and percentage of workers housed being higher in (a) and (b), (c) being a bad third.

TABLE 12.5: *Statement showing the extent and type of houses provided by selected industries — Factories, Mines & Plantations.*

Sl. No.	Name of Industry	Estimated percentage of establishments providing accommodation	Estimated percentage of workers allotted houses	Percentage of houses with one room	Percentage of establishments which charged no rent
1	2	3	4	5	6
1	Cotton Textile	27.3	5.9	70.6	42.8
2	Jute	93.7	28.6	96.6	24.0
3	Sugar	65.2	35.7	69.4	31.0
4	Cement	85.3	31.2	69.9	27.0
5	Metal Extracting and Refining Factories	66.8	26.3	71.7	79.6
6	Electrical Machinery Factories	32.4	3.2	85.5	70.3
7	Bicycle Factories	42.5	10.0	86.5	43.5
8	Agricultural Implements	28.0	3.1	72.9	78.2
9	Bolts, Nuts, Nails, Springs and Chains	5.8	3.0	58.9	72.7
10	Railway Workshops	86.6	24.5	55.4	..
11	Coal	90.0	58.4	71.6	85.0
12	Manganese	80.3	35.7	71.8	99.0
13	Iron	88.1	45.8	89.4	100.0
14	Mica	90.6	27.5	84.6	100.0
15	Rubber Plantations	89.0	62.0	90.6	N.A.
16	Coffee Plantations	92.0	86.0	86.9	N.A.
17	Tea Plantations	98.1	N.A.	35.5	N.A.

Source: *Survey of Labour Conditions Reports Labour Bureau, Simla.*

N.A. Not Available.

Our Impressions

12.34 We now set down our own impressions of the housing conditions in some of the industrial centres visited by us. The total picture which emerges in this regard is still not very different from those described by the Whitley Commission or the Rege Committee, although

there is a larger proportion of new houses to relieve monotony. Our impressions are recorded separately for some of the (i) traditionally important centres of industrial activity, (ii) new townships (whether in the public or in the private sector), and (iii) mining and plantation areas.

12.35. **Bombay.**—In older houses, there is little to show by way of progress; indeed there has been deterioration. There is an acute shortage of housing which all have to face, but the working class is the worst affected. Subsidised industrial housing and constructions by the State Housing Board are recent efforts, but their total out-put only highlights inadequacies in relation to the demand. In most such constructions, sub-letting is common and so is congestion. Such joint living is a paying proposition to the original tenant. Between an environment congested but bringing extra money and a comparatively spacious tenement, his preference is for the former. Such arrangements involve their own social evils. With the freezing of rentals in the more congested areas, repairs have become a casualty and indifferent upkeep has become the rule. Dumb suffering is the only answer of the tenants to the indifference of the landlord.

12.36 **Calcutta.**—Housing conditions for industrial workers in Calcutta are almost the same today as they had been in the earlier years. Improvement has been made difficult by the large influx of displaced persons and the pre-occupation of the administration with relief measures for these unfortunate brethren. The industrial worker in Calcutta is traditionally an outsider and his needs, though equally pressing, have a lower priority as compared to those of the displaced persons. While in the days when the Rege Committee reported the rent for such accommodation used to be between 6 per cent and 10 per cent of wages, this percentage has now gone down considerably, because of the freezing of rent, rise in incomes and sharing of available accommodation. The owner no longer considers it his responsibility to keep the tenement in any state of repair. When tenancies change, payment of a premium is not unknown; it is the same story as in other equally congested centres. New housing has come up. But in spite of subsidy, the economic rent is well beyond the means of workers for whom it is meant. Sub-letting, with all its evils, is common. New colonies do not have the advantage which *bastis* have of nearness to place of work. The rent becomes even more oppressive when commuting costs are taken into account.

12.37 **Kanpur.**—With growth in the industrial population and without commensurate construction activity, the housing situation in Kanpur could have become worse; and this in spite of fair progress achieved by the Subsidised Industrial Housing Scheme, through which 20,000 tenements were constructed in that city. Industrial housing in Kanpur now consists of two

types of accommodation: (i) subsidised housing built according to the plans which attracted subsidies (this is more expensive.), and (ii) *ahatas*, a continuation of the older habitations, but in a worse form because of lack of maintenance and further over-crowding. Housing provided by private effort is out of reach of the industrial workers as in other industrial cities, in spite of the rise in workers' income over the years.

12.38 **Other Centres.**—As against the general position of workers' housing described above, cities like Madras, Madurai, Coimbatore, Ahmedabad and Indore, among the older industrial concentrations, present a somewhat different picture. The woes of workers in regard to accommodation are no less, but the efforts made by workers themselves and their desire to counteract the forces of stagnation seem to be worth noting. In some places, cooperative effort has made its contribution in relieving the situation; in others, the workers have resorted to self-help. They have been able to construct their own dwellings on plots developed by the State/local authority, according to designs made available to them and with the help of housing material placed at their disposal as a part of the incentive to build.

12.39 **New Townships.**—As against this mixed bag in older centres, another mixture can be seen in new centres of industrial activity and even in older industrial townships which are in the throes of change. Where both construction and production activity are going on simultaneously and where the industrial unit has provided a township, which makes available housing that is good by any standard, construction workers engaged by contractors have created problems which the authorities find difficult to handle. To compel contractors to provide better temporary huts may mean raising investment costs; and not to do so is to live with contrasts which bring in their train a variety of social problems, sometimes involving even law and order, which the industrial undertaking is not in a position to cope with. Irrespective of the label which an undertaking carries, housing conditions in these days of rising expectations can never match the aspirations of the occupants. The environment in which a new worker used to live and work prior to acquiring his current status is no longer accepted as an argument to deny him facilities which others enjoy. Issues of this type have arisen particularly in the public sector undertakings where in the last few years, because of pressures to economise, housing has been made to suffer.

12.40 **Housing in Coal Mines.**—According to a survey conducted by the Labour Bureau in

1967, the proportion of workers accommodated in standard housing was over 50 per cent in areas where the National Coal Development Corporation (NCDC) functioned and did not exceed 14 per cent in other coal fields. The estimate of the occupancy of *dhowrahs* was about 16 per cent. When fresh specifications were laid down in recent years, the *dhowrahs* were expected to acquire a new look without any change in the space available for use. And, if with the natural increase in family size or because a family friend has been drafted into employment as a miner but has no other place to stay, a *dhowrah* gives a more congested appearance, the responsibility will be of the original occupant.

12.41 It is pertinent to point out that in spite of such efforts as have been made to educate workers to live better within their limited means, the progress in this aspect of workers' life is still unsatisfactory. One bright feature is that in new colonies the facility of tap water has been provided.

12.42 **Housing in Plantations.**—The housing that we saw on plantations was better. In fact the most noticeable change in the conditions of work of plantation labour in the South is in respect of housing. Workers in the Nilgiris initially showed resistance to shifting their families to houses provided by the employer in some estates. Workers live in their own huts in villages not far from the plantations even now. They go to work at sunrise and return to their villages as dusk sets in. In the last 20 years, this preference for staying away from the place of work has been changing; workers now desire to have a tenement on the estate itself. Approaches to the *lines* have been cleared and lighted, and if they are not far out of the way, drinking water is also provided. The attachment of the worker to cattle, even when they are uneconomic, remains; the small plot of land that he gets on employment is utilised for keeping cattle and the greenery around makes this inexpensive. When the patch of land given to him by his employer has to be prepared for cultivation or the crop harvested, the cattle come in handy. They live with him in the same manner as they live with his relatives and friends in his native place from where he migrates for work on plantations. In this respect, the plantation worker, even after his long association with organised work, has not become attuned to his new surroundings.

12.43 **Housing on Railways.**—There has been no change in the general housing policy pursued by the Railway Board since the Rege Committee last reported on it. Quarters are provided for essential staff and for such non-essential employees who are posted at places where private accommodation is not available. Of about 13.4 lakh employees on the Railways, nearly 38 per cent have been provided with quarters. Since 1953, the types of quarters have been standardised. The lowest category, i.e. Type I, which constitutes about 39 per cent of the total number of quarters, has a plinth area of 300 sq. ft. comprising one living room of 120 sq. ft., an inside varandah, cooking place, washing place, latrine and courtyard.

OUR APPROACH

12.44 In formulating our recommendations, we consider it essential to examine the broader setting within which they will necessarily be viewed by all concerned with the working class. While it is commonly accepted that there is shortage of houses for industrial workers, no reliable statistics are available as to its actual dimension. Information collected by some State Governments in 1963, at the instance of the Ministry of Works, Housing and Supply, revealed that roughly 65 per cent of workers had either been provided with housing facilities by employers or were otherwise housed; the rest were in need of accommodation.¹ Speaking in terms of the overall housing needs in the country, the deficit is reported to be even more serious. As with other components of levels of living, housing too has been deplorably poor for the community as a whole. The finances involved in improving standards are indeed formidable. In recognising the claim of the industrial worker for a better deal because of his higher contribution to national income, we have to set limits within which action is possible. Employers can be expected to help, but the contribution which they can make depends on the fiscal and monetary policies pursued by Government. The ILO Recommendation No. 115 on workers' housing merely expects recognition by employers of the importance to them of provision of housing for their workers on an equitable basis by public agencies or by autonomous private agencies. The Recommendation clearly suggests that it is not generally desirable that employers should provide housing for their workers directly except where the establishment is set up in an out of the way place or where the nature of employment requires that the

¹A Note on Industrial Workers' Housing received from the Ministry of Works, Housing and Supply.

worker should be available at short notice. The general practice in advanced countries seems to be to limit the employer's responsibility to contribute to the national low cost housing programme or to offer loans to workers at low interest rates to enable them to build their own houses. Employers' participation in the subsidised housing programme undertaken by the State has also been tried out in some countries. Developing countries have in certain cases, as under the Plantations Labour Act, 1951 in India, imposed a statutory obligation on the employer to provide housing to his workers. There are limits to efforts in this direction by public authorities, right from the Central Government to the local authorities, in view of their commitments with regard to other components of levels of living and the priority they have to give to development programmes.

12.45 The suggestions made in the evidence before us follow familiar lines. The main contention from the workers' side as also from that of some Governments is that the employers should be made responsible for housing a fair proportion of their employees. Employers, however, consider that the State or public authorities should own this responsibility. Every section recognises the difficulties of finance, but each points out for help to one traditional financial institution or the other—Provident Funds and Life Insurance Corporation being the agencies most popular. The State Housing Ministers, in their conference in 1967, recommended that the State Governments should make concerted efforts to persuade the industrial employers to build houses for at least 10 per cent of the eligible industrial workers to begin with. The Ministry of Works, Housing and Supply in its oral evidence has made a similar suggestion, but without fixing the percentage. The CLW¹ has advocated an all-India enabling legislation requiring employers to provide houses for a certain percentage of their workers.

12.46 We thus come to a situation where the weight of foreign experience and the ILO Recommendation is ranged on one side and on the other the remedies for relief in housing suggested by many organisations, Study Groups and even State Governments. Our own reading is that if organised opinion in the country is in favour of legislative compulsion, it is more a manifestation of the concern over the none too happy record of voluntary effort by employers and the distressing picture which workers' housing currently presents. Advocates of compulsion have not paid due regard to the experi-

ence of compulsion in our own country. The Plantations Labour Act, 1951, has a clause making housing obligatory. Even after the extension of the period during which the housing programme was to be completed, planters have been demanding more of subsidies, loans, tax rebates, supply of raw-materials and the like. And all such demands are from an industry which has a tradition of accepting housing as its responsibility. In the circumstances, we do not favour the extension of the area of legal compulsion beyond what exists today, except in the case of mines. We also recognise the differing dimensions of the problem in different areas and the difficulty in working out a common remedy. Our approach is, therefore, selective. In what follows, we suggest remedies for housing labour in urban concentrations, in mining (coal and non-coal) areas and in plantations.

12.47 Urban housing.—The problem is of such a vast dimension that no single agency can reasonably be expected to solve it. Provision of housing for the employees has for long been recognised in India as the responsibility of the employer. For several reasons, some valid, others not, it has been impossible for them to discharge it except in some cases. We believe that the Government should take upon itself the major responsibility in this regard and tackle it in a bold way with such assistance as the employers can be induced to give.

12.48 A higher priority should be given to housing in the country's development plans. The Fourth Five Year Plan recognises this claim, but the provision made seems to be inadequate. It is time that a master plan to relieve substantially the acute housing scarcity and improve the quality of housing within the next 10 to 15 years is adopted. At the current stage of our development, high priority to housing is indicated, not only because of obvious need but also in view of surplus labour and excess capacity in the building materials industry. The multiplier effect of a large housing programme in the current economic situation would strengthen dis-recessionary trends. Better housing would make its own contribution to workers' efficiency and improve their commitment to industry.

12.49 We have purposely refrained from drawing up a scheme for mobilisation of financial resources for the housing programme we have in view. Resources for the programme will be a part of those required to be mobilised for planned development. It is within this framework of over-all development that we recommend a better priority for housing.

¹These recommendations of the Committee on Labour Welfare were not unanimous.

12.50 With this general approach we recommend specifically as follows:

For industrial workers and weaker sections of the community, the existing subsidised housing scheme should continue. This envisages construction of houses through three approved agencies *viz.*, (i) State Governments, Statutory Housing Boards and Municipal Bodies, (ii) Registered Cooperative Societies of eligible workers and (iii) industrial employers. To ensure more active participation of employers in constructing tenements for their employees, fiscal and monetary incentives enabling a fair return on investment in housing should be given to them. Such investment in housing by employers should be on some agreed basis in respect of factors like housing standard, costs, amenities and rent.

12.51. The Committee on Labour Welfare has suggested extension of the coverage of the Subsidised Industrial Housing Scheme to

- (i) persons in Government establishments which work as factories and whose workmen are not covered by the definition of workmen under the Factories Act, 1948;
- (ii) certain categories of workers such as drivers, helpers and fire-fighting staff, who are governed by the Industrial Disputes Act and whose duties are incidental to or connected with the manufacturing process; and
- (iii) workers of Government industrial undertakings run departmentally which do not have their own schemes and are exempted from income-tax.

We consider it reasonable that employees who fall in the above categories and whose wages do not exceed Rs. 350 per mensem should be made eligible for the benefit of the Scheme.

12.52 Housing Boards.—Housing Boards for construction and maintenance of houses already exist in a number of States such as Andhra Pradesh, Gujarat, Maharashtra, Mysore, Tamil Nadu, and U.P. All these Boards have standard functions, but with variation to suit the requirements of each State. Similar Housing Boards should be set up in other States also. A Central Housing Board to coordinate the activities of the State Housing Boards, as envisaged in the Third Plan, should also be set up.

12.53. The Central Government should continue to finance the Housing Boards as at present but on a much larger scale. The pattern of financing should be 50 per cent subsidy and 50 per cent loan with interest.

12.54 The tenants in the tenements constructed by the Boards should be encouraged to buy over houses/tenements on a hire-purchase system so that capital is recouped and becomes available for new construction.

12.55 Housing Boards should be broad-based in their composition. They should represent a cross-section of the community including labour.

12.56 Provision of Land.—Provision of land for housing is basic to any housing programme. Paucity of developed land, particularly in the larger industrial cities, has been a major factor responsible for impeding the progress of construction. The State Governments and the local authorities in all large towns and cities should undertake the responsibility for speedy development of adequate land for housing according to a master plan for each town or city. They should make it available in a large measure to approved construction agencies at economic cost.

12.57 A number of authorities such as municipalities/panchayats, improvement trusts, State Town Planning Boards and Local Planning Authorities, deal with urban development and housing programmes in each State. Effective coordination to control all land development, town planning and house building activities at the State level is necessary.

12.58 Housing Cooperatives—The institution of cooperatives which develops the spirit of self-help and mutual help can be a useful instrument of social change in the developmental process. Except at certain centres, the part played by the cooperative societies of industrial workers in meeting the needs of housing has not been encouraging. Only about 3 per cent of the total houses constructed under the Subsidised Industrial Housing Scheme has been contributed by them. State Co-operative Housing Societies in Andhra Pradesh, Maharashtra, Gujarat and Tamil Nadu are reported to have made progress and received substantial loans from financial institutions for their activities. We recommend that other States should initiate steps to encourage the development of such co-operative housing societies amongst industrial workers and should provide facilities to enable such societies to construct houses for their members.

12.59 Land for housing should be made available to cooperative societies expeditiously and with the minimum of formalities. Governments and employers should advance loans to workers' housing cooperatives or to their members at concessional rate of interest.

12.60 Rents.—The workers' own contribution to housing should be in the shape of rent which should be within a range of 10% of workers' earnings inclusive of dearness allowance. The Housing Boards should continue charging rent at the present scale *i.e.*, about 7½ per cent of the cost but minus the subsidy.

12.61 Incentive to Employer.—The arrangement between the State Housing Board and the employer should be such that for housing undertaken by the latter for his employees, subsidies should be so designed that rent charged as per para 12.60 above should make the investment on housing by the employer economically feasible.

12.62 Transport.—In large cities where land for housing near the work-site is generally not available, easy availability of transport for commuters can give an impetus to housing programmes outside city limits. This requires the cooperation of the authorities responsible for the transport system as also of the employers who can provide transport facilities for their employees.

12.63 Coal Mines.—It has been suggested to us that with its present income of Rs. 4 crores per annum, of which only 50 per cent can be allocated to housing, and the present shortage of housing for coal miners, it will take decades for the Coal Mines Labour Welfare Fund Organisation to catch up with housing needs. While this may be true, the new factors in the situation which require to be taken into account are: (i) many mines are now being mechanised; output per person will increase and with it the revenue from the cess; (ii) with larger output from a smaller number of employees, the welfare needs will be somewhat lower. It should, therefore, be possible to adjust the percentage at present allowed by the Organisation for its housing activity. We recognise that this is not a complete answer. The housing activities of the Organisation may have to be supplemented by those of State Housing Boards or local bodies.

12.64 Non-Coal Mines.—The recommendations of the CLW are:

- (i) Subsidy from the proposed General Miners' Fund should be used for housing of such workers in copper, gold, iron ore, limestone and manganese mines as are not provided with houses.
- (ii) For the remaining major minerals, at least 20 per cent of the housing units

should be provided by the employers. The balance should be a charge on the proposed fund.

- (iii) For minor minerals, the proposed welfare fund should offer assistance to mine owners for construction of houses.
- (iv) Repairing and renovating of old *dhow-rahs* and houses already built by employers should be carried out by them.

We are in full agreement with (iv); also with (i), (iii) and part of (ii) depending upon the constitution of the General Miners Fund, which we have recommended elsewhere. It is likely that even after the Fund is constituted, the resources available to it will be small. Other agencies, therefore, will also have to come in. The employers in Bihar and Orissa are already required to provide housing to all their workers under the Bihar and Orissa Mining Settlement Act, 1920. These provisions should be extended to other States also. We do not accept the other part of (ii) since it is not in line with our general recommendations.

12.65 Plantations.—The existing provision requires the employers to provide houses only to those families which are residing on plantations. Workers who are living outside the plantations for want of accommodation are not eligible to get this benefit. The Industrial Committee on Plantations has already recommended that the Act should be amended so as to enable workers who wish to reside in plantations to get housing accommodation. The recommendation has been endorsed by our Study Group on Plantations (Coffee/Rubber) and the CLW. We, therefore, feel, that the Plantations Labour Act, 1951, should be amended suitably so as to provide houses for such plantation workers who do not reside within 5 kilo-metres from the periphery of the estate but who wish to be accommodated on the estate.

12.66 Our recommendations on housing for agricultural labour will be found elsewhere in the report.¹ We record, however, that the existing schemes for the housing of backward and depressed classes, whether in rural or industrial areas, should continue and should be implemented expeditiously.

12.67 Adequate housing in a welfare State should cover industrial workers no less than other sections of the population who may be equally or even more vulnerable. Better industrial housing has necessarily to be within the

¹See Para 28.59.

framework of overall national housing programmes which a developing economy can afford. In view of the costs involved in meeting even a modest proportion of the total need, one cannot reasonably foresee any easy solution to the problem in the immediate future. The situation can ease only with a faster rate of development. One has to recognise that within the overall resources, the claim for housing no doubt deserves priority, but the priority itself will operate within certain limits necessitated by competing claims of other equally pressing activities.

12.68. We would like to stress the other equally important aspect of housing, the desire among workers to live better. Of this we are seeing increasing evidence even within the present dismal environments. This is an encouraging sign. While all efforts should be directed towards securing more of housing, the importance of this qualitative aspect of living requires to be brought home to workers. Special efforts through programmes of education are needed for this purpose, as indeed sustained work by trade unions and social workers for evoking a better response from civic bodies and local administration in the matter.

Percentage distribution of families by general characteristics of the building in which dwellings were located 1958-59.

Name of the Centre	Type of building			Ownership or type of landlord			Type of structure		Condition of Repairs		Sewage arrangements		Ventilation arrangements		Where the place of the main earner was less than a mile
	Chawls/bustees	Flats, independent dwellings & others	Employer	Self	Private	Public bodies	Kutcha (permanent and temporary)	Pucca (permanent and temporary)	Good/moderately good	Bad	Satisfactory/moderately satisfactory	Unsatisfactory	No/bad ventilation	Good/tolerable	
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A. Factory Centres															
Hyderabad	70	30	9	20	62	9	42	56	75	25	54	42	9	91	30
Jamshedpur	39	61	56	23	19	1	35	65	91	9	79	20	20	79	28
Delhi	38	62	35	6	54	5	19	81	64	36	69	31	42	58	77
Ahmedabad	90	9	6	5	78	10	31	69	87	11	70	28	9	89	50
Bhopal	57	43	5	28	63	3	52	48	83	15	70	30	13	85	28
Madras	23	76	5	27	64	4	54	46	82	18	74	21	13	86	38
Bombay	91	9	8	2	73	17	28	71	71	28	56	42	24	75	36
Amritsar	28	72	8	11	61	20	22	78	73	27	63	36	28	72	64
Kanpur	63	37	8	5	69	18	26	74	66	34	51	47	49	51	46
Calcutta	80	20	13	7	80	..	43	57	60	40	44	56	65	35	31
B. Mining Centres															
Jharia	46	54	74	18	7	1	28	72	72	26	35	65	25	75	73
C. Plantation Centres															
Jalpaiguri	81	19	99	..	1	..	69	30	44	54	23	65	67	33	61

NOTE—Percentage in some cases may not add upto hundred because of a small proportion of non-reporting cases not taken into account.

Source: Family Living Survey among industrial workers—1958-59, Labour Bureau, Simla.

ANNEXURE II
(Ref Para 12.32)

Percentage distribution of dwellings by various characteristics 1958-59

Name of the Centre	Number of rooms		Lighting Type		Kitchen provided	No store provided	No bath-room provided	Pro- vision of cover- ed veran- dah	Source of water supply				Provision of latrine		Flush type latrine
	One	Two	Elec- tri- city	Kero- sene					Tap in dwellings	Tap Outside dwellings	Well (with or without hand- pump)	No latrine	In common with other families		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
A. Factory Centres															
Hyderabad	65	25	9	90	58	83	62	22	8	85	7	12	71	31	
Jamshedpur	54	41	56	44	54	95	68	78	38	49	10	18	48	49	
Delhi	85	13	36	64	19	96	75	51	11	66	15	11	83	53	
Ahmedabad	90	10	17	82	12	98	84	28	16	79	5	7	83	73	
Bhopal	53	33	15	82	13	93	80	53	3	90	7	15	48	..	
Madras	90	8	19	81	57	89	45	42	3	71	22	29	60	69	
Bombay	96	4	43	57	5	100	91	21	4	92	3	12	83	72	
Amritsar	87	12	37	61	22	95	79	42	1	19	20	58	36	14	
Kanpur	78	18	15	83	14	94	89	49	11	52	37	27	56	10	
Calcutta	89	10	23	76	9	99	67	53	36	43	4	3	95	11	
B. Mining Centre															
Jharia	89	9	3	94	7	99	100	75	*	75	20	97	2	50	
C. Plantation Centre															
Jalpaiguri	66	30	..	98	10	98	99	33	2	58	23	96	3	..	

*Negligible.

Note—Percentages in some cases may not add upto hundred because of a small proportion of non-reporting cases not taken into account.

Source: Family Living Survey among industrial workers—1958-59, Labour Bureau, Simla.

SOCIAL SECURITY

The quest for social security and freedom from want and distress has been the consistent urge of man through the ages. This urge has assumed several forms, according to the needs of the people and their level of social consciousness, the advancement of technology and the pace of economic development. From its modest beginnings in a few countries in the early decades of the present century, social security has now become a fact of life for millions of people throughout the world. Social security measures have introduced an element of stability and protection in the midst of the stresses and strains of modern life. It is a major aspect of public policy today and the extent of its prevalence is a measure of the progress made by a country towards the ideal of a Welfare State.

Concept and Scope

13.1 Social security envisages that the members of a community shall be protected by collective action against social risks causing undue hardship and privation to individuals whose private resources can seldom be adequate to meet them. It covers, through an appropriate organisation, certain risks to which a person is exposed. These risks are such that an individual of small means cannot effectively provide for them by his own ability or foresight alone or even in private combination with his colleagues¹. The concept of social security is based on ideals of human dignity and social justice. The underlying idea behind social security measures is that a citizen who has contributed or is likely to contribute to

his country's welfare should be given protection against certain hazards.

13.2 Although social security systems are related to policies of development and the main constraint on their evolution is limited financial resources, the economic content of social security measures is being increasingly recognised. Some elements of it contribute to the raising of the standard of living of large masses of the population. It is an incentive for development, substituting as it does, hope for fear, and in the process improving the efficiency of the working force. Its cost is offset by gains in productive efficiency on the one hand and increased savings (through the contributions it makes to a country's development) on the other.

13.3 The role of the ILO, since its inception in 1919, in creating international standards of social insurance and in promotion of social security, has been significant. Through its Conventions and Recommendations, the ILO has exerted its influence to extend the range and the classes of persons protected and the contingencies covered and to improve the efficacy of the benefits assured. The latest trends regarding the provision of comprehensive social security were brought out by its Recommendation on income security and medical care adopted in 1944. This was followed by adoption of the Social Security (Minimum Standards) Convention, 1952, which embodies the universally accepted basic principles and common standards of social security. The application of these principles has guided developments in this field throughout the world.

EVOLUTION OF SOCIAL SECURITY

Foreign experience

13.4 Measures adopted by different societies for protecting the needy individuals have been manifold. Beginning with individual acts of charity and philanthropy, these devices progressed to include mutual benefit schemes, both formal and informal. Then followed State sponsorship and State participation, finally culminating in the present pattern where social security measures form a major plank of Governmental policy in many countries.

13.5 In the early stages, workers sought protection against the contingencies they were exposed to through small savings, employers' liability or private insurance. Later, protective legislation became common on the theory that the employer who set up a factory created an environment which was likely to cause injury to his work people and the loss sustained by the victim should be a charge on the employer. Public authorities and private corporations beyond a particular size had the capacity to discharge this liability, but all wage earners did

¹ILO—Approaches to Social Security, 1942, p. 80.

not necessarily work in big undertakings. Small employers, who were predominant, found it difficult to give benefits to their workmen, particularly when claims were made in a bunch in respect of any accident. Insurance companies came forward to take over the employers' liability in return for a premium, but this did not turn out to be a satisfactory arrangement.

13.6 Mutual-aid societies of workers grew up with the object of helping their members in times of sickness with simple medical care and payment for funeral, if death occurred, in return for periodic contributions. These were the earliest social insurance institutions, though their arrangements lacked system. Gradually they were brought under Government supervision. Trade unions often acted as mutual-aid societies, but they could afford to disburse benefits only for comparatively brief spells as they depended solely on the contributions of their members. The societies could not safely undertake old-age or life insurance. Insurance offices under the guarantee of the State, which offered facilities for three branches of insurance to persons of small means, was the next stage.¹ Life insurance could not adapt itself satisfactorily to the exigencies of social security operations, but insurance companies played an important role in supplementing the protection afforded by social security schemes. These traditional approaches gave rise to two main currents in the movement towards social security: social assistance, representing the unilateral obligation of the community towards its dependent groups, and social insurance, based on compulsory mutual-aid.

13.7 Social assistance programmes provide benefits sufficient to meet the minimum needs of persons of small means. These are financed wholly from the general revenues of the State. The benefits provided and the needs test applied differ from country to country. The first risk to be covered was that of old-age, but gradually non-contributory benefits were introduced for invalids, survivors and unemployed persons as well.

13.8 A major feature of most social insurance schemes is that they are financed mainly through contributions by employees and employers; in some cases, subsidy is granted by the State. The benefits to insured persons are linked to their contributions. Most of these programmes are

compulsory and specifically defined categories of workers and their employers are required by law to participate in the programmes. While in industrialised countries in the West the movement was old, in Asian countries, social insurance had to await the achievement of national independence. Provident funds which have followed are really quasi social security measures. They are essentially a saving scheme. Joint contributions by employees and employers are held over for repayment with interest later when defined contingencies occur.

Development in India

13.9 The Whitley Commission commented upon the industrial workers' attachment to his native village and observed that it was not advisable to discourage this feature of Indian industry.² The village home with the joint family was a cover for the worker, something which the worker could turn to in times of need. The Commission took note of two other contingencies for which there was legislation already, viz., the Workmen's Compensation Act, 1923 to protect workers against employment injury and the maternity benefit legislation in some states to provide for grant of leave and payment of cash benefits for certain periods before and after confinement to women workers in factories.³

13.10 Discussions about the need for extending these earlier social security measures were a part of the Indian labour scene in the thirties. One of the earlier decisions of Labour Ministers' Conferences between 1940 and 1942 was to invite an expert to frame a scheme to provide health insurance to workers. The scheme drawn up by Prof. B. P. Adarkar in pursuance of this decision was later examined by two ILO experts and this joint effort became the basis of health insurance in this country and culminated in the enactment of the Employees' State Insurance Act, 1948.

13.11 The elements of social security in the Five Year⁴ Programme for Labour (1946) were (i) organisation of the Health Insurance Scheme, applicable to factory workers to start with, (ii) revision of the Workmen's Compensation Act, (iii) a central law for maternity benefits, and (iv) extension to other classes of workers, of the right, within specified limits, to leave with allowance during periods of sickness.

¹ILO—Social Security—A Workers' Education Manual, 1958, p. 7.

²The Commission observed: "at the present stage it is not advisable that this striking feature, which marked the beginnings of Indian industry and has shown such persistence during its steady advance, should be discouraged". p. 20.

³The Government of India adopted similar legislation for mines in 1941. To provide uniform benefits all over the country, Maternity Benefit Act was passed by the Parliament in 1961.

⁴Indian Labour Gazette—April, 1947, pp. 461-62.

13.12 The concept of provident fund as a social security measure was being gradually recognised in the country, but it could find practical shape only with the enactment of the Coal Mines Provident Fund and Bonus Schemes Act, 1948, which aimed at establishing a compulsory provident fund for coal miners. Encouraged by the success of the Coal Mines Provident Fund Scheme, the Employees' Provident Funds Act, 1952 was enacted to provide for the institution of a compulsory provident fund in other industries. This was followed by the enactment by appropriate Governments of the Assam Tea Plantations Provident Fund Act, 1955 and the Seamen's Provident Fund Act, 1966 for seafarers. Industrial employees of Central and State Governments unilaterally contribute to the General Provident Fund on a compulsory basis. The railway employees were covered by the Contributory Provident Fund Scheme but have recently been given an option to join the pensionary scheme. This option is not available to new entrants. The employees of local bodies, universities and several other public institutions enjoy contributory provident fund benefits.

13.13 The Industrial Disputes (Amendment) Act, 1953 provides for unemployment relief in case of retrenchment and lay-off. Other legislative measures which provide protection in certain contingencies are: the Coal Mines Labour Welfare Fund Act, 1947; the Mica Mines Labour Welfare Fund Act, 1946; the Iron Ore Mines Labour Welfare Cess Act,

1961; the Assam Tea Plantations Employees' Welfare Fund Act, 1959; and the Dock Workers (Regulation of Employment) Act, 1948.

13.14 Some State Governments have also instituted old age pension schemes which are non-contributory and provide pensions to old and infirm citizens by way of social assistance.

Plan Policies

13.15 All the three Plans (1951—66) emphasised the need for social security schemes. The objectives of our Plan policies have been better implementation, wider coverage of employees and better benefits to them. While the first two Plans outlined schemes of social insurance to cover the limited number of urban wage earners, the Third Plan sought to break new ground in social assistance. It said, "it would be desirable to make a modest beginning in respect of three groups of persons—the physically handicapped, old persons unable to work, and women and children—where they are altogether lacking in the means of livelihood and support. Assistance for them will have to come from voluntary and charitable organisations, municipal bodies, Panchayat Samitis and Panchayats and voluntary organisations. With a view to enabling these organisations to develop their activities with the help of local communities and giving them a little support, it might be useful to constitute a small relief and assistance fund."¹

OPERATION AND ASSESSMENT OF SCHEMES

13.16 We now refer to the essential details of the schemes and assess their working in the order in which they were introduced in the country.

Workmen's Compensation

13.17 The Workmen's Compensation Act, 1923 followed, as most legislation in that period used to, the British model with changes to suit Indian conditions. It laid down scales of compensation to impart precision to the benefits accruing under it. The Act has been amended several times.² The Workmen's Compensation Act does not apply in areas where the Employees' State Insurance Scheme operates. We will revert to this aspect later.

13.18 Coverage.—The Act applies to workmen³ employed on monthly wages not exceeding Rs. 500 and who are employed in factories, mines, plantations, transport and construction work, railways and certain specified hazardous occupations. The Central and State Governments are empowered to extend the scope of the Act to any class of persons whose occupations are considered hazardous.

13.19 Benefits.—The Act provides for payment of compensation by employers to workmen and their dependants in case of personal injury caused by accidents arising out of and in the course of employment and for death or disablement as a result of contracting certain occupational diseases. The amount of

¹Third Five Year Plan, p. 258.

²1924, 1925, 1929, 1933, 1937 (twice), 1938, 1939, 1942, 1946, 1948, 1950, 1951, 1959 and 1962.

³Includes workmen whose employment is of casual nature and who are employed for the purposes of the employer's trade or business.

compensation payable depends on the nature of the injury and the average monthly wages of the workmen concerned. Compensation for death is payable to the dependants of the workmen. The rate varies from a minimum of Rs. 1,000 in the case of persons in the lowest wage group (upto Rs. 10 per month) to a maximum of Rs. 10,000 in the case of those in the highest wage group (above Rs. 400 per month). Compensation for permanent and total disablement is payable in lump-sum, which varies from a minimum of Rs. 1,400 to a maximum of Rs. 14,000. In case of temporary disablement, half monthly payments are made at the prescribed rates. No compensation is payable for temporary disablement for the waiting period of 3 days, but this period gets included if disablement lasts for 28 days or more.

13.20 Administration.—The Act is administered by the State Governments through Commissioners for Workmen's Compensation. The Commissioners are entrusted with (a) the settling of disputed claims, (b) the disposal of claims for injuries resulting in death, and (c) the revising of the periodic payments.

13.21 Assessment.—The working of the Act has brought to light several shortcomings which impede speedy relief reaching the workers. Cases of evasion occur even though the enactment is over 45 years old. A weak feature of the measure is that the Act places the entire liability for compensation on the employer, there being no obligation on the part of the employer to insure his liability. A small employer in many cases finds it difficult to pay compensation in the event of a heavy liability arising out of a fatal accident. Such defaults tend to bring the law into disrepute. Delays and difficulties in getting compensation under the Act are not unknown. Workers' organisations suggest that the rate of compensation should be increased. According to some, the Act does not meet present requirements and needs substantial changes. The employer's organisations on the other hand are generally of the view that no special change in the Act is necessary. The delays, according to them, arise because the number of Workmen's Compensation Commissioners are too few to ensure expeditious disposal of the compensation cases. A better enforcement of the Act is possible if rules are prescribed about the method of depositing money with the appropriate Workmen's Compensation Commissioner.

13.22 The monthly wage limit for coverage under the Act was raised from Rs. 400 to Rs. 500 by the Amendment Act of 1962. The supervisory staff and others drawing monthly wages exceeding Rs. 500 and employed in mines, manufacture of explosives and other similar operations are exposed to the same employment hazards as those within the monthly wage limit of Rs. 500. We consider that all workmen including supervisors employed in the occupations covered under the Act should be eligible without any wage limit for compensation for work-injury.

13.23 The Act makes no provision for medical care and treatment which is the greatest need of the worker when he meets with an accident. There is also no provision for rehabilitation to restore the loss in his earning capacity. The system of lump-sum payment is also not satisfactory in that it runs the risk of the amount being frittered away. These lacunae are met under the Employees' State Insurance Scheme. With the gradual extension of the Employees' State Insurance Scheme, more and more workers in the organised sectors of industry will be brought under it, but several cases will still remain to be covered, particularly in scattered employments where the responsibility for payment of compensation will continue to rest with the individual employer. The Study Group on Social Security (1957-58) suggested the adoption of a pension scheme for such residuary cases by requiring the employer to pay to the Employees' State Insurance Corporation a lump-sum amount, the Corporation then taking on the responsibility for making recurring pensionary payments to the injured worker or his dependants as the case may be.

13.24 Recommendation.—We suggest that a scheme of Central Fund for Workmen's Compensation should be evolved. All employers should pay to this Fund a percentage of total wages as monthly contributions to cover the cost of the benefit and of administration. The fund should be controlled by the Employees' State Insurance Corporation. Periodic cash payments may be made to injured workers and their dependants by the Corporation through its local offices in the same way as payments are made at present for various benefits under the E.S.I. Scheme. Medical care to injured workers should be provided by the Corporation. A similar arrangement in respect of mines may be made by the Welfare Commissioners who control welfare funds for coal, mica and iron ore mines. Small employers may not find it difficult to pay such contributions, since these will

not be collected in bulk. This will also eliminate evasion of the law and the workers, as also their dependants, will get periodic payments and injured workers will also get necessary medical treatment. The adjudication of claims can be entrusted to the tripartite regional boards set up under the Employees' State Insurance Act in various States. The Fund should cover all workmen specified in Schedule II of the Act irrespective of their wages. The Scheme of a Central Fund recommended above may take time. We suggest that pending preparation of such a scheme, the Act should be amended to give effect to the relevant recommendations.

13.25 A matter to which we would like to draw particular attention in connection with the Workmen's Compensation Act is in regard to the payment of adequate compensation to those who acquire the handicap during the course of their employment. Under the existing provisions of law, while an able-bodied worker can claim and obtain compensation for being surplus, an injured or handicapped workman is thrown out without adequate payment because accident or disease has incapacitated him. This legal anomaly requires to be removed. Further, we feel that a worker should be entitled to higher compensation for disablement resulting from industrial accidents. It may be in the form of subsistence allowance if the worker remains unemployed as a result of the handicap. This will indirectly induce the employer to provide suitable employment to such a workman and, what is more important, to take adequate care to prevent such contingency.

Maternity Benefit

13.26 The Maternity Benefit legislation has been framed and administered by State Governments. The Mines Maternity Benefit Act was passed in 1941 for the benefit of women employees in mines. With the passage of the Employees' State Insurance Act, 1948, maternity benefits became the responsibility of the Corporation and the State Acts applied to residuary employments/areas till the Maternity Benefit Act, 1961 was passed. This Act applies to every establishment—whether factory, mine or plantation—except the factories to which the provisions of the Employees' State Insurance Act, 1948 apply. The States have been gradually adopting the Central Act. The benefits under the Central Act are superior to the benefits under the State laws and provide for

various contingencies which were not provided for earlier.

(i) **Benefits.**—The Acts provide for payment of cash maternity benefit for certain periods before and after confinement, and grant of leave and other facilities to women employees, on conditions prescribed in these Acts. The qualifying period of service varies from 5 to 9 months and the benefit is payable for a period of 8—12 weeks. Apart from the Central Maternity Benefit Act, 1961, which permits the payment of a medical bonus of Rs. 25, some State Acts include additional benefits such as free medical aid, maternity bonus, provision of creches and additional rest intervals. In order to safeguard the interests of pregnant women workers, both the Central and the State Acts provide that such women shall not be dismissed; nor can a woman worker be discharged during the period of maternity leave.

(ii) **Administration.**—The administration of the Acts in all the States is the responsibility of the factory inspectorates. Whereas in the Coal Mines the Coal Mines Welfare Commissioner is in charge of it, the Director General of Mines Safety is in charge in mines other than coal.

(iii) **Assessment.**—The Maternity Benefit Acts place on the employers the responsibility for providing the benefits except where the E.S.I. Corporation has taken it over. It has been brought to our notice that the legislation has led to a tendency among some employers not to employ married women and even discharge women workers on signs of pregnancy. We therefore recommend that a Central Fund should be established for maternity benefit on the lines suggested for Workmen's Compensation. Pending the creation of this Fund, the Maternity Benefit Act, 1961 should be adopted in all States as early as possible.

Employees' State Insurance Scheme

13.27 The Government of India introduced in the Central Legislature the Workmen's Insurance Bill in November, 1946, which was passed eighteen months later as the Employees' State Insurance Act, 1948. It was designed to provide cash benefits in the case of sickness, maternity and employment injury, payment in the form of pension to the dependants of workers who died of employment injury and medical benefit to workers.¹ It introduced the contributory principle to cover these contingencies, provided protection against sickness, replaced

1. Workers' families were brought into the scheme later.

lump-sum payments by pension in the case of dependants' benefit and placed the liability for claims on a statutory organisation. Because of the vastness of the country and the considerable preparatory work involved such as provision of building, equipment and personnel, the scheme could not be implemented throughout the country simultaneously. A plan for its phased extension to different places was drawn up. Transitory provisions which require payment of special contribution by all employers had to be introduced to meet the objection of the employers in covered areas that the ESI levy would affect their competitive position adversely. The contribution of employers in implemented areas was fixed at a rate higher than that for employers in non-implemented areas. The scheme came into operation in Kanpur and Delhi on February 24, 1952. Annexure I indicates the progress in the implementation of the Act.

13.28 Scope and Coverage.—The Act applies to all non-seasonal factories run with power and employing 20 or more persons, excluding mines and railway running sheds. It covers all employees, manual, clerical and supervisory and employees engaged by or through contractors, whose remuneration does not exceed Rs. 500 a month. The wage limit for coverage of employees was raised from Rs. 400 to Rs. 500 per month and the definition of 'employee' was enlarged to include administrative staff and the persons engaged in connection with purchase of raw materials or sale or distribution of products and related functions by an Amendment of the Act in 1966. It can be extended to cover other establishments or classes of establishments, industrial, commercial, agricultural or otherwise. Starting with about 1.20 lakh insured persons in Kanpur and Delhi in 1952, the Scheme has been gradually extended and at the end of March 1968 covered over 37 lakh insured persons and a total of 138 lakh beneficiaries entitled to medical care (including

family members of insured persons) in 300 centres.

13.29 Finance.—The Scheme is financed mainly by contributions from employers and employees, with the State Governments sharing a part of the cost of medical care. In the initial stages when the employee alone was covered, the States' contribution was fixed at 1/4th the expenses on medical care. The present arrangements are for the State to accept the same burden in areas covering only insured persons and 1/8th the cost of medical care where families are also brought in. The contributions under the Scheme are wage related like cash benefits. The current rate of employees' contribution works out at about 2.3 per cent of total wage (basic pay + dearness allowance). The employees drawing wages below Rs. 1.50 per day are not required to contribute. The employers' contribution in those areas where the Scheme has been fully implemented was raised from 1.25 per cent to 2.50 per cent of the wage bill from 1-4-1962 and has been further raised to 3.0 per cent from 1-4-1968 to meet the increasing expenditure on medical and cash benefits. The employers' special contribution in non-implemented areas continues to be 0.75 per cent of the wage bill. Factories in areas where the insurable population is less than 500 are exempted from payment of the employers' special contribution.

13.30 The annual income of the Corporation during 1967-68, derived mainly from contributions, amounted to about Rs. 27 crores and expenditure was almost at the same level. With progressive extension of the Scheme and improvements in the scale and standard of benefits, the gap between the income and expenditure has gradually narrowed during the past few years. The reserves built up earlier are being utilised for construction of hospitals and dispensaries. During the last three years, income and expenditure were as follows:

TABLE 13.1: Revenue Income & Expenditure from 1965-66 to 1967-68

Year	Revenue Income (Rs. Crores)	Revenue Expenditure (Rs. crores)
1	2	3
1965-66	23.09	20.67
1966-67	25.34	24.17
1967-68	26.76	27.17

The expenditure on capital construction during 1967-68 was Rs. 4.25 crores; total expenditure

on capital construction upto the end of March, 1968 amounted to Rs. 24.85 crores.

13.31 Benefits.—The Scheme provides, besides medical care, protection against sickness, maternity, and disablement and death due to employment injury. An insured person entitled to benefits under this Scheme is not eligible to claim similar benefits under the Workmen's Compensation Act and the State Maternity Benefit Act. The cash benefits are administered by the Corporation, while medical care is provided by the State Governments. The main features of the benefits provided are as follows:

13.32 Sickness Benefit.—It consists of periodic cash payments to an insured person in case of sickness, subject to fulfilling qualifying conditions for the benefit. The benefit is payable for a maximum number of 56 days in a continuous period of 365 days. The rate of benefit works out to about half the average wage of an insured person. There is a waiting period of two days which is waived, if the insured person falls sick again within 15 days of the previous spell of sickness.

13.33 Extended Sickness Benefit.—Insured persons suffering from chronic ailments such as tuberculosis, leprosy, mental and malignant diseases and other diseases of a prolonged nature and who have been in continuous employment for two years are paid extended cash benefit for a period of 309 (365 minus 56) days after they have exhausted the normal period of entitlement to sickness benefit. The extended sickness benefit is payable at the full rate of sickness benefit.

13.34 Maternity Benefit.—This is also a cash payment made periodically in case of confinement to an insured woman on satisfying the necessary qualifying conditions. The maximum duration of maternity benefit is 12 weeks, of which not more than 6 weeks can precede the expected date of confinement. The benefit is payable at a flat rate of 75 paise per day or twice the sickness benefit rate, whichever may be higher.

13.35 Disablement Benefit.—The benefit is payable for disablement caused by an employment injury, which includes contracting of certain occupational diseases in the course of employment. Disablement may be temporary or permanent, partial or total. There is no contributory condition and no upper limit on the duration of the benefit. In the case of temporary disablement, cash benefit is paid at a rate equivalent to about half the normal wage of an insured person for the duration of

the disability. The rate of permanent disablement benefit is in proportion to the extent of loss of earning capacity suffered by the applicant. The benefit is payable for life.

13.36 Dependants' Benefit.—This is payable to the dependents of an insured person who dies as a result of an employment injury. It consists of periodic payments at the specified rates. *Annexure II* shows the number of employees/beneficiaries and the amount of benefit paid under (a) to (e) above during the last three years.

13.37 Medical Benefit.—The medical benefit consists of treatment of an insured person, and of his family where the coverage is extended to the family. Medical care to insured persons is comprehensive and includes outdoor treatment, domiciliary visits and provision of drugs and dressings, specialists services (including pathological and radiological tests) and in-door treatment. Artificial limbs, dentures, spectacles and hearing aids are provided free of cost to an insured person when these become necessary as a result of employment injury.

13.38 Medical benefit is provided either through the service system or the panel system. Under the former, State Insurance dispensaries are set up with full-time doctors or mobile dispensaries are provided. Under the latter, medical practitioners, at whose clinics treatment is available to the beneficiaries, are brought on the panel. This has made it possible to extend the Scheme expeditiously, where dispensaries could not be set up. Starting with 'restricted' medical care of the outdoor variety, 'expanded' and 'full medical care', including hospitalisation, are being extended to the families of insured persons by stages.

13.39 E.S.I. Hospitals.—At the end of March, 1968, there were 24 full-fledged ESI hospitals with a total bed strength of 3,997. 4,126 additional beds were reserved for the beneficiaries of the ESIC—438 in the 18 ESI annexes in general hospitals and 3,688 in other hospitals. 641 dispensaries were functioning, including 115 in buildings owned by the Corporation. Over 4,100 insurance medical practitioners were providing necessary service to the beneficiaries at the end of March, 1968 through the panel system.

13.40 The number of insured persons and families covered for medical care increased as follows during the last five years.

TABLE 13.2 : *Number of insured persons and total beneficiaries*

Year	No. of insured persons	Total beneficiaries at the end of the year	No. of beneficiaries per insured person
1	2	3	4
1963-64	27,18,000	88,81,700	3.3
1964-65	32,52,250	1,17,55,300	3.6
1965-66	34,05,000	1,21,42,650	3.6
1966-67	35,45,000	1,30,16,600	3.7
1967-68	36,84,500	1,37,62,550	3.7

13.41 **Administration.**—The administration of the Scheme has been entrusted to the Employees' State Insurance Corporation (ESIC), an autonomous body set up by the Central Government. It consists of representatives of the Central and State Governments, the Parliament, employers, employees and the medical profession. Its Standing Committee, the members of which are elected from among the members of the Corporation, acts as the executive body. A Medical Benefit Council has been set up to advise the Corporation on the Medical aspects of the Scheme. The Chief Executive Officer of the ESIC is the Director General. He is mainly concerned with formulation of policy, overall supervision, coordination and liaison with Central and State Governments. The ESIC has set up Regional Boards, regional offices, local offices and inspection offices in various States. Regional offices maintain records in respect of insured persons and administer local offices and inspection offices. Claims from insured persons are received and benefits paid at local offices which have been set up in all labour areas.

13.42 **Assessment.**—To review the working of the Scheme and to recommend necessary modifications or changes in the structure and organisation of the ESIC to ensure a more satisfactory functioning, the Government of India set up the ESIC Review Committee in June, 1963. The Committee reported in February 1966. According to it, while in a nationwide scheme of this magnitude and size, complaints and criticism from various sources was naturally to be expected, it must be said to the credit of the Corporation that it has been taking notice of all complaints, criticisms and suggestions and has introduced improvements. The Corporation has tried to smoothen out the working methods to eliminate time-lags and delays to the extent possible. Even as the Committee was formulating its recommendations, some of the known deficiencies in the

ESI Act were removed by major amendments to the Act in 1966. These were directed *inter alia* to—

- (1) raise the wage limit for coverage of employees from Rs. 400 to Rs. 500 per month; and widen the coverage by re-defining the term 'employee';
- (2) grant funeral benefit, not exceeding Rs. 100, on the death of an insured person;
- (3) enlarge the scope of the Scheme of Maternity Benefit;
- (4) raise the exemption limit for employees' contribution from below Re. 1.00 per day to below Rs. 1.50 per day;
- (5) add a new provision to enable the Corporation to recover contributions payable under the Act as arrears of land revenue.

13.43 The Committee made 176 recommendations covering (a) extension of coverage, (b) rationalising of contributions, (c) improving cash benefits and their proper disbursement, (d) administration of medical benefits including indoor medical care and treatment in special diseases, (e) preventive care, (f) the autonomy of the Corporation, (g) the administrative and organisational set-up of the Corporation, and (h) the building up of a comprehensive social security scheme. Of these, 173 recommendations were unanimous, and on the remaining 3, there was a note of dissent by the workers' representatives. The recommendations were considered by the Standing Labour Committee at its meeting held in May, 1967 and it was agreed that such unanimous recommendations as had already been accepted by the Corporation should be implemented expeditiously, while those which had not been so accepted might be brought up again before the Standing Labour Committee. 115 recommendations have been

accepted either fully or with modifications or in principle, and 12 recommendations which are in the nature of opinions have been noted. The remaining 49 recommendations are still to be considered by the Standing Labour Committee. We note with satisfaction that several recommendations of the ESIS Review Committee have been accepted for implementation by the Corporation. We would urge that action on these should be taken expeditiously.

13.44 We would like to mention with approval the two undernoted recommendations of the Review Committee which we consider important. These have a special bearing on the development of a National Health Service, which, in our opinion, should be established.

13.45 The Committee has suggested the starting of fullfledged medical colleges at places where there are large and well-equipped ESI hospitals. These could be under the sponsorship of the Corporation direct or under State sponsorship with help from the Corporation. If the Corporation contributes financially to medical training, the trainees concerned should be under obligation to serve the ESIC for a period of not less than five years after achieving full qualifications. The ESIC hospitals should also be utilised for training of nurses and other para-medical staff.

13.46 Surplus beds, if any, in ESI hospitals may be made available by State Governments for the use of the general public on payment. The impediment in the ESI Act, 1948 against such use should be removed by a suitable amendment. It should be ensured, however, that no ESI beneficiary is deprived of hospitalisation facilities simply because beds have been made available for public use.

13.47 The workers' representatives on the Committee recorded a dissent on the following three issues:

- (a) The majority view is that the wage limit for exemption from payment of contribution should be raised from Re. 1 to Rs. 2 per day. The workers' representatives have suggested that the limit should be raised to Rs. 3 per day;
- (b) The majority view is that the existing waiting period of 2 days for drawing of sickness cash benefit should continue, while the view of workers' representatives is that the waiting period should be abolished;

- (c) Workers' representatives have suggested that a 'no-claim bonus' scheme should be introduced. The majority view is not in favour of such a scheme.

We discuss these issues below:

13.48 (a) Since the publication of the report in February, 1966, the price level has gone up further. Keeping in view the accepted principles for exempting the low-paid employees from payment of contributions and taking a long view of the matter and the suggestions we have made under "Remuneration for Work", we recommend that the limit for exemption should be raised to Rs. 4 per day.

13.49 Our Scheme is already an improvement over the ILO Convention which prescribes a waiting period of three days. We, therefore, see no need to disagree with the majority view in the Committee.

13.50 The major objection against a no-claim bonus seems to be that social insurance is based on the principle of 'sharing of risk and pooling of resources'. The suggestions made in the minority view are no different from the usual arrangements in insurance which permit bonuses or no-claim rebates. There is, therefore, nothing in the suggestion to offend the insurance principle. We believe that the introduction of a no-claim rebate may induce workers not to avail of the facilities under the Scheme unless they are required to. On this account there should be some savings which will partly off-set the additional burden on the funds as a result of the no-claim bonus. In any case, it should be possible in the initial stages to work out with the help of an actuary the quantum of the no-claim bonus which will not put undue strain on the funds. We, therefore, suggest that a scheme of 'no-claim bonus' for insured persons who do not claim any benefit during a year should be evolved.

13.51 The Act empowers the Corporation to appoint Regional Boards and delegate to them such powers and functions as may be provided by the regulations. The Regional Boards have been set up in all the States. They can make a positive contribution in the working of such a vast and far-flung scheme. The representation provided for the employers and the employees on the Boards is however inadequate. In order to ensure their adequate representation on the Regional Boards and to enable them to make a positive contribution to the efficient working of the scheme, the constitution of the Boards should be amended for giving increased representation to the employers and the employees and for nomination

by the E.S.I. Corporation of the Chairmen of the Boards by rotation from among the representatives of Government, workers and employers. The Boards should also be given adequate powers to enable them to exercise effective control on the working of the scheme in the respective regions, as suggested by the ESIS Review Committee.

13.52 The ESIS Review Committee recommended that the ESI Corporation should actively associate with the National Safety Council in view of its interest in measures for safety in industry and prevention of accidents. We agree with this view and recommend that the Corporation should make a suitable contribution to the National Safety Council as part of its programme of integrated preventive and curative services.

Provident Fund Schemes

13.53 While provident fund schemes were common in some Government employments and with enlightened employers, the first legislative measure to cover industrial workers was the Coal Mines Provident Fund and Bonus Schemes Act, 1948. The legislation was designed to make adequate provision for the future of labour in coal mines, to inculcate in them a habit of thrift and to stabilise the labour force in the coal mining industry. In the initial stages, the Schemes ran into opposition both from the employers and from the workers. The employers' plea was founded on the additional financial liability involved in it; the workers considered the deduction of provident fund dues to be a compulsory levy. The misgivings on both sides were soon dispelled and the scheme got off to a good start.

13.54 As a result of the experience gained out of the working of the Coal Mines Provident Fund Scheme and because of the persistent demand made to the Central Government for extending similar benefits to workers employed in other industries, the Employees' Provident Funds Act was passed in 1952. Later, in the year 1955, the Assam Tea Plantations Provident Fund Act covering tea plantations was enacted by the Assam Legislature. To provide a similar benefit to seamen working on board the ships, the Parliament passed the Seamen's Provident Fund Act, 1966. By gradual extension of their scope and coverage, the schemes have been made applicable to a fairly wide range of employees in factories, mines, plantations and other classes of establishments in a comparatively short time. In essential details, these enactments have parallel provisions.

Coal Mines Provident Fund Scheme

13.55 (i) Coverage: With a modest beginning in the States of Bengal and Bihar in 1947, the Coal Mines Provident Fund Scheme now covers all coal mine workers in the country. Besides the main scheme of 1948, separate schemes on similar lines were formulated and applied to coal mines in Andhra Pradesh and Rajasthan and to the Neyveli Lignite mines in Madras. Initially the membership of the Fund was open to employees in coal mines, whose basic pay did not exceed Rs. 300 per month. The wage limit for membership was gradually withdrawn; persons employed in organisations ancillary to coal mines and some special categories of workers were brought within the Scheme. The Scheme now applies to all persons, whether employed directly or through contractors, irrespective of their pay. The number of coal mines covered increased from 997 in 1951-52 to 1,345 in 1967-68 and the number of live subscribers from 2.75 lakhs in 1952-53 to 3.61 lakhs in 1967-68. The progress of the Scheme can be seen from Annexure III.

(ii) Contributions: Originally, the rate of compulsory contribution to the Fund by the members was $6\frac{1}{4}\%$ of their basic wages, employers contributing an equal amount. Pay plus dearness allowance has been the basis of contribution since 1955. The compulsory rate of contribution was further enhanced to 8% of the total emoluments of workers from October 1, 1962. The members were given an option from June, 1963 to make an additional voluntary contribution upto 8% of their total emoluments, but without a matching contribution from the employer. The accumulations in the Fund are protected against being charged or assigned and cannot be attached by a court. The total contributions received upto March 31, 1968 amounted to Rs. 73.82 crores.

(iii) Investment and Interest.—The contributions received in the Fund are invested in Central Government Securities according to a set pattern laid down by the Government. This pattern is being revised to permit investment in higher interest yielding securities. Total investment upto March, 1968 amounted to Rs. 70.04 crores. Interest is allowed to members on their accumulations in the Fund at a rate determined each year on the basis of the interest earned on the investments. The rate of interest increased progressively from 2% in 1950-51 to $5\frac{1}{4}\%$ in 1968-69.

(iv) Refund.—Accumulations with interest standing to the credit of members in the Fund are refundable in full to them on retirement on

attaining the age of 50 years or on permanent disability, retrenchment en-masse, and on termination of service after completion of 15 years of membership of the Fund. In the case of death of a member, entire accumulations to his credit are also refunded in full to his nominees or heirs. Refunds are allowed after forfeiting a portion of the employer's contribution and interest thereon according to the prescribed scale of forfeiture if the period of membership is less than 15 years. The amount forfeited is utilised for the welfare of the members. The number of claims settled during 1967-68 were 47,937 and the corresponding amount refunded was Rs. 3.79 crores. With the passage of time, not only have the annual settlements increased progressively, but the amount refunded per claim has also increased from Rs. 93 in 1949-50 to Rs. 790 in 1967-68.

(v) **Advances.**—The Schemes provide for grant of non-recoverable advances to members from their accumulations in the Fund for purchase of shares in Consumers' Co-operative Societies, for purchase/construction of houses and house-sites, and for financing life insurance policies of members.

(vi) **Special Arrangements.**—Two contingencies have been covered from reserve and forfeiture account. These are (a) for refunding Provident Fund dues to outgoing members pending realisation of contribution not deposited by the employer, and (b) for ensuring a minimum amount of Rs. 500 to nominees and heirs in the case of death of a member.

(vii) **Administration.**—The Fund is administered by a tripartite Board of Trustees consisting of representatives of Central and State Governments and employers and workers. The Coal Mines Provident Fund Commissioner is the Chief Executive Officer of the Board. The Schemes are administered through the Headquarters Office at Dhanbad and 3 Regional Offices in different States. The cost of administration is met out of a separate levy on the employers at 2.4 per cent of compulsory contribution.

Employees' Provident Fund

13.56 (i) **Scope and Coverage:** The Act and Employees' Provident Fund Scheme were brought into force from November 1, 1952. Initially the Act applied to six industries, *viz.*, cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles (made wholly or in part of cotton, or wool, or jute, or silk whether na-

tural or artificial). The Act now (December 31, 1968) extends to 120 industries and classes of establishments. By an amending Act in 1956, the scope of the Act which initially covered factory establishments only was extended to cover non-factory establishments such as plantations except tea, mines other than coal mines, and commercial establishments. Originally, factories and establishments employing 50 or more persons were covered under the Act. The minimum limit for coverage was reduced to 20 or more persons with effect from December 31, 1960. The establishments whose provident funds and other old-age benefits, separately or jointly, are not less favourable than those under the Scheme and employees in any establishment in enjoyment of such benefits individually or as a class can be exempted from the operation of the Scheme. The membership of the Scheme was initially restricted to employees whose monthly pay did not exceed Rs. 300. The pay limit was raised to Rs. 500 from May 31, 1957 and to Rs. 1,000 from December 31, 1962. The number of subscribers to the Fund (exempted and unexempted establishments) increased from 12 lakhs at the end of March, 1953 to 52 lakhs at the end of March, 1968. The progress of the Scheme can be seen from Annexure IV.

(ii) **Contributions.**—The statutory rate of contribution both for members of the Fund and the employer is 6½ per cent of basic wages, dearness allowance (including the cash value of any food concession) and retaining allowance, if any. By an amendment of the Act, the statutory rate was first raised to 8 per cent from January 1, 1963 in respect of establishments employing 50 or more persons in the four industries (cigarettes; electrical, mechanical or general engineering products; iron and steel; and paper other than hand-made paper). The enhanced rate of 8 per cent is being gradually applied to other industries and classes of establishments covered under the Act. The amount standing to the credit of any member cannot be assigned or charged or attached by a court. The amount of contributions received in 1967-68 was in the neighbourhood of Rs. 175 crores.

(iii) **Investments and Interest.**—Initially, the contributions were invested exclusively in the Central Government Securities according to a set pattern laid down by the Government. The pattern of investment was revised from September 1, 1968 to permit investment in the State Government Securities and other securities guaranteed by the Central and State Governments upto a specified limit. The amount

invested increased from Rs. 3 crores in 1952-53 to Rs. 115 crores in 1967-68. The total amount invested upto the end of March, 1968 was Rs. 753 crores. Interest is credited to members' account at the rate determined each year on the basis of the interest earned on investments. The rate of interest allowed increased progressively from 3 per cent in 1952-53 to 5 per cent in 1967-68.

(iv) **Miscellaneous.**—The provision for refund to members, sanctioning advances from the Fund, setting up a special reserve fund and its utilisation for contingencies like non-payment by employer, and death of a member before the amount to his credit is Rs. 500 are similar to those in the case of the Coal Mines Provident Fund scheme. During the year 1967-68, about 2.5 lakh such claims involving an amount of Rs. 24 crores were settled by the Fund.

(v) **Administration.**—The Employees' Provident Fund is administered by a tripartite Board of Trustees consisting of representatives of Central and State Governments, employers and employees. The Central Provident Fund Commissioner is the Chief Executive Officer of the Board. The Scheme is administered throughout India through the Headquarters Office at New Delhi and 15 Regional Offices, one in each State and one in Delhi. The expenses of administration of the Fund are met from administrative and inspection charges. The administrative charges at 0.37 per cent of basic wages and dearness allowance are paid by employers of unexempted establishments. Inspection charges at 0.09 per cent of basic wages and dearness allowance are payable by employers of exempted establishments.

The Assam Tea Plantation Provident Fund Act, 1955.

13.57 The Scheme framed under the Act initially covered only adult persons residing in a plantation and employed in any kind of work, manual or otherwise, and getting wages directly or indirectly from the employers. The Act was amended in 1958 to cover non-resident workers as also the clerical, medical and other staff. By another amendment of the Act in 1960, children and adolescents were brought within the scope of the Act. The Act was again amended in 1967 to make provision for a pension fund. It covers now all categories of employees in tea plantations in Assam excluding those whose total emoluments exceed Rs. 500

p.m. In 1966-67, 708 tea plantations stood covered under the scheme, the corresponding number of workers being 4,70,500.

(ii) **Contributions.**—Initially the employers were required to contribute at the rate of $6\frac{1}{4}$ per cent of basic wages and dearness allowance paid to workers and the employees were required to pay an equal amount. By an amendment of the Act in 1966, the rate of contribution was raised from $6\frac{1}{4}$ per cent to 8 per cent of wages including all allowances. An employee may contribute voluntarily to the Fund any amount beyond the prescribed rate, but against this the employer is not required to pay his additional matching contribution. The total provident fund collections increased from Rs. 2.23 crores in 1955-56 to Rs. 3.18 crores in 1966-67.

(iii) **Bonus.**—Under a national agreement, Rs.135 was payable as bonus to each worker employed in the tea plantations in Assam in 1956. The agreement further envisaged that one-third of the bonus would be paid to the workers in National Savings Certificates. This was to be a voluntary contribution to the Provident Fund and the amounts accepted were collectively invested in National Savings Certificates. From 1956 to 1966, bonus amounting to about Rs. 2.42 crores was collected and invested. This amount has been merged in the Provident Fund accounts of the members.

(iv) **Group Insurance.**—A Group Insurance Scheme was introduced for the provident fund members in 1963. Under the scheme, a blanket policy was taken by the Board for all provident fund members of the age group 18-40. Male members are covered for Rs. 500, women for Rs. 250, and staff for Rs. 1,000 each. Workers are required only to make a declaration of good health and no medical examination or proof of age is necessary. Premia payable to the Life Insurance Corporation are deducted and paid annually from the Provident Fund accumulations of the members by the Board of Trustees. At the end of March 1966, 1,84,001 members were covered by the blanket policy and the total value of the policy was about Rs. 8 crores. About a crore of rupees was paid as total premia and claims amounting to Rs. 5.63 lakhs were settled upto the end of March, 1966.

(v) **Pension Fund.**—The Scheme makes provision for the constitution of a Pension Fund from the accumulated undisbursed interest

¹At present, there is one Regional Officer for Punjab and Haryana and one for Assam and Nagaland.

amount of the Provident Fund to enable the plantation workers to enjoy pensionary benefits in addition to the Provident Fund. The Pension Fund Scheme was introduced with effect from October 2, 1967.

(vi) **Administration.**—The Scheme is administered by a Board of Trustees consisting of representatives of the State Government, the employers and workers. Each tea estate is required to constitute a Primary Committee, consisting of two representatives each of the employers and workers, with the Superintendent or Manager of the garden as Chairman. A special feature of the Scheme is the decentralised way in which the Scheme is administered at the garden level. The employers are required to maintain members' accounts. The Primary Committees are empowered to sanction and disburse loans and advances to the members and settle their accounts.

Seamen's Provident Fund Act

13.58 (i) **Scope and coverage.**—As the problems of seamen working on board the ships for truncated periods are of a special nature, it was considered desirable to enact a separate Provident Fund legislation for them. Accordingly, the Seamen's Provident Fund Act was passed in 1966. The Act generally follows the pattern of the Employees' Provident Funds Act, 1952. Every seaman engaged under the Merchant Shipping Act, 1958, excluding certain categories of officers and other employees, were covered by the Scheme under the Act. About 50,000 seamen are currently covered under the Scheme.

(ii) **Contributions.**—Every employer covered under the Act is required to contribute to the Fund for the period from July, 1964 to July, 1968 at the rate of 6 per cent of the wages paid and thereafter at the rate of 8 per cent in respect of each seaman employed by him; every such seaman has also to contribute an equal amount to the Fund. The total contributions received towards the Provident Fund upto March 31, 1968 amounted to Rs. 3.04 crores.

(iii) **Administration.**—The Fund is administered by a Board of Trustees consisting of representatives of Government, employers and employees. The Chief Executive of the Organisation is the Seamen's Provident Fund Commissioner.

Assessment and Recommendations

13.59 We assess the working of all the provident fund schemes together. From their modest beginnings, the provident funds have grown rapidly. The benefits provided are being constantly improved. A great majority of wage earners with low wages had little capacity to save during their working life and they and their dependents had nothing to fall back upon at the time of retrenchment or discharge from their work or at death. These funds have provided protection to workers and their dependants in case of old age, invalidity or death of the bread winner and in some other contingencies. Although a large number of industries and classes of industries have been covered, the benefit of provident fund is still not available to workers in several uncovered establishments and especially those employing less than 20 persons. We, therefore, suggest that the coverage of the provident fund should be extended further to make available the benefit of provident funds to those who are not yet covered by these schemes.

13.60 The rate of contribution under these schemes has been raised from time to time. The present minimum rate of contribution under the Employees' Provident Funds Act, 1952 is $6\frac{1}{4}$ per cent of basic wages, dearness allowance and retaining allowance, if any. The Central Government is empowered to raise the rate of contribution to 8 per cent. The rate of contribution under the Coal Mines Provident Fund Scheme has already been raised to 8 per cent. The enhanced rate of 8 per cent has also been applied to 81 out of 120 industries and classes of establishments covered under the Employees' Provident Funds Act, 1952, but only to those establishments which employ 50 or more persons. The Act at present does not apply to establishments employing between 10-20 persons. It should be extended to these establishments and the minimum rate of contribution therein fixed at $6\frac{1}{4}$ per cent. Wherever the present rate of contribution is $6\frac{1}{4}$ per cent, it should be raised to 8 per cent; and where the existing rate of contribution is 8 per cent, it should be raised to 10 per cent¹. In the evidence before us, no special complaint from workers' organisations about the working of the schemes were made, though dissatisfaction was expressed about the recovery from employers of provident fund arrears. It has also been mentioned to us that sometimes losses accumulate because Government does not permit, by law, to stop the operations and Government should

¹Dr Bharat Ram, Shri D. G. Kothari, Shri P. R. Ramakrishnan and Shri Naval H. Tata do not endorse this recommendation.

therefore in those cases either allow to stop the contribution or in such cases Government should consider the desirability of permitting them to stop the operations. The recovery of arrears of provident fund is, however, posing a problem to the administration. Workers have to submit to compulsory deduction from their wages; it is necessary to ensure that their contributions are deposited with the funds as promptly as possible. A suggestion has been made that to reduce delays in instituting prosecutions and recovery proceedings against defaulting employers, power should be vested in the Provident Fund Commissioners and other officers of the Provident Fund Organisation to sanction prosecutions and issue certificates for the recovery of provident fund dues through the Collectors as arrears of land revenue. We consider that this is the least that should be done. In order to ensure that provident fund dues do not fall in arrears, it is necessary that the penalties prescribed under the Act should be made more stringent and default in payment should be made a cognizable offence under the Indian Penal Code. The arrears of provident fund should be made the 'first charge' on the assets of a factory/establishment at the time it is wound up.

13.61 The provident fund accumulations are invested according to the pattern laid down by the Government from time to time. The security and safety of these funds is of paramount importance. These funds have been of assistance also in meeting the needs of economic development. The workers expect a higher rate of interest from their accumulations consistent with these considerations. We are of the view that the provident fund accumulations should be invested in securities yielding higher interest, but without jeopardising the security and safety of the funds.

Pension Scheme

13.62 We believe that while the provident funds have played a significant role in providing security for old age, invalidity and death of the bread winner, their conversion, partly or wholly into retirement and family pensions, has now acquired some significance. A provident fund is not an adequate cover for the contingencies of death or invalidity. The evidence before us suggests that workers should be given pensionary benefits. While workers' organisations feel that it should be an additional benefit, others have favoured conversion of a part of provident fund into retirement/family pensions. We are inclined to accept the latter view. Conversion of a part of provident fund into retirement cum family

pension is desirable. In cases where the rate of contribution from employers and employees is raised to 10 per cent, a portion of the contribution should be converted into pension payable to the worker, or in the event of his death, to his dependents (to be defined) upto a certain period. Pensionary benefits should be worked out on the basis of 4 per cent to start with. The remaining 16 per cent should be paid back as provident fund accumulations.

Plantations Labour Act, 1951

13.63 *Labour in plantations* is entitled to medical, health, maternity and other benefits under the Plantations Labour Act, 1951. The Act provides for the setting up of garden hospitals, group hospitals and dispensaries for treatment of plantation workers and their families. Rules framed under the Act permit 14 days' sick leave to workers in plantations in case of sickness certified by a qualified practitioner. During the period of leave, the workers are paid at the rate of two-thirds of their earnings, subject to a maximum of 75 paise per day.

13.64 The Industrial Committee on Plantations decided unanimously in August, 1967 that,

- (i) Accumulation of sick leave should be allowed upto a period of 30 days.
- (ii) The worker shall be given the option that in the event of illness, he could combine whatever balance of annual leave was standing to his credit, with the sick leave either at the commencement or at the end of sick leave.
- (iii) The worker should in addition be allowed to take 14 days' sick leave, admissible during the current year.

13.65 Annual reports on the working of the Act received from State Governments show that although medical facilities have been provided in a number of estates, in quite a few prescribed standards have not yet been reached. Our own assessment is that the standard of medical facilities in plantations shows wide diversity. On the brighter side, we have seen some of the best equipped hospitals and dispensaries in plantations both in the Assam/Bengal region and in the South. On the other hand, particularly in the smaller plantations, the provisions of the Act are almost a dead letter and even incapable of implementation. The State Governments have expressed their inability to enforce standards on the planters. The Industrial Committee on Plantations, a tripartite

body, has endorsed the view of the States. Organising medical aid for the dispersed plantation workers at a central place cannot be a solution. We suggest that the State Governments and the small planters should get together to seek a remedy suitable to the area and devise ways and means to ensure compliance with the provisions of the Act.

Lay-out and Retrenchment Compensation

13.66 Apart from the statutes which are drawn up solely to provide for different contingencies, some elements of social security are written into other labour enactments. An amendment of the Industrial Disputes Act, 1947 in the year 1953 provided for payment of compensation to workers in the event of lay-off or retrenchment. The salient features of the relevant provisions are given below:

(i) **Lay-off.**—Workers employed in any factory, mine or plantation, having an average daily employment of 50 or more and where the work done is not of an intermittent or seasonal character, are entitled to compensation for lay-off provided they have put in the prescribed qualifying service in the preceding twelve calendar months. This qualifying service is 190 days in the case of workmen employed below ground in mines and 240 days in the case of other categories of workers.¹ The lay-off compensation is payable to a workman at the rate of half the basic wages and dearness allowance for all days during which he is laid off. If a workman is laid off for more than 45 days, no such compensation is payable to him in respect of any period of the lay-off after the expiry of the first 45 days. No compensation is payable to a workman who has been laid-off (a) if he refuses to accept any alternative employment in the same establishment or in any other establishment belonging to the same owner situated in the same town or village within a radius of 5 miles from the establishment to which he belongs; (b) if he does not present himself for work at the establishment at the appointed time; and (c) if such laying-off is due to a strike or slowing-down of production on the part of workmen in another part of the establishment.

(ii) **Retrenchment Compensation.**—Unlike the lay-off provision, the benefits of retrenchment compensation are applicable to all workmen covered by the Act. No workman who has been in continuous service in any industry for not less than one year can be retrenched by an employer until one month's notice (or wages

in lieu thereof) has been given to him in writing indicating the reasons for retrenchment. Retrenchment compensation is payable at the rate of 15 days' average pay for every completed year of service or any part thereof in excess of six months. In the event of *bonafide* closures or transfer of undertakings, retrenchment compensation shall be payable to workers so laid-off. In case of change of ownership, such workers as are re-employed on terms and conditions which are not less favourable to them shall not be entitled to compensation.

(iii) **Assesment.**—While provisions relating to retrenchment and lay-off compensation afford some relief and act as a deterrent to hasty retrenchment, certain unsatisfactory features have come to light in the course of their working. A permanent remedy may be in the form of unemployment benefit. The Central Employers' organisations have suggested in their evidence that since the existing provisions relating to lay-off and retrenchment are adequate, there is no justification for grant of additional financial compensation against the job security hazard resulting from temporary unemployment. On the other hand, the general feeling among workers' organisations is that we must move towards an all-inclusive scheme covering all recognised contingencies including unemployment. We feel that the present arrangement by which the lay-off and retrenchment compensation is required to be borne by the employer at a time when he is really in difficulties, whatever the reasons, works somewhat harshly on him but even more harshly on workers who are on many occasions deprived of the benefits provided under the Act. On the other hand, if its incidence is distributed over the whole industry, it might under certain conditions imply *subsidising of inefficient management*. With due safeguards against such contingency, the long term solution lies in adopting a scheme of unemployment insurance for all employed persons. The present schemes of benefit against retrenchment and lay-off must continue during *the transition*.

The Dock Workers (Regulation of Employment) Act, 1948

13.67 The Dock Workers (Regulation of Employment) Schemes framed under the Act are at present in operation in the major ports of Bombay, Calcutta, Madras, Visakhapatnam, Cochin, Mormugao and Kandla. On January 1, 1969, the total number of registered dock workers under these schemes (excluding Kandla) was 24,000. The safety, health and

1- *Badli* or casual workers are not entitled to lay-off compensation.

welfare of the dock workers are covered by the Indian Dock Workers Regulations, 1948 framed under the Indian Dock Labourers Act, 1934 and the Dock Workers (Safety, Health and Welfare) Scheme, 1961 framed under the Dock Workers (Regulation of Employment) Act, 1948. The Regulations apply to all stevedore workers employed on board any vessel within the limits of a port and also to shore workers doing work alongside a vessel. The dock workers not covered by these Regulations are covered by the Dock Workers (Safety, Health and Welfare) Schemes. The Schemes apply to all dock workers employed in or in the vicinity of any port in connection with the loading, unloading movement or storage of cargoes.

(ii) A tripartite body known as the Dock Workers Advisory Committee set up under the Dock Workers (Regulation of Employment) Act advises Government on matters arising out of the administration of the Act and the schemes and coordinates the work of various dock labour boards by discussing common problems.

(iii) The workers are broadly divided into monthly workers and reserve pool workers under the schemes. The monthly workers are regular workers and enjoy security of employment. The other category of workers who do not enjoy this privilege are registered in a pool and employed through the Dock Labour Boards. When these schemes were first implemented, the pool workers were guaranteed minimum wages for 12 days in a month. The Boards have been given powers to increase it progressively to 21 days' wages in a month. The Dock Labour Boards of Bombay, Calcutta, Madras and Cochin have increased the period of guaranteed minimum wages to 21 days in a month. The pool workers are entitled to attendance allowance ranging from Rs. 1.50 to Rs. 1.75 per day. They are also entitled to payment of disappointment money at half the wage rate if the work in which a worker is booked cannot commence and the worker is relieved within two hours of his attendance for work.

(iv) The dock workers are given at least 8 holidays with pay in a year. They are employed by rotation to ensure equal opportunities of employment for all the pool workers. The workers are entitled to rates of wages fixed by the various dock labour boards. Piece-rate schemes have also been framed for such workers in the ports of Bombay, Cochin and Visakhapatnam.

(v) The workers enjoy benefits of provident fund and gratuity. Separate housing schemes have been drawn up for them. They are also given medical facilities and certain concessions in the matter of their children's education. Canteens and fair price shops are also provided.

(vi) Difficulties are experienced in the administration of this legislation and the schemes framed thereunder in regard to the applicability of the provisions to workers on shore. The Study Group for Ports and Docks has suggested that a comprehensive common statute should be enacted bringing together the various provisions of the Indian Dock Labourers Regulations, 1948 and the Dock Workers (Safety, Health and Welfare) Scheme, 1961 for safety, health and welfare of the dock workers. We agree with this suggestion. The definition of 'dock worker' in the Dock Workers (Regulation of Employment) Act, 1948 also requires to be amended with a view to making it more explicit and comprehensive. There is need for statutory provision for maintenance of the amenities to be provided by the employers for dock workers which does not exist at present.

Old-age Pensions

13.68 The States of Uttar Pradesh, Kerala, Andhra Pradesh, Tamil Nadu, Punjab, West Bengal and Rajasthan have instituted old-age pension schemes, which are in the nature of social assistance to render financial aid to old and infirm citizens. These schemes have no statutory backing and provide pensions to destitutes aged 60 and above with no income or sources of income and no relative bound by custom or usage to support them. The amount of pension varies from Rs. 12 to Rs. 25 per mensem. We do not propose to assess the working of the schemes, which have been introduced only recently; not enough experience has been gained about them. They need to be simplified, since the application of the test of age and means of livelihood can be somewhat difficult of administration in our context. All in all, we consider this to be a desirable move, though its utility to the working class appears to be marginal.

13.69 The industrial employees of the Central and State Governments are entitled to non-contributory pension as a part of their service conditions. The Central Government introduced a Family Pension Scheme for their employees in 1964. Under the Scheme, an employee who retires in the normal course gets a pension which is a recurring payment till death and also a lump-sum in the form of gratuity. In the event of an employee's death, his dependents become entitled to family pension and

gratuity. Railway employees in service are given the option either to elect the pension system of retirement benefits or remain under the system of contributory provident fund which obtained prior to the introduction of the new Scheme in April, 1957. The employees who entered service in November, 1957 or thereafter are compulsorily governed by the pension rules. This is a welcome change in the social security arrangements for Government employees.

Gratuity

13.70 In the last 20 years the demand for gratuity has been made by workers and the industrial tribunals have considered it favourably, particularly in units which do not have other social security benefits like provident fund and/or pension. The tribunals have also looked to the demand with favour in the more prosperous establishments, though gratuity as a benefit is demanded by workers in addition to other social security provisions. Apart from such demands, which are settled by the Tribunals, the more enlightened among the employers have arrangements for gratuity by way of agreement between them and their unions or even as a result of the employer introducing this benefit on his own. The nature of gratuity as a component of social security currently obtaining in the country is, however, by and large voluntary. We would like to leave it to the process of evolution and do not make any specific recommendation in this regard.

Integrated Social Security

13.71 It now remains for us to consider some of the schemes which are currently under discussion in Government. These are (a) conversion of a part of provident fund into retirement pension/family pension, (b) insurance against unemployment, and (c) integration of social security schemes. We have dealt with (a) already in para 13.62; (b) has been covered in part in para 13.66. We now discuss the remaining part of (b) and (c) together.

13.72 We believe that it should be possible over the next few years, to evolve an integrated social security scheme, which will with some marginal addition to the current rate of contribution, take care of certain risks not covered at present. In saying this, we are limiting our-

selves to the benefits of (a) provident fund and retirement/family pension, and (b) insurance against unemployment. In the case of (b), the insurance will cover only those who were employed and have to face the risk of unemployment. It will not cover persons who have not entered employment at all.

13.73 We take note of the two recommendations of the E.S.I.S. Review Committee:

- (i) A comprehensive integrated social security scheme may be evolved and the Government, in consultation with the Indian Labour Conference, should set up an Expert Machinery to evolve a blue-print for a comprehensive scheme of social security; and
- (ii) Steps may be initiated in the first instance for administrative merger of Employees' State Insurance Corporation and the Employees' Provident Fund Organisation. Merger of the Coal Mines Provident Fund and the Assam Tea Plantations Provident Fund may be postponed for the present.

13.74 We also note the statement made by the Labour Minister in Parliament recently about the Government's intention to pursue the unemployment relief scheme, and the integration of the two social security schemes, the Provident Fund Scheme and the ESIS, to reduce the administrative overheads.

13.75 Our view is that an ideal arrangement will be to gradually work towards a comprehensive social security plan by pooling all the social security collections in a single fund which different agencies can draw upon for disbursing various benefits according to needs. A Budget can be drawn up on this basis every year on a notional contribution which could be determined, taking into account the possible disbursements during the year. With the rates of contribution now suggested, a large fund will be available with Government. In lieu of the use of such funds by Government, it should be possible for it to cover some extra contingencies to which the beneficiaries are likely to be exposed. We recognise that the details of this idea will have to be worked out by experts and the goal envisaged in this proposal reached in stages.

Progress of Employees State Insurance Scheme

1	AS ON					
	31-3-52	31-3-56	31-3-61	31-3-66	31-3-67	31-3-68
	2	3	4	5	6	7
States	2	8	14	15	16	16
Centre	2	31	120	259	273	300
Employees ('000)	120	1,015	1,678	3,129	3,212	3,391
Family Units ('000) . . . . .	..	..	679	3,034	3,289	3,499
Insured persons ('000)	120	1,292	1,939	3,405	3,545	3,685
Insured Women	NA	NA	1,20,750	2,13,650	2,30,750	2,51,900
Total Beneficiaries	1,20,000	12,92,000	38,93,000	1,21,42,650	1,30,16,600	1,37,62,550
Employees yet to be covered	NA	NA	10,10,100	637,950	6,35,850	6,07,150
Cash Offices	16	99	228	406	447	478
Inspection Offices	27	32	64	93	108	114
ESI Hospitals . . . . .	..	..	..	14	19	24
ESI Annexes . . . . .	..	..	7	17	17	18
Beds in ESI Hospitals . . . . .	..	76	179	2,098	2,466	3,997
Beds in Annexes . . . . .	..	..	178	406	406	438
Beds reserved elsewhere . . . . .	..	802	2,131	3,403	3,399	3,688
Total No. of Beds . . . . .	..	878	2,488	5,975	6,271	8,123
SI Dispensaries	24	98	334	573	610	641
I.M.O.s and I.M.Fs	NA	1,767	2,803	5,463	5,503	5,923

Capital Construction

(Rupees in Lakhs)

	AS ON					
	31-3-52	31-3-56	31-3-61	31-3-66	31-3-67	31-3-68
Sanctions (upto)	17.28	464.95	3,079.79	3,382.75	4,041.19
Spent (upto)	10.28	94.34	1,714.01	2,059.02	2,484.84
<i>Income and Outgo</i>						
Revenue Income	486.5	943.4	2,309.28	2,533.69	2,676.27
Revenue Expenditure	180.7	697.8	2,066.89	2,417.37	2,717.30

Source: Annual Reports of the ESIC 1964-65 & 1967-68

Statement showing number of employees/beneficiaries and amount of benefit paid

(Figures in Lakhs)

Description	1965-66	1966-67	1967-68
1	2	3	4
<i>Extended Sickness Benefit</i>			
(i) No. of employees entitled to sickness benefit/extended sickness benefit	27.46	30.51	31.92
(ii) Amount paid as sickness benefit (Rs.)	604.21	706.04	838.53
(iii) Amount paid as sickness extended sickness benefit (Rs.)	47.19	64.87	82.94
<i>Maternity Benefit</i>			
(i) No. of insured women employees entitled to maternity benefit	1.80	2.02	2.20
(ii) Amount paid (Rs.)	33.71	37.55	40.54
<i>Disablement Benefit</i>			
(i) No. of employees covered for temporary/permanent disablement benefit	29.93	31.60	32.81
(ii) Amount paid for temporary disablement (Rs.)	66.65	80.43	93.20
(iii) Amount paid for permanent disablement (Rs.)	57.72	71.80	95.41
<i>Dependants' Benefit</i>			
(i) No. of beneficiaries (dependants) at the end of the year	3,692*	4,416*	5,103*
(ii) Amount paid (Rs.)	9.71	11.94	14.19

* Figures in units.

Source : Annual Reports of the ESIC, 1966-67 and 1967-68.

Progress of Coal Mines Provident Fund and Bonus Schemes Act

Sl. No.	Item	1951-52	1955-56	1960-61	1965-66	1966-67	1967-68
1	2	3	4	5	6	7	8
I.	<i>Number of coal mines, ancillary organisations and subscribers etc.</i>						
	(a) Coal mines and ancillary/organisations	997	1,063	1,103	1,206	1,288	1,345
	(b) Subscribers (in lakhs)	2.75	3.16	4.00	4.39	3.68	3.61
	(c) Total number of members enrolled (in lakhs)	4.90	..	..	15.39	16.89	17.24
II.	<i>Amount of Provident Fund Contributions, their investment etc. (year-wise)</i>						
	(a) Contributions (Rs. crores)	0.59	1.12	4.13	8.05	8.82	9.99 (73.82)
	(b) Investment-face value (Rs. crores)	0.72	1.43	4.39	6.63	5.57	8.62 (70.04)
	(c) Refund Claims settled ('000)	2.6	8.9	28.0	54.1	54.6	47.9
	(d) Amount refunded (Rs. lakhs)	1.6	8.5	71.7	359.6	419.6	379.0
	(e) Rate of interest allowed to subscribers (compound-per annum)	2½%	3½%	4%	4½%	4½%	5%
III.	<i>Total amount outstanding at the end of the year (Rs. crores)</i>	..	..	..	2.99	4.40	4.42

NOTE—Figures in brackets indicate cumulative total at the end of the year.

Source : Annual Reports of the Coal Mines Provident Fund Commissioner.

Progress of Employees' Provident Fund Scheme

Sl. No.	Item	1952-53	1955-56	1960-61	1965-66	1966-67	1967-69
1	2	3	4	5	6	7	8
I.	<i>No. of industries and establishments covered and No. of subscribers (exempted and un-exempted)</i>						
(a)	Industries	6	6	46	103	106	112
(b)	Establishments	1,400	2,194	12,133	34,421	38,951	41,928
(c)	Subscribers at the end of the year (in lakhs)	12.00	14.65	29.29	45.70	48.99	51.95
II.	<i>Provident Fund contributions, their investment etc.</i>						
(a)	Contributions (Rs. Crores)	7.05	65.84	265.97	731.55	879.90	1118.56
(b)	Investments (Rs. crores)	2.92	60.32	205.02	533.08	637.31	752.51
(c)	Refund including loans and advances (Rs. crores)	0.47	8.30	70.68	240.20	296.76	369.55
(d)	Rate of interest allowed to members (per annum-compound)	3%	3.5%	3.75%	4.5%	4.75%	5%
III.	<i>Amount of arrears outstanding (Rs. Crores).</i>	..	0.38	2.38	4.90	5.96	8.17

Source: (i) Statistical Abstract, EPFO, (ii) Annual Reports of EPFO.

CHAPTER 14

WAGES AND EARNINGS—A FACTUAL REVIEW

One of our terms of reference requires us "to study and report in particular on the levels of workers' earnings, the provisions relating to wages, the need for fixation of minimum wages including a national minimum wage, the means of increasing productivity including the provision of incentives to workers". We now propose to discuss these aspects and other related issues about remuneration for work, including the machinery for wage fixation/protection. The discussion is spread over six Chapters: Wages and Earnings—A Factual Review; Wage Policy—Assessment and Issues; Minimum Wages; Incentives and Bonus; Rationalisation and Automation; and Machinery for Wage Fixation/Protection.

14.1 Our review of the movement of wages and earnings is based on official statistics. It is confined mainly to workers in the organised sectors of industry who constitute but a small section of the entire labour force. Levels of employment in factories, mines, plantations, railways and with the dock labour boards are given in Annexure I. Wherever possible, trends in real earnings have been given. Reference is made in brief to wage differentials, standardisation of wages and related aspects. Limitations to be borne in mind in interpreting the data have also been indicated.

SOURCES OF INFORMATION

14.2 Though our terms of reference require us to review the changes since Independence, we consider it necessary to cover the period since 1939 as a background. While we do not propose to comment on all aspects of levels of earnings between 1939 and 1947, it will be our endeavour, data permitting, to focus attention on such changes since 1939 which might help a better understanding of the analysis of trends in the last twenty years.

Factories

14.3 Returns under the Payment of Wages Act, 1936. The main source of information on the wages and earnings of factory workers is the returns received under the Payment of Wages Act, 1936. Under this Act, data are collected annually from different States and Union Territories and, after consolidation, are

published by the Labour Bureau. Before April 1, 1958, the Act covered all persons, including those belonging to clerical and supervisory categories, whose earnings were below Rs. 200 per month. In 1957, the Act was amended to cover employees earnings less than Rs. 400 per month. Data in respect of those getting less than Rs. 400 per month are available only from 1961, although the amended Act came into effect in 1958. However, for those getting less than Rs. 200 per month, serial data are available up to 1964.

14.4 Under the Payment of Wages Act, 1936,¹ "wages" means all remuneration (whether by way of salary, allowances or otherwise) expressed in terms of money or capable of being so expressed which would, if the terms of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, and includes—

- (a) any remuneration payable under any award or settlement between the parties or order of a Court;
- (b) any remuneration to which the person employed is entitled in respect of overtime work or holidays or any leave period;
- (c) any additional remuneration payable under the terms of employment (whether called a bonus or by any other name);
- (d) any sum which by reason of the termination of employment of the person employed is payable under any law, contract or instrument which provides for the payment of such sum, whether with or without deductions, but does not provide for the time within which the payment is to be made;
- (e) any sum to which the person employed is entitled under scheme framed under any law for the time being in force;

but does not include—

- (1) any bonus (whether under a scheme of profit sharing or otherwise) which does not form part of the remuneration payable under the terms of employment or

¹Subs. by Act No. 68 of 1957, s. 3, for cl. (vi) (w.e.f. 1st April, 1958).

- which is not payable under any award or settlement between the parties or order of a Court;
- (2) the value of any house-accommodation, or of the supply of light, water, medical attendance or other amenity or of any service excluded from the computation of wages by a general or special order of the State Government;
 - (3) any contribution paid by the employer to any person or provident fund, and the interest which may have accrued thereon;
 - (4) any travelling allowance or the value of any travelling concession;
 - (5) any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment; or
 - (6) any gratuity payable on the termination of employment in cases other than those specified in sub-clause (d).

Thus the earnings include *inter-alia* wages and allowances, but exclude in particular the value of house-accommodation and employer's contribution to Provident Fund.

14.5 Limitations. We may note in brief the limitations of the data collected under the Payment of Wages Act, 1936, and the extent to which they affect our conclusions. Firstly, although the returns on gross wages paid provide a break-up into (a) basic wages, (b) cash allowances including production or incentive bonus, efficiency bonus, dearness and other allowances, (c) money value of concessions, (d) annual or profit bonus, and (e) arrears, it is likely that the reporting units do not necessarily adhere to a uniform practice particularly in respect of the component "money value of concessions". Reasons for this could be many and varied. In the earlier years, there was no coordinating authority at the Centre. Secondly, though submission of returns is a statutory obligation, all factories are not regular in this matter with the result that the coverage becomes incomplete and fluctuates from year to year. Thirdly, the geographical areas covered under the Act have undergone several changes. Statistics prior to and after the reorganisation of States (1956) require to be interpreted with

caution while making inter-State comparisons. *Per capita* earnings are obtained by dividing the total gross wages paid by average daily employment. The latter is first arrived at by dividing the total attendances (mandays worked) during a year by the total number of working days in that year in respect of each factory, and then summed up over all factories belonging to an industry group or a State to obtain the overall average employment for an industry group or a State. As a result, the average earnings are subject to variation on account of the number of days worked. It is for this reason that the data collected under the Payment of Wages Act, 1936, are presented only for perennial industries. Notwithstanding these shortcomings, statistics collected under the Act constitute a comprehensive and regular source of information in regard to the earnings of workers employed in manufacturing industries. And these workers constitute by far the most important group of organised labour in the country.

14.6 Census of Indian Manufactures. Between 1946 and 1958, data on wages and salaries of workers and other employees in important manufacturing industries were collected as part of the Census of Indian Manufactures. Since 1959, the same statistics are being collected through the Annual Survey of Industries.¹ We have made use of data from these sources also. In view of the variety of information that they provide for a better understanding of some aspects of our terms of reference, selected statistics from the Census and the Survey and some meaningful indicators based on them have been published in one of the 'companion volumes' to our report.

Mines

14.7 Serial statistics of earnings of employees in mines are collected and maintained by the Director General of Mines Safety. For coal mines, the statistics of per capita weekly earnings are available on a monthly basis; for other mines, average daily earnings in December alone are published for the years till 1960. Since 1961, in respect of non-coal mines, the data on earnings relate to the complete year and not to December alone. The monthly returns on coal mines give average daily attendances, total wages and other cash payments for the first complete working week of the month. The total payments are broken up as basic wages, dearness

¹Due to differences in coverage and the method of data collection as between the CMI and the ASI, establishment of a time series since 1946 is not possible. The CMI covers factories registered under the Factories Act, 1948, which employ 20 or more workers and use power; whereas the ASI covers all factories employing 50 or more workers with the aid of power and 100 or more workers without power.

allowance and other cash payments, and are recorded prior to deductions, if any. The per capita weekly cash earnings are then computed by dividing the total payments by the average daily employment during the week. For mines other than coal, statutory annual returns showing the above data are collected by the Director General of Mines Safety. Upto 1960, the per capita daily earnings are computed by dividing the total payments for December by the aggregate of daily attendances for that month. And since 1961, they are computed by dividing the total payments for one complete year by the aggregate of daily attendances for that year. Based on these statistics, the Inspectorate/Directorate compiles the series of index numbers of money earnings for workers employed in different mines. The limitations which these statistics suffer from are more or less the same as those mentioned in para 14.5.

Plantations

14.8 Statistics for plantation workers were originally collected by the Controller of Emigrant Labour in so far as they related to tea estates in Assam. They were being published in the Annual Report on the Working of the Tea Districts Emigrant Labour Act, 1932. For some years past, these series have been discontinued. Per capita annual earnings of workers in tea plantations in West Bengal are now being compiled by the Labour Commissioner, West Bengal. In other States, statistics of per capita annual earnings of workers in plantations are compiled from the returns received under the Payment of Wages Act, 1936. Data on earnings published by the Controller of Emigrant Labour refer to workers on wages not exceeding Rs. 50 per month. Categories like clerks, domestic servants, mechanics, carpenters, masons, brick-layers and other artisans are excluded. The coverage also varies from year to year as all plantations do not submit returns. The Indian Tea Planters' Association also publishes information in regard to wages of plantation workers in Assam and West Bengal. Of late, the Tea Board too publishes detailed statistics on daily wage rates pertaining to all aspects of the tea industry; these include data on wages and earnings, not only for different tea-growing States, but also for different

sub-regions within each State. These will in due course provide a valuable source of information for inter-State and intra-State comparison of wages and earnings in tea plantations. In respect of Coffee and Rubber Plantations, limited information is available in the Reports of the Coffee Board and the Rubber Board.

Transport

14.9 Information on annual earnings of staff employed by Government Railways is regularly published in the Annual Report of the Railway Board. Data are available separately in regard to the four main categories of employees *viz.*, Class I, Class II, Class III and Class IV.¹ Total earnings include pay and leave salary, dearness allowances, running allowances, grainshop concessions, passages, other allowances, provident fund contributions, gratuities and pensionary benefits. Average cost per worker is worked out by the Railways by taking all the expenses, including provident fund contribution, pensionary benefits and gratuity. Average cost per worker is also worked out separately by excluding such items. The latter cost would, in terms of content, correspond to the average earnings of industrial workers. Statistics of earnings of other transport workers are not readily available. The Transport Wing of the Ministry of Transport collects data on earnings of road transport workers and information about the money spent by the State Road Transport authorities, but the scope and coverage of these statistics are limited. Goods transport is mostly managed by a large number of small scale operators. No statistics are available for workers engaged by them.

14.10 In respect of sea-borne trade, the rates of wages applicable to workers in most major ports have been determined by industrial awards, inquiry committees or collective agreements. Details in regard to wage rates can be obtained from the records of the concerned Port Trusts. Data on average earnings of workers in most of the major ports are now available.

Banks

14.11 The Reserve Bank of India compiles figures of average annual earnings of bank

1. Broadly speaking, the Class in which a Service or post is to be placed is determined by the rate of pay it carries; and the general pattern is as follows:—

Pay, or maximum of the scale, of a Service/post	Classification
Rs. 950 and above	Class I
Rs. 350 to 900	Class II
Rs. 110 to 575	Class III
Not exceeding Rs. 110	Class IV

employees *viz.*, officers, clerks, subordinate staff and overall average of all employees in respect of the Reserve Bank, foreign scheduled banks, Indian scheduled banks and non-scheduled banks. Earnings cover all payments, including basic pay, dearness allowance and house allowance. Average annual earnings, by categories of workers and types of banks, are also worked out. These data are for official use only.¹

Insurance

14.12 Per capita earnings of insurance employees are not available. The Central Statistical Organisation, in its Monthly Abstract of Statistics, periodically publishes the distribution of employees of the Life Insurance Corporation of India by salary ranges.

Wage Differentials

14.13 The above sources do not give detailed information on occupational wage rates. To fill this gap, the Labour Bureau, Simla conducted a comprehensive Wage Census in 1958-59. The General Report and the industry reports based on the census give detailed information on wage rates in different occupations

for the country as a whole in various industries and for important centres of concentration of each industry. A Second Wage Census was also undertaken in 1963-64; the report based on it is awaited.

14.14 These sources taken together do leave large gaps in information which have been discussed in the Chapter on Labour Statistics, Research and Intelligence.

TRENDS IN MONEY AND REAL EARNINGS

Factories

14.15 Workers in factories engaged in manufacturing and processing activities constitute an important single group of organised labour. Trends in the earnings of this category in the period since Independence may be viewed against the background of the corresponding level of earnings in the period immediately before Independence. Table 14.1 below shows the average annual earnings of this category of workers by major industrial groups in 1939 and also gives the indices for selected years. Table 14.1A compiled from the same source shows the data Statewise.

TABLE 14.1: *Index Numbers of Earnings of Factory Employees Earning less than Rs. 200/-per month (By Major Industries 1939-1951)*

Industry	Average Annual Earning in 1939 ²	Index Numbers: Base 1939=100			
		1945	1947	1949	1951
1	2	3	4	5	6
	Rs.				
Textiles	284.00 100.00	211.9	263.9	363.1	363.9
Engineering	317.00 100.00	191.3	220.6	289.1	348.9
Minerals and Metals	435.1 100.0	141.0	212.3	237.8	291.1
Chemicals and Dyes	220.8 100.0	210.2	288.9	357.7	443.3
Paper and Printing	335.0 100.0	165.0	215.9	270.4	302.9
Wood, Stone and Glass	193.5 100.0	238.1	281.0	340.9	395.3
Skins and Hides	286.0 100.0	177.8	207.9	312.4	276.2

¹The National Council of Applied Economic Research have conducted a study on the wage structure in the banking industry on behalf of the Indian Banks Association. The results of the study have recently been published by the Indian Banks Association.

²Figures worked out for the States of the Indian Union.

1	2	3	4	5	6
Ordnance Factories	362.2 100.0	200.2	225.8	351.9	272.2
Mints	367.5 100.0	193.7	292.5	391.6	423.2
Miscellaneous	250.7 100.0	188.1	255.7	346.2	447.7
<i>All Industries</i>	292.3 100.0	201.5	253.2	340.3	356.8

NOTE.—An idea of per capita annual money earnings for 1951 may be obtained from the Annexure II.

Source.—Index of Earnings of Factory Workers in India: Indian Labour Gazette, October, 1953

TABLE 14.1A: *Index Numbers of Earnings of Factory employees Earning less than Rs.200/-per month
By Provinces 1939-1951*

Province	Average Annual Earnings in 1939	Index Numbers (Base 1939=100)			
		1945	1947	1949	1951
1	2	3	4	5	6
	(Rs.)				
Assam	263.7 100.0	263.5	302.0	388.7	424.4
Bihar	415.5 100.0	133.8	204.9	227.6	278.0
Bombay	370.4 100.0	223.6	267.3	336.9	349.2
M.P. . . . .	..	286.2	325.7	437.6	405.7
Madras	175.9 100.0	204.0	337.6	438.9	377.8
Orissa	161.8 100.0	230.0	300.3	417.9	521.3
Punjab	295.0 100.0	209.8	234.1	345.5	264.5
U.P.	235.6 100.0	223.7	284.0	427.2	418.7
W. Bengal	248.7 100.0	176.7	222.8	333.5	363.3
Ajmer	163.7 100.0	231.3	273.3	343.2	443.4
Delhi	309.4 100.0	242.4	266.3	323.6	453.8
All Provinces	292.3 100.0	201.5	253.2	340.3	356.8

NOTE.—For absolute figures of per-capita annual earnings, see Annexure II-A.

Source.—Index of Earnings of Factory Workers in India: Indian Labour Gazette, October, 1955.

14.16 It will be observed from Table 14.1 that compared to the pre-war (1939) level, the money earnings of industrial workers (manufacturing), in general, nearly doubled by 1945 and in the course of the next six years reached roughly three-and-a-half times the pre-war level. The order of improvement was somewhat larger in the case of chemicals and dyes; mints; wood, stone and glass; textiles, skins and hides; minerals and metals; and paper and printing. The least improvement was recorded by ordnance factories. The improvement might have been dependent on the state of labour organisation in an industry, the initial level of wages, the rise in cost of living and the consequent need to protect real wages, and the state of the industry which made payments of higher wages possible. Province-wise, the gains were comparatively more in Orissa, Assam, Uttar Pradesh, Madhya Pradesh and Madras. Reasons for the gains in different provinces may be the same as those in different industries.

14.17 Real Earnings 1939-1951.—Improvements in the average money earnings furnish

no idea of changes in real terms. To assess these changes, the price variations were taken into account. For the period 1939-49, no authoritative official all-India series of consumer prices in respect of industrial workers is available. Adjusting the money earnings on the basis of consumer price index numbers (all-India) constructed by the Labour Bureau, it could be concluded that real earnings started declining from the year 1940, reaching the trough in the year 1943 when they were almost 33% below the 1939 level. By 1945 they picked up somewhat. It will be observed from Table 14.2, that steady recovery in real earnings took place after Independence. This improvement can distinctly be related to the upward revision of wages granted by industrial tribunals set up under the Industrial Disputes Act, 1947. However, the loss in real earnings that had taken place during the war (1939-45) had not been recouped even by the year 1950; on the eve of planning, real earnings were still 10 per cent below the 1939 level. Relevant data are given in the following table:—

TABLE 14.2 *Index of Real Earnings*

Year	Index	Year	Index	Year	Index
1	2	1	2	1	2
1939	100.0	1943	67.0	1947	78.4
1940	108.6	1944	75.1	1948	84.4
1941	103.7	1945	74.9	1949	91.7
1942	89.0	1946	73.2	1950	90.1
				1951	92.2

Source: Indian Labour Year Book, 1954-55

Trends since 1951

14.18 Industry-wise data on per capita money earnings for the period 1950-64 are set out in Annexure II. Changes which have taken place State-wise are in Annexures II-A and II-B. These are in respect of employees earning less than Rs. 200 per month. Similar information for those earning less than Rs. 400 per month for the period 1961-67 is given in Annexures¹ II-C and II-D. We are not, however, commenting on the latter series as they relate to a short

period. While these data are useful in assessing the inter-State and industry-wise trends in the movement of the earnings of workers employed in manufacturing industries, the overall trends of money earnings and real earnings could be more conveniently analysed with the help of the index numbers of money earnings of factory workers compiled on the basis of these very data and all-India Consumer Price Index numbers. These indices are set forth in Table 14.3 below.

¹ As the series relating to employees earning less than Rs. 200 p.m. has been discontinued since 1964 and that for those earning less than Rs. 400 p.m. will be operative, these data are provided as a useful piece of information.

TABLE 14.3: *Movement of Money and Real Earnings of Factory Workers Earning less than Rs. 200 per month: 1951 to 1964.*

Year	Index of Money Earnings Per Worker (Base 1951=100)	All India Consumer Price Index (1949 base shifted to 1951) (1951=100)	Index of Real Earnings Per Worker (Base 1951=100)
1	2	3	4
1951	100.0	100.0	100.0
1952	107.1	98.1	109.2
1953	107.7	101.0	106.6
1954	107.7	96.2	112.0
1955	113.1	91.4	123.7
1956	115.4	100.0	115.4
1957	120.8	105.7	114.3
1958	122.3	110.5	110.6
1959	126.4	115.2	109.7
1960	134.4	118.1	113.8
1961	138.6	120.0	115.5
1962	144.0	123.8	116.3
1963	145.2	127.6	113.8
1964	151.4	144.8	104.6

Source: Indian Labour Statistics, 1968 Table Nos. 12.7 & 4.2.

14.19 The per capita average annual money earnings of workers earning less than Rs. 200 per month have risen almost continuously over the entire period 1951 to 1964, the level in 1964 being roughly one-and-a-half times that in 1951. Within this period, there was a rise of nearly 13 per cent during 1951-1955, corresponding broadly to the five years of the First Plan. The succeeding five years (1955-1960) recorded a further improvement of about 19 per cent. During the next four years (1960-64), average money earnings rose further by a little less than 13 per cent. Since the cost of living index number declined by 8.6 per cent during 1951-55, there was an improvement of the order of 24 per cent in the real earnings per worker. During 1955-60, however, the rise in cost of living was about 29 per cent and the real earnings showed a decline of approximately 8 per cent compared to 1955. The level of real earnings in 1960 was still about 14 per cent above the 1951 level. In 1961 and 1962

the level of real earnings again picked up, but 1963 and 1964 witnessed a significant decline, bringing the 1964 real wage level nearer to 1951. Thus, during 1951-64, real wages have shown little improvement, while in 1964 there has been a substantial decline.¹ This conclusion suffers from a limitation as it is not based on the average earnings of all workers and there might have been, during this period, a change in the proportion of workers employed in different wage ranges.

Components of Earning

14.20 In this context, it would be useful to have an idea of the composition of the money earnings of workers engaged in manufacturing industries in recent years. Data at the all-India level are available for the years 1958 to 1964 in respect of those earning less than Rs. 200 per month and for years 1961 to 1965 for employees earning less than Rs. 400 per month.

¹Provisional data for the year 1965 and 1966 which have now become available do not indicate any change in the trend. All these estimates are on the basis of the uncorrected Consumer Price Index Numbers. The fall in real wage would be more if corrected indices are used.

These are presented below in Tables 14.4 and 14.4A.

TABLE 14.4: *Component-wise Per Capita Annual Earnings of Employees in Manufacturing Industries Earning less than Rs. 200 per month (In Rs.)*

Year	Basic Wages	Cash Allowances	Annual Bonus	Money Value of Concessions	Arrears	Gross Wages
1	2	3	4	5	6	7
1958 ¹	704.51 (54.14)	528.51 (40.62)	55.85 (4.29)	5.01 (0.39)	7.32 (0.56)	1301.20 (100.00)
1959 ²	727.34 (54.72)	540.40 (40.65)	49.55 (3.73)	6.02 (0.45)	5.99 (0.45)	1329.30 (100.00)
1960 ³	838.60 (59.38)	516.00 (36.54)	41.60 (2.94)	5.00 (0.35)	11.10 (0.79)	1412.30 (100.00)
1961 ⁴	880.39 (62.07)	479.66 (33.81)	44.81 (3.16)	5.61 (0.40)	8.01 (0.56)	1418.48 (100.00)
1962 ⁵	903.31 (62.20)	480.15 (32.88)	59.14 (4.05)	5.55 (0.38)	7.15 (0.49)	1460.30 (100.00)
1963 ⁶	939.61 (63.53)	462.19 (31.25)	64.63 (4.37)	4.44 (0.30)	8.13 (0.55)	1479.00 (100.00)
1964	951.55 (62.52)	516.72 (33.95)	41.86 (2.75)	4.11 (0.27)	7.76 (0.51)	1522.00 (100.00)

N.B.—Figures in brackets indicate percentage to total (gross) wages.

¹Excluding Madhya Pradesh, Punjab, Kerala and Madras.

²Excluding Madhya Pradesh.

³Excluding Jammu & Kashmir, Madras, Mysore, Madhya Pradesh.

⁴Excluding Jammu & Kashmir.

⁵Excluding Jammu & Kashmir, Tripura and Delhi.

⁶Excluding Manipur and Jammu & Kashmir.

Source.—Annual Reviews on earnings of Employees in Manufacturing Industries published in various issues of the Indian Labour Journal.

TABLE 14.4-A: *Component-wise Per Capita Annual Earnings of Employees in Manufacturing Industries Earning less than Rs. 400 per month*

(in Rupees)

Year	Basic Wages	Cash Allowances	Annual Bonus	Money Value of Concessions	Arrears	Gross Wages
1	2	3	4	5	6	7
1961	971.36 (62.98)	501.36 (32.50)	54.54 (3.54)	6.53 (0.42)	8.59 (0.56)	1542.38 (100.00)
1962	1016.14 (63.26)	505.26 (31.45)	70.70 (4.40)	6.75 (0.42)	7.48 (0.47)	1606.33 (100.00)
1963	1075.32 (64.74)	493.00 (29.68)	77.73 (4.68)	6.31 (0.38)	8.64 (0.52)	1661.01 (100.00)
1964	1112.96 (63.78)	561.02 (32.15)	57.06 (3.27)	5.76 (0.33)	8.20 (0.47)	1745.00 (100.00)
1965	1190.59 (60.90)	667.24 (34.13)	79.18 (4.05)	7.43 (0.38)	10.56 (0.54)	1955.00 (100.00)

N.B.—Figures in brackets indicate percentage to total.

Source.—Annual Reviews on Earnings of Employees in Manufacturing Industries published in various issues of the Indian Labour Journal.

14.21 We are conscious that the data in Tables 14.4 and 14.4A are incomplete, as statistics from some States are not included in them. We do not consider that the proportions in the Tables will be materially affected since the States not covered in any year account for a small percentage of industrial employment. These tables show that in the case of both sets of workers i.e., those getting less than Rs. 200 per month and those earning less than Rs. 400 per month, basic wages have on an average constituted a little over 60 per cent of the total earnings. The contribution of annual bonus to total earnings works out to an average of 3.6 per cent during 1958-64 in the case of workers earning less than Rs. 200 per month; while for those who earn below Rs. 400 per month, it is a little over 4 per cent for the period 1961-65. The money value of concessions, in case of either category, accounts for only a small fraction of the total. The all-India picture of the different compon-

ents of average earnings is at variance with that obtaining in some States (Maharashtra and Gujarat) and in some industries, notably textiles, where the basic wages form a small part of the total earnings. In Jammu and Kashmir, Punjab, Himachal Pradesh, Andhra Pradesh, Bihar and Assam, however, the proportion of basic wage to total earnings is much higher than the average.

Inter-State Differentials

14.22 Maharashtra (Rs. 1684) and Andhra (Rs. 950) form the two extremes between which the average annual earnings (average based on data for the years from 1956 to 1964) of workers getting less than Rs. 200 p.m. lie. The object in presenting an average over a long period is to avoid undue disturbance in inter-State differentials on the basis of data for one year only. The pattern of ranking which emerges is in conformity with expectations.

TABLE 14.5: *Per Capita Annual Earnings of Employees in Manufacturing Industries Earning less than Rs. 200 per month by States (Average for 1956-64)*

State	Average annual earnings in Rupees 1956-64	Rank	Percentage to (Maharashtra)
1	2	3	4
Andhra	950	XIV	56.4
Assam	1360	V	80.8
Bihar	1362	IV	80.9
Gujarat	1655	II	98.3
Kerala	977	XIII	58.0
M.P.	1409	III	83.7
Madras	1226	VII	72.8
Maharashtra	1684	I	100.0
Mysore	1170	IX	69.5
Orissa	1122	X	66.6
Punjab	1069	XI	63.5
Rajasthan	1006	XII	59.7
U.P.	1181	VIII	70.1
West Bengal	1270	VI	75.4

Inter-industry Differentials

14.23 Data pertaining to average annual earnings of workers getting less than Rs. 200 per month for the period 1956-65 in respect of selected industries, presented in Table 14.6, indicate that earnings were lowest in jute textiles and highest in products of petroleum and coal.

Next to products of petroleum and coal, industries in the descending order are ship-building and repairing, cement, cotton textiles, electricity, steam and gas, and basic metal industries. During the period there have been improvements in the levels of earnings in industries which lie comparatively on the lower side of the scale, thus reducing the differentials.

TABLE 14.6: *Per Capita Annual Earnings (1956-64) of Employees Earning less than Rs. 200 per month in Selected Manufacturing Industries and the respective level of Individual industries in relation to the highest-earning industry*

(In Rupees)

Sl.No.	Industries	Year Av. 1956-64	Percentage	Rank*
	1	2	3	4
1.	Products of Petroleum & Coal	1910	100.0	I
2.	Ship-building and Repairing	1670	87.4	II
3.	Rubber & Rubber Products	1456	76.2	IX
4.	Basic Metal Industries	1553	81.3	VI
5.	Transport Equipment	1529	80.1	VII
6.	Electricity, Gas & Steam	1564	81.9	V
7.	Cotton Mills	1570	82.2	IV
8.	Electrical Machinery, Apparatus, Appliances and Supplies	1462	76.5	VIII
9.	Recreation Services	1232	64.5	XVII
10.	Silk Mills	1289	67.5	XIII
11.	Cement	1591	83.3	III
12.	Printing & Publishing and Allied Industries	1293	67.7	XII
13.	Machinery (except Electrical)	1294	67.7	XI
14.	Water and Sanitary Services	1209	63.3	XVIII
15.	Metal Products (except Machinery & Transport equipment)	1259	65.9	XV
16.	Footwear, Other Apparels and Made-up Textile Goods	1393	72.9	X
17.	Paper	1257	65.8	XVI
18.	Paper and Paper Products	1274	66.7	XIV
19.	Jute Mills	1124	58.8	XIX

*The idea of ranking industries in this manner has been discussed in "Wage Differentials in Indian Industries", a publication of the National Council of Applied Economic Research (pp. 6-24). While the conclusions of the NCAER are based on data for 1956-63, we have revised the ranks on the latest available information.

14.24 Annexure III shows variations for the same industry in different States and for different industries in the same State. Barring extremes for each industry, and in any case extremes can be explained by some extraneous

factors, variations appear to be narrow in transport equipment, products of petroleum and coal, printing, and paper and paper products. In electrical machinery and other ma-

chinery as also in leather/footwear, wide variations seem to be the rule. A part of the explanation for these variations seems to be the heterogeneity of the product. With a finer industry classification, the range could be less wide. Also, the low average wage level in some States is due to the preponderance of low-wage industries in these States. Table 14.7 shows the range of variations omitting the highest and the lowest in each industry in Annexure III and the percentage which the range bears to the average for the industry in 1964.

Apart from these broad inter-industry and inter-State comparisons, another aspect of differentials will be the range between the lowest and the highest paid workers in the industry. The Occupational Wage Survey (1958-59) contains some data of analytical value. Since then, there have been substantial changes which have generally contributed to the narrowing of differentials within an industry, but the extent of these changes cannot be indicated as data are too scanty for that purpose.

TABLE 14.7: *Range of Variations in Per Capita Annual Earnings of Employees (1958-64) for the same Industry in Different States.*

Industry	Range of variation	All India Average*	Range × 100 Average
1	2	3	4
Textiles	866	1649	52.52
Foot wear/Other Wearing Apparel and Made up Textile Goods	1133	1541	73.52
Paper and Paper Products	538	1413	38.07
Printing, Publishing and Allied Industries	528	1443	36.59
Leather & Leather products (except footwear)	1008	1466	68.76
Chemicals and Chemical products	1032	1497	68.94
Products of Petroleum & Coal	630	1728	36.46
Non-metallic Mineral products (except products of Petroleum and Coal)	547	1065	51.36
Basic Metal Industries	973	1514	64.27
Metal Products (except Machinery and Transport Equipment)	682	1318	51.74
Machinery (except Electrical Machinery)	1003	1428	70.24
Electrical Machinery Apparatus	1115	1558	71.57
Appliances & Supplies			
Transport Equipment	631	1731	36.45
Electricity, Gas & Steam	684	1517	45.09
Water & Sanitary Service	882	1277	69.07

*Relates to 1964.

Mining

14.25 Out of the total employment provided by mining activities, over 60 per cent is in coal mines; manganese and mica mines together account for another 10 per cent. Due to expansion of iron ore mining, employ-

ment in this branch of mining has been rising in the more recent years and at present accounts for nearly 8 to 9 per cent of the total employment in mining. The rest of the employment in this sector is spread over copper and gold mines and limestone, china clay and

stone quarries. The trends in the earnings of mine workers are reviewed State-wise, depending upon the predominance of a particular mining activity in a State; only in the case of coal mining, a review in terms of all coal-fields in the country is possible.

14.26 Absolute figures relating to average daily earnings of mica mine workers in Bihar and manganese mine workers in Madhya Pra-

desh for 1951—1967 are given in Annexure IV. The review attempted is on the basis of data published by the Director General of Mines Safety, referred to earlier. Taking only two broad groups of mine workers, coal mine workers and non-coal mine workers, the general trend in the movement of money wages during 1951 to 1967 is brought out by the indices given in Table 14.8 below:

TABLE 14.8: *Index Numbers of Money Earnings of Coal mine and non-Coal mine workers during December each year 1951—1967*

(Base December 1951=100)

Year	Coal Mines	Non-Coal Mines	All Minerals
1	2	3	4
1951	100.0	100.0	100.0
1952	107.4	101.9	105.7
1956	158.7	110.7	143.6
1961	214.7	161.7	198.0
1962	221.2	169.5	204.9
1963	240.2	171.9	218.7
1964	241.7	175.3	220.8
1965	280.5	189.7	251.9
1966	309.8	194.8	273.6
1967	417.1	218.4	354.5

Source : Indian Labour Statistics.

14.27 Money earnings of non-coal mine workers have all along lagged behind those of coal miners. In part at least, this is due to the reason that in some non-coal mines, *e.g.*, bauxite and gypsum mines, mica works, etc., conditions of sweated labour have prevailed; the Minimum Wages Act, 1948 has however been extended to them.¹ Over the period 1951 to 1967, while the money wages of coal miners improved by 317 per cent, the improvement in the case of others was only about 118 per cent.

Movements of the money earnings of workers in important non-coal mines, over the period 1951 to 1967, in different mining areas are brought out in Annexure V.

Inter-Sectoral Comparison

14.28 The following table compares the movements in money and real earnings of workers in mines and of factory workers:

¹Evidence from Rajasthan showed that even with the low wages for mica workers, wage payments by employers were in arrears by two to four months, in some cases even for a longer period.

TABLE 14.9: Average Annual Money and Real Earnings per worker: Factories and Mines¹

Index Numbers 1951 to 1964 (Base 1951=100)

Year	All-India Consumer Price Index Number	Money Earnings Per Worker				Real Earnings Per Worker			
		Factories	Coal Mines	Non-Coal Mines	All Minerals	Factories	Coal Mines	Non-Coal Mines	All Minerals
1	2	3	4	5	6	7	8	9	10
1951	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1952	98.1	107.1	107.4	101.9	105.7	109.2	109.5	104.0	107.8
1953	101.0	107.7	107.5	101.6	105.6	106.6	106.4	100.6	104.5
1954	96.2	107.7	109.7	103.1	107.8	112.0	114.0	107.2	112.1
1955	91.4	113.1	112.2	104.9	109.9	123.7	122.8	114.8	120.2
1956	100.0	115.4	158.7	110.7	143.6	115.4	158.7	110.7	143.6
1957	105.7	120.8	178.9	118.5	159.9	114.3	169.2	112.1	151.3
1958	110.5	122.3	194.2	120.9	170.6	110.6	175.7	109.4	154.4
1959	115.2	126.4	210.3	124.1	183.1	109.7	182.6	107.7	158.9
1960	118.1	134.4	214.9	134.5	189.6	113.8	182.0	113.9	160.5
1961	120.0	138.6	214.7	161.7	198.0	115.5	178.9	134.7	165.0
1962	123.8	144.0	221.2	169.5	204.9	116.3	178.7	136.9	165.5
1963	127.6	145.2	240.2	171.9	218.7	113.8	188.2	134.7	171.4
1964	144.8	151.4	241.7	175.3	220.8	104.6	166.9	121.1	152.5

¹For limitations of such comparisons please see para 14.37 read with 14.3, 5 and 7.

Source : Indian Labour Statistics, 1968.

14.29 The real earnings of factory workers improved only marginally during the period 1951 to 1964, while improvement in the case of coal miners and non-coal miners was of the order of 67 per cent and 21 per cent respectively. The main reason for this rise in the case of coal miners is that at the base period the wages in coal mines were low. During the period 1951—55, improvement in the real earnings of factory workers and of coal miners was about the same *i.e.*, 23 per cent, while non-coal miners lagged behind by about 8 per cent. Thereafter, the real earnings of factory workers tended to move downwards converging with the level of non-coal miners at 114 in 1960, while the earnings of coal miners recorded a

consistent upward trend, the index reaching a near peak at 182 during the same time-span. The real earnings of factory and coal workers have tended to fall during the period 1960—64, while that of non-coal miners improved in 1961 and remained at that level until 1963, thereafter falling in 1964 to come in line with that of factory and coal workers.

14.30 An examination of the total wage, according to its components, shows that contrary to the position obtaining in the earlier years, the basic wage of coal miners now forms a larger proportion of the total earnings, particularly since the implementation of the Wage Board award as from November, 1967.

TABLE 14.10 *Component-wise Average Weekly Earnings of 'Below Ground' Miners and Loaders in Coal Mines in Jharia and Raniganj.*

(In Rupees)

Year	Jharia				Raniganj			
	Basic Wages	D.A.	Other Cash Payments	Total	Basic Wages	D.A.	Other Cash Payments	Total
1	2	3	4	5	6	7	8	9
1952	4.71	6.91	1.49	13.11	4.10	6.15	1.63	11.88
1956	6.52	9.56	1.29	7.37	5.80	8.37	1.56	15.73
1961	8.89	11.88	2.72	23.49	8.53	11.97	2.87	23.37
1962	9.00	12.02	2.81	23.83	8.88	12.41	3.04	24.33
1963	9.02	12.50	4.42	25.94	9.00	12.84	4.53	26.37
1964	8.79	12.31	4.98	26.08	8.80	12.84	5.28	26.92
1965	9.21	12.96	7.19	29.36	8.91	13.81	7.45	30.17
1966	9.29	13.23	8.72	31.24	9.28	14.20	8.53	32.01
1967	13.25	12.50	9.80	35.55	13.70	13.98	9.68	37.36
October 1968	38.69	4.06	4.65	47.40	39.63	5.02	4.95	49.60

Source: Indian Labour Journal, April 1969.

Plantations

14.31 Average monthly cash earnings for plantation workers are available for a continuous period of years in respect of the Assam Valley and Cachar Valley estates in Assam. Data available give a break-up for men, women, and children separately and cover the period 1938-39 to 1961-62. These are set out in Annexure VI together with the data for the years 1961 to 1964 relating to tea estates in West Bengal. Information in regard to average per capita annual earnings of plantation workers in other States available for recent years (1962-65) is in Annexure VI-A. Plantation workers earned a low wage in the days prior to Independence; the method of wage payment also differed. Concessions and facilities, supplementing wages, were available in many gardens. These included (a) land for cultivation, (b) free housing, (c) medical attendance, (d) maternity benefits, (e) fuel and grazing facilities, and (f) provision of foodstuffs and clothing at cheaper rates. Some of these concessions continue till today, partly under the

Plantations Labour Act, 1951, and partly on a voluntary basis.

14.32 Plantations were brought under the Minimum Wages Act, 1948, but plantation workers have improved their position since Independence mainly because of the strength of workers' organisation. Settlements through collective bargaining have improved wage rates as much as decisions taken in the meetings of the Industrial Committee on Plantations in 1961. A consequence of one such decision was the setting up of the Central Wage Boards for Tea, Coffee and Rubber Plantations. The Wage Board for Coffee submitted its recommendations in 1965 and the Wage Boards for Tea and Rubber in 1966. The recommendations of the Wage Boards are to be in force for a period of five years. Annexure VI-B summarises the wage rates as prevailing since 1-4-1966 in the light of the Wage Board recommendations (Tea). The basic wage is to be supplemented by a dearness allowance to be determined according to the formulae recommended by the Board.¹ The recommendations

¹The dearness allowance is to vary in North East India at 0.4 paise and in North India and South India at 0.75 paise per day per point of increase (above 170 points) in the average All India Consumer Price Index Number subject to a maximum increase of 16 points in North East and South India (or 6 paise in North East India) and 12 points in North India in any one calendar year. Any excess over this limit, in any year, upto the level of 200 points, is to be carried over to the following year. No dearness allowance revision beyond 200 points before 31st December, 1970. Dearness allowance to be rounded off at the end of each month.

of the Central Wage Board for Rubber were modified by the Government and certain adjustments were also made by the Plantations Labour Committee in Kerala. Payment of a separate dearness allowance linked to the Consumer Price Index was recommended by the Wage Board. The Coffee Wage Board fixed an escalatory wage structure with consolidated wages to compensate for the possible rise in cost of living. Wage rates as recommended by the Wage Boards are given in Annexures VI-C and VI-D.

TRANSPORT

Railway Employees

14.33 The Railways, as an industry, are the largest single employer of labour. The Rau Court of Enquiry in 1940 examined the case for granting dearness allowance to Railway employees; increases to the extent of about 17½ per cent of pay were given as a consequence. These increases brought the minimum earnings of Railway employees to about Rs. 40 per month. The Rege Committee observed that the basic wages of the subordinate staff in the Railways were low and that they had no chances of promotion either. With the rise in prices since the Rau Court of Enquiry reported, a further relief was granted to Railway employees in 1943, by way of supply of foodstuffs at concessional rates. The earnings of Class IV employees of Government Railways since Independence are given in Annexure VII

along with their break-up according to various components. It reveals that dearness allowance in the year 1948-49 was about 28 per cent of total wages and increased to 45 per cent in the following year 1949-50. The share of dearness allowance, which included grainshop concessions, ranged between 45 and 48 per cent of total wages until 1954-55. During the year 1955-56, which also happened to be a good crop year, grain shop concessions were withdrawn from many places. The merger of dearness allowance with pay was also responsible for a decline in the relative share of dearness allowance in total wages. However, due to the rise in cost of living in recent years, the share of dearness allowance in total wages has gone up. In the year 1967-68, it amounted to about one-third of the total gross wages. The other allowances for overtime, house rent, city compensation, bad climate, remote locality, etc., have ranged between 4 to 8 per cent of total wages during the last twenty years. The component-wise earnings of railwaymen during the year 1967-68, the latest year for which data are available, are: pay and leave salary 59.6 per cent, dearness allowance 33.6 per cent, and other allowances 6.8 per cent. These are more or less similar to the component-wise earnings of an industrial worker in 1965, the year for which latest data are available.

14.34 The trends in money and real earnings of railway employees over the years are given in the following table:

TABLE 14.11. *Movement of Money and Real Earnings of Class IV Employees of Government Railways, 1949-50 to 1967-68*

Year	Index of Money Earnings per Class IV Employee Base 1949-50=100	All India Consumer Price Index Base 1949=100	Index of Real Earnings per Employee Base 1949=100
1	2	3	4
1949-50	100	100	100
1950-51	103	101	102
1955-56	122	96	127
1960-61	142	124	115
1961-62	143	127	113
1962-63	152	131	116
1963-64	157	137	115
1964-65	168	157	107
1965-66	182	169	108
1966-67	196	191	103
1967-68	215	213	101

1 Index of Earnings are based on earnings data given in Annexure VII.

2 Consumer Price Index Numbers are for financial years.

The movement of real earnings since Independence in the case of Class IV Railway employees followed more or less the same pattern as that of factory workers.

Port and Dock Workers

14.35 There are two main categories of workers in the Docks: (i) Monthly Workers and (ii) Reserve Pool Workers. The monthly workers are regulars and enjoy security of employment; the reserve pool workers do not, but are registered in a pool and are employed by rotation. These latter are guaranteed minimum wages. The period of guaranteed minimum wages is 21 days in a month in Bombay, Calcutta, Madras and Cochin. The rates of wages are fixed by the Dock Labour Boards. Piece-rate schemes have been framed for the registered dock workers in the ports of Bombay, Madras, Cochin and Vishakhapatnam. Benefits of provident fund and gratuity are available in most ports. The level of earnings of certain selected categories of workers in different docks is given in the Annexure VIII.

14.36 During the last decade or so, the earnings of port and dock workers have been increasing in all the major ports. The rise is the result of many factors, the most important being greater work availability and increases in dearness allowance rates recommended by various pay fixing agencies. Cash benefits like holiday wages and paid weekly-off, which have been introduced from time to time, have also been responsible for the rise in total earnings. Among the port and dock workers, labour engaged by stevedores earn better; the nature of their work, working inside the holds of a ship, entitles them to higher wage rates. Also among the stevedore labour, there is a preponderance of piece-rate workers which explains their higher earnings.

Conclusions

14.37 Comparable data about the real earnings of workers in different sectors are not available, because earnings of factory workers are limited to the average earnings of those who are getting less than Rs. 200 p.m. (upto 1964), whereas in the case of miners the average earnings cover workers in all ranges. For plantation and dock workers, no comparable series is available. Subject to these limitations during

the period since Independence, it would appear that the maximum gain in real terms was secured by coal miners. Plantation workers also gained though not to the same extent. The reasons for the gain are explained in paras 14.31 and 14.32. Workers in mines other than coal, factory workers and railway employees followed in that order. Period-wise, the gains of the factory workers were mainly upto 1955. Coal miners improved their position since 1956. Improvement in the case of plantation workers does not follow any pattern, whereas in the case of mines other than coal, important gains have been in the last ten years; so is the case with port and dock workers. Bank employees, among the 'white collar' workers, secured better scales in the latter part of the period covered by our inquiry.

STANDARDISATION OF WAGES

14.38 A heterogeneous growth of wage rates in industries has been one of the heritages of the past. This heterogeneity prevailed for the same skills as between different industries as also for similar skills within an industry itself and that too at the same centre. Early attempts at standardisation of wages were made by the Bombay Industrial Disputes Committee in 1922, and again by the Textile Tariff Board in 1927. The latter recommended to the Mill-owners' Associations the adoption of a system of standardised wages for the same class of work as between mill and mill. The Bombay Mill-owners' Association thereupon evolved a scheme which was examined in detail by the Bombay Strike Enquiry Committee of 1928-29. The Whitley Commission pointed out the need for adoption of a common standard of payments for similar classes of work in some of the leading industries. It was satisfied that a large measure of uniformity could be introduced "in certain industries without prejudice to their economic position and, at the same time, a higher wage level can be secured to some of the lowest paid classes."¹ It recommended standardisation of wages in cotton textile and more specially in jute mills where almost no standard existed.²

14.39 In 1934 the Government of Bombay compiled valuable data for purposes of standardisation through a detailed wage census. Taking note of this compilation, the Bombay

¹Report of the Royal Commission on Labour, p. 215.

²Evidence of the Bengal Government before the Royal Commission reads: "Perhaps in no industry in the world, situated in such a circumscribed area, is the wage position more inchoate" (as in the jute industry) (pp. 215-216 of the Report of the Royal Commission on Labour).

Textile Labour Enquiry Committee (1940) suggested a scheme of standardisation of wages. Reporting fifteen years after the Whitley Commission stressed the need for standardisation, the Rege Committee concluded that no progress had been made in the matter except in the cotton textile industry in Bombay and Ahmedabad. The Committee attributed it to "an imperfect appreciation on the part of employers of the need for standardisation or the anxiety of the industries concerned not to unsettle labour by bringing out changes in the wage structure".¹ The Committee itself conducted a wage census and identified the industries in which little or no progress took place in this regard. Among them were jute, matches, silk, and wool, where no standardisation either of wages or of occupations existed and where wide disparities were found to prevail in the wages obtaining in different units in the same centre. While this was the position in general, some of the industry reports of the Rege Committee refer to arrangements made by well-knit employer groups on a voluntary basis for retaining labour in labour shortage areas. The essence of these arrangements was an understanding among employers to maintain comparable wage rates and not to attract labour away from another employer by a better offer.

14.40 The Committee on Fair Wages showed its strong preference in favour of standardisation. But even prior to its report, large sections of textile workers in Bombay Province

and engineering workers in Bengal had, through Industrial Courts/Tribunals, secured the benefit of standardised wages. In 1950, a Committee was appointed for standardisation of wages in the sugar industry. The First Plan recommended *inter alia* a clear objective of accelerating the process of standardisation of wage rates and extending this process to as large a field as possible even as industrial tribunals sought to introduce a measure of uniformity in wage fixation. The Labour Appellate Tribunal, whose life was more or less coterminous with that of the First Plan helped in this process. The setting up of Wage Boards beginning from 1957 gave a real fillip to standardisation of wages in individual industries. But inter-industry standardisation was outside their scope except to the extent the parties to wage settlement wanted to draw upon the experience in other industries. Craft unions could have played a part to bring this about but strong unions of that category do not exist. We have not favoured craft unions either on other grounds.² Such inter-industry standardisation as is necessary and desirable can, therefore, come in a group of industries which have attained a certain degree of stability and sophistication. In our context standardisation between different industries for the same skill may not have much of an appeal. It will come only when skills are in short supply. In the meanwhile the standardisation of occupational nomenclature and arrangements for wage census³ on a regular basis would assist in standardising wage rates.

¹Labour Investigation Committee Main Report, pp. 265-266.

²See Para 20.21.

³The Occupational Wage Survey (1958-59) has brought out useful data and the results of Second Wage Census (1963-64) are awaited.

ANNEXURE I
(Refer Para 14.1)

Employment in Selected Organised Sectors

(in '000s)

Sector	1951	1956	1961	1964	1965	1966	1967
1	2	3	4	5	6	7	8
Factories ¹	3,224	3,433	3,928	4,616	4,730	4,702	4,743
Mines	549	629	671	687	691	699	671
of which Coal Mines	352	352	411	431	425	425	414
Plantations							
Tea	1,018	1,005	823	819	807	..	..
Coffee	175	227	285	222	236(P)	..	..
Rubber ²	43	62	102	116	122(P)	127(P)	..
Railways	923	1,031	1,163	1,276	1,324	1,358	1,370(P)
of which class IV	591	655	697	777	795	802	798(P)
Dock Labour Boards ³							
Registered Workers	..	..	19	..	20	24 ⁴	24 ⁵
Listed Workers	..	..	9	..	10	12 ⁴	12 ⁵

¹Estimated. Includes estimated missing figures for establishments not submitting returns.

²Data from 1961 onwards are not comparable with those of earlier years.

³Relates to Bombay, Calcutta, Madras, Cochin, Visakhapatnam and Mormugao Dock Labour Boards.

⁴As on 1-1-1967.

⁵As on 1-1-1968.

P—Provisional.

Source: Indian Labour Statistics, 1967, 68 and 69.

ANNEXURE II
(Refer Para 14.15 and 14.18)

*Per Capita Annual Money Earnings of Employees Earning less than Rs. 200 per month
Manufacturing Industries: 1950 to 1964*

(Figures in Rs.)

Sl. No.	Industry	1950	1951	1953	1955	1956	1958	1960	1961	1963	1964
1	2	3	4	5	6	7	8	9	10	11	12
1.	Beverages	893	969	916	984	861	889	957	1001	983	1146
2.	Cotton Mills	1162	1178	1228	1302	1360	1425	1556	1656	1740	1790
3.	Jute Mills	807	815	914	995	1034	1045	1130	1093	1227	1336
4.	Footwear, Other Wearing Apparel and Made-up Textile Goods	852	989	1038	1101	1098	1336	1425	1460	1359	1541
5.	Paper and Paper Products	910	958	998	1063	1036	1226	1294	1254	1598	1413
6.	Leather and leather products (except Footwear)	641	752	879	837	757	1118	944	1180	1289	1466
7.	Chemicals and Chemical Products	872	868	1036	957	981	1308	1334	1449	1579	1497
8.	Products of Petroleum and Coal	1047	1132	1403	1493	1686	1850*	2042	1855	1969	1728*
9.	Manufacture of Cement	802	919	1156	1184	1206	1410	1462	1685	1902	1940
10.	Basic Metal Industries	1176	1368	1711	1673	1488	1557	1499	1814	1552	1514
11.	Electrical Machinery Apparatus, Appliances and Supplies	1196	1238	1309	1340	1314	1470	1435	1496	1487	1553
12.	Transport Equipment	1052	1171	1164	1430	1473	1458	1422	1547	1621	1731
13.	Electricity, Gas and Steam	1185	1229	1413	1372	1455	1568	1506	1650	1602	1517
14.	Water and Sanitary Services	970	908	899	1041	1116	1207	1110	1318	1253	1277
15.	All Industries	958.7	1035.6	1111.1	1173.5	1187.0	1285.2†	1385.0	1417.0	1479.0	1522.0

*Excluding Assam.

†Excluding Kerala, Mysore and Madras.

Source: Indian Labour Statistics, 1959-68.

ANNEXURE II-A
(Refer Para 14.15 and 14.18)

*Per Capita Annual Money Earnings of Employees Earning less than Rs. 200 per month
Manufacturing Industries 1947 to 1955*

BY STATES
(Figures in Rs.)

Sl. No.	State	1947	1949	1950	1951	1953	1955
1	2	3	4	5	6	7	8
1.	Andhra	N.A.	N.A.	N.A.	N.A.	728.4*	610.4
2.	Assam	755.5	942.8	1,018.6	1,017.9	1,264.5	1,325.4
3.	Bihar	819.8	983.9	1,059.1	1,240.8	1,472.6	1,387.9
4.	Bombay	977.9	1,210.1	1,170.3	1,270.5	1,346.4	1,325.6
5.	Madhya Pradesh	572.3	841.9	936.8	862.0	939.3	998.3
6.	Madras	560.3	726.6	591.2	664.9	821.9	1,044.7
7.	Orissa	493.6	527.0	680.6	762.4	873.9	899.2
8.	Punjab	628.2	858.7	771.3	756.0	890.6	975.7
9.	Uttar Pradesh	672.8	993.0	933.0	960.4	1,054.0	999.5
10.	West Bengal	567.7	839.0	877.5	942.3	973.0	1,110.6
	Part A States	735.8	986.3	957.5	1,030.7	1,108.7	1,170.0
11.	Ajmer	445.3	552.8	660.0	694.2	605.1	962.6
12.	Coorg	407.4	400.0	251.9	583.3	513.5	637.0
13.	Delhi	877.7	1,028.4	1,061.6	1,292.6	1,279.6	1,345.3
	Part C States	797.1	963.4	1,003.9	1,211.8	1,185.4	1,303.9
	ALL STATES	737.0	985.8	958.7	1,035.61	1,111.1	1,173.5

*Figures prior to 1953 not available as the State was not in existence; upto 1952 figures were included in Madras.

Source: Indian Labour Statistics.

*Per Capita Annual Money Earnings of Employees Earning less than Rs. 200 per month
Manufacturing Industries 1956 to 1964*BY STATES
(Figures in Rs.)

Sl. No.	State	1956	1958	1960	1961	1963	1964
1	2	3	4	5	6	7	8
1.	Andhra Pradesh.	595	708	823‡	1,080	1,249	1,097
2.	Assam	1,526	1,223*	1,370	1,234	1,243	1,145
3.	Bihar	1,236	1,283	1,394	1,484	1,432	1,387
4.	Bombay	1,415	1,458	..	..	..	..
5.	Gujarat	..	..	1,623	1,617	1,613	1,756
6.	Jammu & Kashmir	..	..	..	..	..	776
7.	Kerala	736	803(E)	960	1,118	1,138	1,148
8.	Madhya Pradesh	982	1,217	1,212(E)	1,652	1,685	1,789
9.	Madras	950	1,079	1,294(E)	1,411	1,468	1,379
10.	Maharashtra	..	..	1,620	1,609	1,732	1,762
11.	Mysore	853	1,064(E)	1,107†	1,278	1,439	1,518
12.	Orissa	949	981	1,090	1,154	1,292	1,292
13.	Punjab	991	1,212	899	1,110	1,192	1,316
14.	Rajasthan	770	944	846	730	1,286	1,352
15.	Uttar Pradesh	1,014	1,103	1,154	1,201	1,279	1,394
16.	West Bengal	1,142	1,199	1,285	1,310	1,350	1,419
<i>Union Territories</i>							
17.	Andaman & Nicobar	689	1,017	1,064	1,149	1,262	1,213
18.	Delhi	1,467	1,330	1,521	1,531	1,586	1,757
19.	Himachal Pradesh	..	..	..	1,165	1,197	1,352
20.	Tripura	854	1,147	..	..	1,203	1,622
States/Union Territories submitting Returns		1,187	1,285	1,385	1,417	1,479	1,522

*Excludes Products of Petroleum & Coal, Metal Products etc.

†Excludes Industry Group Machinery except Electrical Machinery.

‡Excludes Agricultural Implements Factories.

E—Estimates.

Per Capita Annual Money Earnings of Employees Earning less than Rs. 400 per month in Manufacturing Industries 1961 to 1967

(Figures in Rs.)

Sl. No.	Industry	1961	1962	1963	1964	1965	1966(P)	1967(P)
1	2	3	4	5	6	7	8	9
1.	Textiles	1,550	1,647	1,658	1,751	1,966	2,145	2,316
	Cotton Mills	1,722	1,844	1,824	1,905	2,142	2,348	2,466
	Jute Mills	1,113	1,170	1,249	1,358	1,584	1,632	1,849
2.	Footwear, Other Wearing Apparel and Made-up Textile Goods.	1,540	1,725	1,740	2,042	1,988	1,975	2,035
3.	Paper & Paper Products	1,328	1,327	1,740	1,590	1,776	1,891	2,049
4.	Leather & Leather Products (except Footwear)	1,216	1,461	1,763	1,695	1,618	1,750	1,766
5.	Rubber & Rubber Products	1,888	1,730	1,870	1,918	1,971	2,029	2,449
6.	Chemicals & Chemical Products	1,639	1,708	1,802	1,779	2,112	2,295	2,409
7.	Products of Petroleum and Coal	2,434	2,488	2,536	2,490	2,755	2,908	2,999
8.	Non-Metallic Mineral Products (except Products of Petroleum and Coal)	1,067	1,044	1,078	1,129	1,250	1,371	1,445
9.	Manufacture of Cement	1,770	1,965	2,011	2,072	2,492	2,356	2,853
10.	Basic Metal Industries	1,879	1,932	2,106	2,072	2,378	2,556	2,582
11.	Metal Products (except Machinery and Transport Equipment)	1,455	1,555	1,667	1,752	1,934	1,978	2,063
12.	Machinery (except Electrical Machinery)	1,484	1,581	1,544	1,659	1,781	2,020	2,088
13.	Electrical Machinery Apparatus, Appliances and Supplies	1,670	1,678	1,723	1,911	2,209	2,276	2,275
14.	Transport Equipment	1,712	1,758	1,852	2,014	2,207	2,423	2,481
15.	Electricity, Gas & Steam	1,823	1,880	1,847	1,891	2,075	2,383	2,555
16.	Water and Sanitary Services	1,385	1,298	1,331	1,375	1,534	1,858	1,898
17.	<i>All Industries</i>	1,540	1,609	1,661	1,745	1,955	2,118(P)	2,232(E)

Source: Indian Labour Statistics 1967-69.

P.—Provisional

E.—Estimate

Per Capita Annual Money Earnings of Employees Earning less than Rs. 400 per month—Manufacturing Industries 1961 to 67—by States

(Figures in Rs.)

Sl. No.	State	1961	1962	1963	1964	1965	1966(P)	1967(P)
1	2	3	4	5	6	7	8	9
1.	Andhra Pradesh	1,149	1,152	1,330	1,168	1,261	1,457	1,542
2.	Assam	1,499	1,393	1,598	1,631	1,861	2,130	2,373
3.	Bihar	1,185	1,748	1,882	1,749	1,995	2,050	2,196
4.	Gujarat	1,702	1,764	1,714	1,888	2,136	23,40	2,663
5.	Haryana . . . . .	..	..	..	..	..	1,712	2,103
6.	Jammu & Kashmir . . . . .	..	..	..	782	751	978	978(E)
7.	Kerala	1,152	1,208	1,228	1,256	1,700	1,700	1,700(E)
8.	Madhya Pradesh	1,816	1,973	1,896	2,013	1,828	2,118	2,363
9.	Madras	1,465	1,563	1,583	1,508	1,810	2,083	2,244
10.	Maharashtra	1,775	1,867	1,920	2,031	2,242	2,477	2,477(E)
11.	Mysore	1,375	1,284	1,570	1,696	1,944	1,840	1,760
12.	Orissa	1,180	1,336	1,377	1,786	1,881	2,001	2,001(E)
13.	Punjab	1,174	1,258	1,266	1,418	1,642	1,636	1,705
14.	Rajasthan	761	1,360	1,334	1,412	1,575	1,368	2,344
15.	Uttar Pradesh	1,264	1,390	1,447	1,552	1,702	1,825	1,922
16.	West Bengal	1,410	1,484	1,578	1,696	1,867	2,024	2,176
<i>Union Territories</i>								
17.	Andaman and Nicobar Islands	1,234	1,324	1,346	1,325	1,439	1,621	1,566
18.	Delhi	1,655	1,819	1,736	1,961	2,195	2,321	2,489
19.	Goa . . . . .	..	..	..	..	..	2,105	2,105(E)
20.	Himachal Pradesh	1,288	1,491	1,248	1,433	1,160	..	..
21.	Tripura . . . . .	..	1,513	1,203	1,622	1,336	1,271	1,271(E)
All States/Union Territories		1,540	1,609	1,661	1,745	1,955	2,118	2,232(E)

E—Estimate. P—Provisional.

Source. Indian Labour Statistics 1967, 1968, 1969.

*Annual Average Earnings during 1958—64 of the
Manufacturing by*

Sl No.	Industry	Andhra Pradesh	Assam	Bihar	Gujarat	Kerala	Madhya Pradesh	Madras
1	2	3	4	5	6	7	8	9
1.	Food (except Beverages)	375	681	799	738	415	555	738
2.	Beverages	754	755	1,068	909	..	467	998
3.	Textiles	935	506	875	1,855	1,091	1,496	1,636
4.	Foot wear, Other Wearing Apparel and Made-up Textile Goods	363	..	1,798	1,024	665	781	859
5.	Paper & Paper Products	913	..	1,393	909	1,328	968	859
6.	Printing, Publishing & Allied Industries	839	1,531	1,045	1,339	1,204	1,099	1,360
7.	Leather & Leather Products (except Footwear)	381	..	1,846	957	..	819	1,078
8.	Chemicals & Chemical Products	453	1,481	1,348	1,489	1,977	1,598	1,148
9.	Products of Petroleum & Coal	1,091	2,136	1,670	1,917	2,518	1,583	1,788
10.	Non-metallic Mineral Products (except products of Petroleum and Coal)	658	1,121	1,339	1,011	920	1,548	1,212
11.	Basic Metal Industries	650	720	2,071	996	1,242	1,691	1,163
12.	Metal Products (except Machinery and Transport Equipment)	897	1,579	1,145	956	948	1,661	1,198
13.	Machinery (except Electrical Machinery)	758	1,336	1,761	1,161	1,350	1,310	1,216
14.	Electrical Machinery Apparatus, Appliances and Supplies	500	566	1,514	1,103	1,274	1,556	1,104
15.	Transport Equipment	1,279	1,350	1,029	1,303	1,372	1,660	1,601
16.	Electricity, Gas & Steam	653	1,461	1,456	1,796	1,909	1,234	1,632
17.	Water and Sanitary Services	1,049	2,077	1,257	1,318	1,041	1,343	1,496

ANNEXURE III
(Refer Para 14.24)*Employees Earning less than Rs. 200 per month in
Industries and States*

(Figures in Rs.)

Maha- rashtra	Mysore	Orissa	Punjab	Rajas- than	Uttar Pradesh	West Bengal	Industry	Sl. No.
10	11	12	13	14	15	16	2	1
866	572	464	823	447	1,022	681	Food (except Beverages)	1.
1,202	206	845	926	530	1,040	1,357	Beverages	2.
1,741	1,170	974	1,127	1,126	1,252	1,168	Textiles	3.
1,165	886	..	1,909	1,560	1,630	1,135	Foot wear, Other Wearing Apparel and Made-up Textile Goods	4.
1,083	1,067	1,448	1,201	1,064	1,235	1,447	Paper & Paper Products	5.
1,404	936	1,019	1,464	1,252	1,141	1,427	Printing, Publishing & Allied Industries	6.
1,175	749	396	879	..	1,404	1,006	Leather & Leather Products (except Foot wear)	7.
1,671	892	1,113	1,156	639	1,082	1,332	Chemicals & Chemical Products	8.
2,213	1,953	..	1,629	1,802	1,722	2,024	Products of Petroleum and Coal	9.
977	986	881	1,045	1,152	792	1,058	Non-metallic Mineral Products except products of Petroleum and Coal)	10.
1,412	930	1,328	1,090	718	1,228	1,468	Basic Metal Industries	11.
1,452	904	1,536	973	853	1,257	1,412	Metal Products (except Machinery and Transport Equipment)	12.
1,396	1,581	1,081	1,093	549	833	1,869	Machinery (except Electrical Machinery)	13.
1,556	1,615	131	977	1,045	1,363	1,617	Electrical Machinery Apparatus, Appli- ances and Supplies	14.
1,731	1,541	1,159	1,311	858	1,247	1,512	Transport Equipment	15.
1,623	1,336	1,218	1,429	1,112	1,497	1,774	Electricity, Gas and Steam	16.
974	1,856	555	1,116	1,301	1,084	1,195	Water and Sanitary Services	17.

Sources: Indian Labour Statistics 1958 to 1966.

ANNEXURE IV
 (Refer Para 14.26)

Earnings of Workers in Mines 1951 to 1967

Year	Coal Mines (All coal fields)			Mica Mines (Bihar)			Manganese Mines (Madhya Pradesh)		
	Average weekly earnings in December (Miners and loaders)			Average weekly earnings in December (Miners)			Average daily earnings in December (Miners)		
	Below ground	Opencast workings	Overall	Below ground	Opencast workers	Surface (unskilled)	Below ground	Opencast workings	Surface (unskilled)
1	2	3	4	5	6	7	8	9	10
1951	Rs. 12.52	Rs. 10.59	Rs. 11.11	Rs. 2.08	Rs. 1.78	Rs. 1.67	Rs. 1.83	Rs. 1.50	Rs. 1.31
1953	13.36	12.12	11.97	2.02	1.89	1.61	2.00	1.55	1.42
1955	13.79	12.42	12.48	2.01	1.74	1.65	2.09	1.55	1.58
1957	19.83	17.68	18.74	2.16	1.77	1.71	3.87	1.78	1.36
1958	21.73	20.50	21.34	2.10	1.82	1.70	2.50	1.70	1.65
1959	22.77	20.94	22.02	2.13	1.66	1.73	2.44	1.67	1.54
1960	24.32	21.76	23.56	2.25	1.96	1.83	2.62	2.02	1.62
1961	23.88	22.53	23.56	2.78	2.16	2.32	3.21	2.03	1.83*
1962	24.99	22.77	24.36	2.23	1.83	2.14	3.61	2.45	2.78
1963	26.69	24.49	26.63	3.05	1.50	2.16	2.46	2.50	2.22
1964	26.79	24.58	26.71	2.51	2.35	2.32	3.05	2.35	2.03
1965	30.39	29.18	30.18	2.44	2.32	2.43	3.12	2.24	2.56
1966	34.01	33.13	34.56	2.40	2.08	2.52	2.90	2.62	3.98
1967	47.75	38.07	46.31	2.38	..	2.36	2.86	2.46	2.72

*Figures for 1961 relate to workers other than clerical staff and factory workers.

Source: Indian Labour Statistics 1967—1969.

Money Earnings of Workers in Non-Coal Mines:
Index Numbers—1952—1967
(During December each year)

(Base: December 1951=100)

	1952	1956	1961	1962	1963	1964	1965	1966	1967
<i>Mica—</i>									
Bihar .	103.0	102.0	134.2	122.8	130.1	135.6	135.9	136.4	137.5
Rajasthan .	99.2	97.8	129.0	134.3	144.8	154.4	169.2	163.5	159.6
Andhra Pradesh .	94.0	94.3	144.1	141.0	144.5	142.5	144.2	151.5	155.9
<i>Manganese—</i>									
Madhya Pradesh.	102.8	111.1	156.9	194.3	190.0	171.0	176.5	167.4	160.4
Orissa .	102.8	111.5	149.6	158.8	160.9	177.8	176.4	181.4	255.5
<i>Iron Ore—</i>									
Bihar .	109.2	130.6	202.2	169.1	172.5	197.7	183.0	255.1	464.9
Orissa .	93.6	103.2	182.0	178.3	164.0	192.8	255.8	270.9	295.3
<i>Copper—</i>									
Bihar .	104.6	113.4	165.5	197.3	186.6	194.3	242.6	237.4	260.8
<i>Gold</i>									
Mysore (K.G.F)	103.0	121.3	183.3	177.1	182.1	180.8	215.9	203.2	211.0
<i>Limestone—</i>									
Madhya Pradesh.	103.2	127.0	206.0	291.4	271.6	301.5	336.8	368.5	419.6
Bihar .	103.8	113.0	204.2	183.2	227.2	241.6	272.2	304.7	326.0
<i>China Clay—</i>									
Bihar .	94.5	123.0	148.6	149.9	158.7	155.7	195.4	176.2	190.5
<i>Stone—</i>									
Bihar .	107.2	126.5	120.3	156.2	139.2	154.9	157.6	183.1	258.3
Total Non-Coal .	101.9	110.7	161.7	169.5	171.9	175.3	189.7	194.8	218.4

Source: Indian Labour Statistics.

Earnings of Workers in Tea Plantations

(i) ASSAM

(Average monthly cash earnings per worker in Rs.)

Year	Assam Valley			Cachar Valley		
	Men	Women	Children	Men	Women	Children
1	2	3	4	5	6	7
1938—39	7.95	6.45	4.57	6.34	4.34	2.13
1947—48	17.88	14.87	10.72	15.92	13.25	10.55
1948—49	19.26	15.21	9.44	15.82	10.59	8.22
1949—50	21.78	15.94	11.08	17.53	11.90	5.24
1950—51	20.53	17.33	11.68	16.51	15.08	10.37
1951—52	22.50	19.85	12.37	17.40	16.69	10.33
1952—53	21.09	18.42	11.53	17.09	16.16	10.08
1953—54	35.15	30.29	17.94	32.08	26.14	16.64
1954—55	40.71	35.61	21.65	31.93	27.07	17.43
1955—56	46.12	40.60	25.96	33.60	28.22	18.06
1956—57	47.48	41.42	25.01	32.35	27.86	18.43
1957—58	49.23	41.92	24.78	38.43	26.86	14.37
1958—59	45.45	38.76	23.28	30.24	27.38	18.70
1959—60	49.79	44.07	27.40	40.32	31.90	21.50
1960—61	50.77	45.67	29.87	40.59	30.58	27.74
1961—62	49.70	46.53	28.54	39.50	32.74	20.11

(ii) WEST BENGAL

(Average annual earnings per worker in Rupees)

Area	1961	1962	1963	1964
1	2	3	4	5
Darjeeling				
(i) Hill	N.A.	576	623	581
(ii) Terai	N.A.	575	707	734
Jalpaiguri	N.A.	..	..	..
Dooars	N.A.	767	568	766
Combined	732	690	592	706

Source: Indian Labour Statistics.

ANNEXURE VI-A
(Refer Para 14.31)

Average Per Capita Annual Earnings in Plantations in different States: 1962—1965

(In Rupees)

Year	Bihar	Madras	Punjab	Tripura	Kerala	Uttar Pradesh	Mysore
1	2	3	4	5	6	7	8
1962	216	515	360	377	*	526	N.A.
1963	241	594	358	468	692	N.A.	278
1964	217	530	412	555	N.A.	N.A.	N.A.
1965	240	653	543	477	631	690	N.A.

* Tea Rs. 480.

Coffee & Cardamom Rs. 492.

Rubber Rs. 600.

Source: Indian Labour Year Books, 1962-66.

ANNEXURE VI-B
(Refer Para 14.32)

Labour Wages: Basic Rates from 1-4-1966 (as recommended by the Central Wage Board for Tea Plantations Industry)

(In Rs.)

1	Men 2	Women 3	Children 4	Adolescents 5
NORTH-EAST INDIA				
1. <i>Assam</i>				
<i>Dibrugarh Sub-Division and Sibsagar District:</i>				
Plantations of 150 acres and above	2.25	2.07	1.09	
Other Plantations	2.22	2.04	1.08	
<i>North Lakhimpur & Tezpur Sub-Division:</i>				
Plantations of 150 acres and above	2.18	2.01	1.06	
Other Plantations	2.15	1.98	1.05	
<i>Mangaldai Sub-Division</i>				
United North Cachar & Mikir Hills, Nowgong, Kamrup & Goalpara Districts	2.15	1.98	1.05	
Cachar and Tea Plantations within 10 miles of Dimapur	2.08	1.97	1.05	
	1.72	1.62	0.92	
2. <i>West Bengal</i>				
<i>Dooars:</i>				
Plantations of 500 acres and above	2.13	1.96	1.15	
Plantations below 500 acres	2.10	1.93	1.15	
Terai & Cooch Behar	2.07	1.90	1.13	
Darjeeling	1.75	1.64	0.95	
3. <i>Tripura</i>	1.53	1.34	0.75	
NORTH INDIA			<i>From 1-1-1266</i>	
4. <i>Punjab & Himachal Pradesh (Kangra & Mandi)</i>	1.20	0.94	0.55	
5. <i>Uttar Pradesh</i>				
Dehra Dun	1.60	1.60		
Berinag and Chokorie areas of Almora Dist.	1.20	1.20		
Other areas of Almora Dist and Garhwal Dist.	0.86	0.86		
6. <i>Bihar</i>				
<i>Ranchi</i>	1.55	1.55		
SOUTH INDIA				
7. <i>Madras</i>				
100 acres and above	2.25	1.80	1.13	1.35
Less than 100 acres	2.11	1.66	1.13	1.29
8. <i>Kerala</i>				
100 acres & above	2.25	1.80	1.13	1.35
Less than 100 acres	2.18	1.76	1.11	1.33
9. <i>Mysore</i>				
100 acres & above	2.25	1.80	1.13	1.35
Less than 100 acres	2.11	1.64	1.13	1.25

Source: Report of the Central Wage Board for Tea Plantation Industry 1966.

ANNEXURE VI-C
(Refer Para 14.32)*Daily Wage Rates Recommended by the Central Wage Board for the Rubber Plantation Industry (as modified by the Central Government)*

State	Category of workers	For estates of 100 acres or more					For estates of less than 100 acres					
		From 1-5-64	From 1-4-65	From 1-4-66	From 1-4-67	From 1-4-68	From 1-5-64	From 1-4-65	From 1-4-66	From 1-4-67	From 1-4-68	
1	2	3	4	5	6	7	8	9	10	11	12	
Kerala and Madras States.	<i>Field workers</i>				See footnote (A)						See footnote (A)	
	Men	2.10	2.20	2.50			2.03	2.13	2.43			
	Women	1.80	1.90	2.20			1.76	1.86	2.16			
	Adolescents	1.31	1.38	1.57			1.29	1.36	1.55			
	Children	1.05	1.10	1.25			1.03	1.08	1.24			
	<i>Factory workers</i>											
	Men	2.30	2.40	2.70			2.23	2.33	2.63			
	Women	1.95	2.05	2.35			1.91	2.01	2.31			
	Adolescents	1.44	1.51	1.70			1.39	1.46	1.65			
Mysore State	<i>Field Workers</i>											
	Men	1.80	1.90	2.25			1.71	1.81	2.16			
	Women	1.40	1.50	1.85			1.29	1.39	1.74			
	Adolescents	1.10	1.15	1.36			1.05	1.10	1.31			
	Children	0.90	0.95	1.13			0.90	0.95	1.13			
	<i>Factory Workers</i>											
	Men	1.90	2.00	2.35			1.81	1.91	2.26			
	Women	1.50	1.60	1.93			1.39	1.49	1.82			
	Adolescents	1.13	1.20	1.42			1.10	1.15	1.36			

NOTE.—(A) The daily wage rates mentioned in Cols. (5) and (10) above will correspond to the average consumer price index number (1960=100) for Mundakayam for the year 1965, which stood at 135. Wages should be revised on 1-4-67 and 1-4-68 by adding dearness allowance at the rate of 1.1 paise per day per point for the rise in the average consumer price index number for Mundakayam for the Calendar years 66 and 67 respectively, over the level for 65; this will however be subject to the condition that no dearness allowance will be payable in respect of any rise in the average index number over the level of 16 points.

*Piece Rates**I. Fall back wages for tappers.*

From	Kerala and Madras Rs.	Mysore Rs.
1-5-1964	1.04	0.74
1-4-1965	1.11	0.81
1-4-1966 to 31-3-1969	1.32	1.07

II. In addition to the fall-back wages mentioned above, the minimum piece rates recommended for tappers:—

Class of Rubber field	Yield per acre (kg.)	Standard output over tapping block (kg.)	Rate in paise per 1/2 kg. upto standard output	Rate in paise per 1/2 kg. for output above the std. output
I	Upto 110	1 1/2	39	7
II	More than 110 upto 180	3	20	7
III	More than 180 upto 270	5	13	8
IV	More than 270 upto 360	7	9.50	8
V	More than 360 upto 450	10	8.30	10
VI	More than 450 upto 540	12 1/2	6.64	10
VII	More than 540	15	5.50	10

The Plantation Labour Committee of Kerala, at its meeting held on 15-12-66, amended the above piece rate structure to the following extent:—

(a) The class of rubber fields will be the same as was adopted in the Travancore-Cochin Minimum Wages Notification of the 30th June, 1952. The classification is as shown below:—

(i) Yielding below 113 kg. per acre per annum.

(ii) Yielding 114 to 181 kg. per acre per annum.

(iii) Yielding above 181 kg. to 272 kg. per acre per annum.

(iv) Yielding over 272 kg. per acre per annum.

(b) The piece rates will be such that with a G.T.R. (fall back rate) of Rs. 1.32 they will yield an earning of approximately Rs. 2.65 on the standard output in each class. The piece rates are shown below:—

Class of Rubber field	Standard output	Rate in paise per 1/2 kg. upto the standard output	Rate in paise per 1/2 kg. for output above the standard output
I	1.5	44.3	7
II	2.5	26.6	7
III	4.5	14.8	10
IV	6.5	10.2	10

(c) Whenever the wage rates indicated in columns 5 and 10 under the heading "Daily rates of Wages" given earlier are escalated by DA as per the foot-note

thereto, an amount equal to the DA will be added to the fall back rate in the case of piece rated workers.

Statement showing Existing Wages and Recommended Wages in the Coffee Plantation Industry

(In Rs. per day)

Region	Planted acreage	Categories of workers (field work- ers)	Existing wages	Recommended wages from						
				1-7-64	1-7-65	1-7-65	1-7-66	1-7-67	1-7-68	
1	2	3	4	5	6	7	8	9	10	
MYSORE										
All Districts	50 acres & above.	Men	1.65	1.80	1.85	1.90	2.00	2.10	2.20	
		Women	1.25	1.40	1.45	1.50	1.60	1.68	1.76	
		Adolescents	1.02	1.10	1.12	1.15	1.20	1.26	1.32	
		Children	0.82	0.90	0.92	0.95	1.00	1.05	1.10	
All districts	Below 50 acres.	Men	1.56	1.71	1.76	1.82	1.90	2.00	2.12	
		Women	1.14	1.37	1.43	1.45	1.52	1.60	1.70	
		Adolescents	0.97	1.03	1.06	1.10	1.15	1.20	1.28	
		Children	0.82	0.85	0.88	0.90	0.95	1.00	1.05	
MADRAS										
Districts other than Ma- durai & Salem	Above 50 acres		Above 100 acres	50 to 100 acres						
		Men	1.66	1.64	1.80	1.85	1.90	2.00	2.10	2.20
		Women	1.24	1.20	1.40	1.45	1.50	1.60	1.68	1.76
		Adolescents	1.00	0.98	1.10	1.12	1.15	1.20	1.26	1.32
Districts other than Madurai & Salem	Below 50 acres.	Men	1.64		1.78	1.78	1.82	1.90	2.00	2.12
		Women	1.20		1.42	1.42	1.45	1.52	1.60	1.70
		Adolescents	0.98		1.08	1.08	1.10	1.15	1.20	1.28
		Children	0.75		0.88	0.88	0.90	0.95	1.00	1.05
Districts of Madurai and Salem.	All estates	Men	1.50		1.65	1.70	1.78	1.88	2.00	2.12
		Women	1.26		1.32	1.36	1.42	1.50	1.60	1.70
		Adolescents	1.00		1.02	1.05	1.08	1.12	1.20	1.28
		Children	0.78		0.82	0.85	0.90	0.95	1.00	1.05

[Continued]

ANNEXURE VI-D (Contd.)

1	2	3	4	5	6	7	8	9	10
KERALA									
Wynad	300 acres and above.	Men	1.65	1.80	1.85	1.90	2.00	2.10	2.20
		Women	1.23	1.40	1.45	1.50	1.60	1.68	1.76
		Adolescents	1.00	1.10	1.12	1.15	1.20	1.26	1.32
		Children	0.76	0.90	0.92	0.95	1.00	1.05	1.10
	Below 300 acres.	Men	1.54	1.68	1.72	1.78	1.88	2.00	2.12
		Women	1.14	1.32	1.36	1.42	1.50	1.60	1.70
		Adolescents	0.75	1.02	1.05	1.08	1.12	1.20	1.28
		Children	0.74	0.82	0.85	0.90	0.95	1.00	1.05
Other areas	All estates	Men	1.68	1.83	1.88	1.90	2.00	2.10	2.20
		Women	1.28	1.45	1.50	1.55	1.60	1.68	1.76
		Adolescents	1.06	1.10	1.12	1.15	1.20	1.26	1.32
		Children	0.84	0.90	0.92	0.95	1.00	1.05	1.10
MYSORE									
Places other than Coorg	All estates	Maistries	1.88	2.10	2.15	2.20	2.30	2.40	2.50
Coorg	All estates	Maistries	2.15	2.30	2.35	2.40	2.50	2.60	2.70
MADRAS AND KERALA									
All regions	All estates	Maistries	Differ not only from estate to estate but also from person to person	0.24	0.29	0.34	0.44	0.54	0.64*

*Wage, rate as on 30-6-64 should be increased by the above amount from respective dates.

Source: Report of the Study Group for Plantations (Coffee/Rubber).

ANNEXURE VII
(Refer Paras 14.33 and 14.34)

Annual Average Earning of Class IV employees in India Government Railways 1946-47 to 1967-68

(In Thousands of Rupees)

Year	Average wages per employee (in Rs.)	Pay and leave salary (a)		Dearness Allowance (b)		Others (c)		Total wages
		Amount	% of Total Col. 3 × 100	Amount	% of Total Col. 5 × 100	Amount	% of Total Col. 7 × 100	Amount
1	2	3	4	5	6	7	8	9
1946-47*	369	90473	60.4	..	..	59180	39.6	149653††
1947-48*	442	125365	66.6	..	..	62958	33.4	188923††
1948-49*	630	160948	54.0	84671	28.4	52506	17.6	298125
1949-50*	791	164023	47.0	156135	44.8	28607	8.2	348765
1950-51*	811	179071	46.9	171969	45.0	31140	8.1	382180
1951-52	912	259254	48.1	257793	47.8	22322	4.1	539369
1952-53	939	263140	47.7	265725	48.0	24150	4.3	554006
1953-54	947	309054	53.2	243940	41.9	28662	4.9	581656
1954-55	942	316987	53.7	242803	41.1	31001	5.2	590791
1955-56	965	442255	70.7	147739	23.6	35818	5.7	625812
1956-57	978	451768	71.1	149999	23.6	34042	5.3	635809
1957-58	1029	472671	68.7	178812	25.9	37295	5.4	688778
1958-59	1034	480235	67.4	192065	26.9	40763	5.7	712963
1959-60	1051	482838	67.0	996390	27.2	41612	5.8	720840
1960-61	1123	624525	81.7	94235	12.3	45894	6.0	764654
1961-62	1133	642654	82.4	81776	10.5	55528	7.1	779958
1962-63	1200	675256	79.7	110369	13.0	61809	7.3	847434
1963-64	1240	709573	77.8	131397	14.4	71183	7.8	912153
1964-65	1328	748188	73.6	190738	18.8	77102	7.6	1016028
1965-66	1440	773989	68.7	270214	24.0	82114	7.3	1126317
1966-67	1552	785262	64.2	351702	28.8	85502	7.0	1222466
1967-68(P)	1698	795539	59.6	448082	33.6	90335	6.8	1333956

*The staff of the Mechanical Department classified under Class IV has been shown together with the staff of workshop during these years. They have thus been excluded from the figures for these years.

††As they stand after Partition exclusive of Assam and East Punjab Railways (whose accounts had not been finalised).

a. Pay and leave salary includes dearness pay and running allowance.

b. Dearness Allowance includes value of grainshop concessions.

c. Others include overtime allowances, and compensatory allowances depending upon the area of work (such as H.R.A., C.G.A., Bad Climate Allowance, Remote Locality Allowance etc.) and not depending on the area of work (such as T.A. etc.)

Source : Reports by the Railway Board on Indian Railways from 1946-47 to 1967-68.

Average Monthly Earnings of workers employed by Bombay, Calcutta, Madras,

	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
	2	3	4	5	6	7	8
<i>Foreman</i>							
Bombay	213.99
Calcutta	203.38 to 448.33	219.27 to 317.00	195.00 to 352.34	194.08 to 364.53
Madras	124.55	123.57	116.44	122.54
<i>Tindal</i>							
Madras	65.81	85.53	89.53	117.46	171.94	180.69	177.84
Visakhapatnam
Cochin
<i>Winchmen/Driver</i>							
Bombay	190.74
Calcutta	202.27	183.93	198.14	196.60
Madras	75.03	85.04	89.34	107.94	172.08	195.31	190.35
<i>Worker</i>							
Bombay	205.44
Calcutta	165.41	109.51	155.71	154.07
Madras	72.43	79.04	82.18	85.55	158.72	177.17	172.75
Visakhapatnam
Cochin
<i>Tally Clerk</i>							
Bombay	177.71
Calcutta	140.86	150.41	152.23	163.20
Madras	116.00	109.96	106.72	109.60
Cochin

*Gang Worker—General Cargo.

F=Provisional.

ANNEXURE VIII
(Refer Para 14.35)*Visakhapatnam and Cochin Dock Labour Boards 1954-55 to 1967-68*

(Figures in Rupees)

1961-62	1962-63	1963-64	1964-65	1965-66	1966-67 (P)	1967-68 (P)	
9	10	11	12	13	14	15	
							<i>Foreman</i>
219.37	270.82	279.39	315.04	368.26	329.84	376.18	Bombay
187.82 to 337.42	205.02 to 376.45	215.84 to 368.99	242.43 to 461.20	295.91 to 421.68	312.80 to 503.56	351.10 to 510.88	Calcutta
126.07	125.09	116.00	..	..	..	..	Madras
							<i>Tindal</i>
177.29	188.00	197.00	212.24	228.69	284.57	324.72	Madras
145.84	171.80	173.58	189.07	208.54	218.83	258.12	Visakhapatnam
..	151.21	164.44	199.40	250.78	..	..	Cochin
							<i>Winchmen/Driver</i>
203.13	283.53	290.91	306.98	339.13	319.72	413.05	Bombay
166.44	199.87	216.95	227.20	254.20	266.48	298.42	Calcutta
185.56	202.38	209.00	220.44	214.47	245.27	264.01	Madras
							<i>Worker</i>
206.91	240.36	237.80	266.56	291.25	304.04	352.19	Bombay
164.54	167.53	182.62	197.20	227.57	255.15	279.66	Calcutta
170.48	179.69	188.00	197.14	205.62	227.24	252.46	Madras
104.77	133.50	139.27	142.90	162.40	176.90	207.79	Visakhapatnam
..	136.70	148.77	183.16	233.46	288.08	291.01*	Cochin
							<i>Tally Clerk</i>
164.97	227.69	253.75	274.03	252.07	265.78	334.56	Bombay
160.75	195.19	196.78	222.52	268.57	289.15	327.25	Calcutta
107.30	112.01	120.00	128.54	141.54	192.19	262.14	Madras
..	..	..	..	..	260.36	229.23	Cochin

Source—(i) Indian Labour Year Book 1960-66
(ii) Annual Reports of the Dock Labour Board of the Respective Ports

CHAPTER 15

WAGE POLICY—ASSESSMENT AND ISSUES

In all countries, wage policy is a complex and sensitive area of public policy. This is because the relative status of workers in the society, their commitment to industry and attitude towards management, their morale and motivation towards productivity, their living standard and in fact their way of life are all conditioned by wages. Hence, a policy dealing with this crucial problem cannot be simply economic, as it has to reckon with the realities of multi-dimensional social phenomena, in which besides the worker and the management, the consumer and the society at large, and in consequence the State, are all vitally interested. Wage policy is a determinant of the shares of the rival claimants of the product of industry and national dividend, but there may often be a conflict between its short run and long run objectives as well as between private and social interests. There are, of course, theoretical generalisations or principles that may provide scientific guidelines for framing a wage policy. Equally important in this context are the concrete social facts that must be taken into account in its formulation at any given time. No principle of wage policy can ever be applied in vacuum and in disregard of the realities of a situation. Wage policy has to be pragmatic, though it does not follow that it has to be unscientific and remain simply a matter of expediency.

15.1 In well-organised and developed economies, inter-relations between wages and other factor prices can be worked out on *a priori* considerations. In others with a large measure of regimentation, dogmatic solutions can be enforced. But in an economy in the process of development and with people wedded to democratic institutions, the difficulties in framing a wage policy are manifold. It is in this setting that we have to view the various issues connected with wage policy in our country.

Early history

15.2 For a long time, *laissez faire* operated in dealing with wage problems. But the beginnings of third party intervention are not all that recent as is popularly believed. Without Government being brought in, settlement of

wage demands through third party intervention was accepted in Ahmedabad as far back as 1918 at the instance of Mahatma Gandhi. *Ad hoc* enquiry committees, without statutory backing, for settling specific wage issues were not unknown either. Government's intervention in the field of industrial relations came with the Indian Trade Disputes Act, 1929; and in early days such intervention was mainly for regulation of wages. The Whitley Commission which reported later, apart from giving a factual account of wage levels in different industries, referred to questions connected with minimum wages, standardisation, inter-sectoral wages and incentives, and suggested surveys for collection of wage data. It recommended a minimum-wage fixing machinery of a wage board type for industries satisfying certain criteria laid down by it. These included *prima facie* establishment of a case for Governmental intervention, as much as feasibility of enforcement, including the cost of such enforcement. Legislation was also hinted at if the need was proved. That Commission was, however, more concerned with the problem of payment of wages. Unfair deductions seemed to be the rule then, and special measures were needed to check them. A direct result of the emphasis in the Whitley Commission's report on unfair deductions and the need to check them was the passing of the Payment of Wages Act, 1936. Among other observations of that Commission we would like to point out one which holds good even today. The Commission felt that the problems of wages of the industrial workers should not be considered in isolation; the prosperity of the industrial workers and the community would have to advance simultaneously. In this regard it observed:¹

"Indian industry is not a world in itself; it is an element, and by no means the most important element, in the economic life of the community. Care must be taken, therefore, to ensure that, in adopting measures for the betterment of industry or of industrial workers, the interests of the community as a whole are not overlooked."

15.3 There were no significant developments in the field of wage policy consequent on the Whitley Commission's report. But towards the

¹Report of the Royal Commission on Labour, p. 211.

end of the thirties, *ad hoc* committees were appointed for settling the wage structure in some Provinces. Active Government intervention started on an all-India basis only during the Second World War. Additional payments in the form of dearness allowance to workers for rise in prices and a share in war-time prosperity through bonuses became more commonly acceptable than in the past. The Rege Committee which surveyed the position prevailing at that time felt that in the matter of wage fixation the guiding principles, if any, appeared to be in favour of maintaining the *status quo ante*. It felt that the practice of thinking in terms of short term gains without adopting a scientific attitude in regard to wage fixation would be in the long run detrimental no less to labour than to industry. It also referred to the difference in the levels of wages in agriculture and in industries and observed that such differences should not be over-emphasised; they could be partly justified because of the conditions under which the industrial workers were made to work and live. The fact that agricultural wages were low could not be a justification for keeping industrial wages low as well.¹ The 1946 Programme referred to the following three elements of wage policy which are equally relevant today:

- (i) "the statutory prescription of minimum wages in sweated industries and occupations and in agriculture",
- (ii) "promotion of 'Fair Wage' agreements", and
- (iii) "steps to secure for workers in plantations, a living wage".²

Policy Statements since Independence

15.4 The next significant event of the period was the adoption of the Industrial Truce Resolution (1947) which was an aftermath of the industrial unrest immediately prior to and after Independence. The relevant portion³ of the Resolution states.

"...The system of remuneration to capital as well as labour must be so devised that while in the interests of the consumers and the primary producers excessive profits should be prevented by suitable measures of taxation and otherwise, both will share the product of their common effort after making provision for payment of fair wages to labour, a

fair return on capital employed in the industry and reasonable reserves for the maintenance and expansion of the undertaking".

15.5 The Industrial Policy Resolution (1948) emphasised *inter alia* its intension (a) to fix statutory minimum wages in sweated industries and (b) to promote fair wage agreements in the more organised industries. To facilitate the former, the Minimum Wages Act, 1948 had already been passed. For the latter the Government appointed the Committee on Fair Wages (CFW) "to determine the principles on which fair wages should be based and to suggest the lines on which these principles should be applied".

15.6 The CFW defined three distinct levels of wages, *viz.*, living wage, fair wage and minimum wage. The 'living wage', according to it, represented a standard of living which provided not merely for a bare physical subsistence but for the maintenance of health and decency, a measure of frugal comfort including education for the children, protection against ill-health, requirements of essential social needs and some insurance against the more important misfortunes. The 'minimum wage' was to ensure not merely the bare sustenance of life but the preservation of the efficiency of the worker by providing some measure of education, medical requirements and amenities. It envisaged that while the lower limit for "fair wage" must obviously be the minimum wage, the upper limit was set by the capacity of the industry to pay. Between these two limits the actual wage would depend on (i) the productivity of labour, (ii) the prevailing rates of wages, (iii) the level of national income and its distribution, and (iv) the place of the industry in the economy of the country.⁴ In the actual calculation of the fair wage, the CFW observed that it was not possible to assign any definite weights to these factors. The wage fixing machinery should relate a fair wage to a fair load of work and the needs of a standard family consisting of three consumption units inclusive of the earner. The capacity of a particular industry in a specified region should be taken into account to determine 'the capacity to pay' and this in turn could be ascertained by taking a fair cross-section of the industry in the region concerned. The Committee recognised, "the present level of our national income does not

¹Report of the Labour Investigation Committee, pp. 271-272.

²The term 'living wage' used here is not the same as 'living wage' used by the Committee on Fair Wages. It amounts to minimum wage only.

³Tripartite Conclusions—1942-47, p. 284.

⁴The Report of the Committee on Fair Wages, p. 10.

permit of payment of a 'living wage' on standards prevalent in more advanced countries". But, according to it this should not preclude the fixation of fair wages on different and lower standards. "At almost any level of the national income, there should be a certain level of minimum wages which the society can afford; what it cannot afford are minimum wages fixed at a level which would reduce employment itself and thereby diminish the national income".¹

15.7 The CFW recognised that the concepts laid down by it could not be viewed in any static sense; they would vary from time to time, depending on the economic and social developments in the country. The principle that luxuries of today become necessities of tomorrow was implicit in this recognition. These recommendations have exerted considerable influence on wage fixing authorities in the period under review.

15.8 To give effect to the recommendations of the CFW, the Fair Wages Bill was introduced in the Constituent Assembly of India (Legislative). Though it was not enacted, the then Prime Minister, the late Shri Jawaharlal Nehru, stated in the Parliament in April, 1950: "Government are committed to the principles of fair wages as recommended by the Tripartite Committee".² The Bill lapsed after the dissolution of the Constituent Assembly. It was not pursued in the Parliament later. The Constitution of India which was adopted in November, 1949 included the securing of a 'living wage' to workers as one of the Directive Principles of State Policy.

15.9 An important development at about this time was the setting up of the First Pay Commission (1946-47) which examined and reshaped the salary structure of the Central Government employees. The principles of wage fixation enunciated by that Commission and accepted by Government influenced the wage fixing authorities when they dealt with cognate issues. It would also be not incorrect to state that the Pay Commission was itself influenced by what was happening in the field of wages and salaries in non-Governmental employment. It is possible that this aspect of inter-relationship will continue to have an impact on any policy leading to remuneration for work.

15.10 The First Plan, while cautioning against a general upward movement of wages which would set in motion a wage-price spiral, recommended that wage increases should be granted mainly to remove anomalies or where the existing rates were very low. It also recommended restoration of the pre-war levels of real wages as a first step towards the 'living wage' through increased productivity. Factors like the need for reduction of disparities in income, the distance which wages of different categories of workers had to cover before attaining the living wage standard, the need for standardisation, and maintenance of wage differentials at a level necessary to provide incentives were suggested for being taken into account in making wage adjustments. These features were reasserted in the Second Plan, but a shift in emphasis was introduced; it required (that improvement in wages should result mainly from increased productivity brought about not merely by more efficient work on the part of labour but also by better layout of plants, improvements in management practices and the like.) A wider application of the system of payment by results, subject to safeguards like fall-back wages, protection against fatigue and undue speed-up, was envisaged. But the more significant contribution of the Second Plan was its recommendation that for settling industry-wise wage disputes, tripartite wage boards which gave the parties themselves a hand in shaping the wage structure would be more appropriate. Two other developments in this period which deserve special mention are: (i) the recommendations of 15th Indian Labour Conference in regard to the need-based minimum wage, and (ii) the report of the Second Pay Commission in respect of Central Government employees, whose recommendations about the need-based minimum wage created a public controversy.³ The Third Plan generally endorsed the recommendations made in the earlier Plans in regard to minimum wage fixation, reduction of disparities, wage differentials and the like, but brought into sharper focus the role of productivity in improving the living standards of workers. It observed "neither the exercise of their organised strength in industrial conflicts, nor laws and the intervention of the State can help the workers much in realising their aspirations. Their gains can arise only out of the strength and dynamism of the economy, the only enduring basis of which is a rising

¹The Report of the Committee on Fair Wages, p. 3.

²Indian Parliamentary Debates Vol. Part II—April 20, 1950, pp. 2973-74 (Statement regarding Bill relating to Fair Wages).

³In view of the importance of these issues to our work, they have been discussed in detail in the next chapter.

level of productivity".¹ Thus, while the policy in regard to wages as enumerated in the Plans remained more or less the same in its essential features, a shift in emphasis towards productivity in recent years is discernible.

Indicators of Assessment

15.11 Every aspect of wage policy cannot be evaluated in this section nor is such an evaluation called for. Some aspects, however, figure in the detailed analysis in the following chapters. What is attempted here is an assessment of the general wage policy, and in this, the first task is to identify the indicators for such evaluation. This is not easy since different indicators may not necessarily lead to the same conclusion, while firm data may not be available for some. We have, therefore, chosen the indicators which are intended to provide an overall view and tried to make our assessment as reliable and practicable within the limitations of the data available to us. The indicators selected by us are: (i) the state of industrial harmony; (ii) the changes in workers' level of living; (iii) changes in productivity; (iv) the impact of wages on prices; and (v) the share of wages in the value added by manufacture.

15.12 **Industrial Harmony.**—An index of industrial harmony is the number of mandays lost owing to industrial disputes. Although the break-up of the total time loss is not available according to the causes of disputes for the whole period, it would not be unreasonable to assume that the trend in time loss would be considerably influenced by disputes relating to wages and cognate issues as they constitute nearly 40 per cent of the total number of disputes even now. An appraisal of the trend in mandays lost over the period shows that the loss was maximum between Independence and the First Plan which also happened to be the period when the real earnings of industrial workers were below the 1939 level. On an average, 11.3 million mandays were lost per annum between 1946 and 1950. The improvement in real wages brought about in the years of the First Plan seems to have had a salutary effect on industrial harmony; the loss was on an average only 3.9 million mandays per annum. More than the absolute level of earnings, it appears that it was the rate of improvement in real earnings which was significant. Between the Second Plan and the first four years of the Third Plan, for which we have reliable data, real earnings have been falling. The time loss was higher than what was witnessed in the First Plan, but much below

that in the years prior to 1950. Provisional figures on real earnings for the two years thereafter show a confirmation of this downward trend. The spurt in price level in 1967 eroded the real wage further. The years 1966 and 1967 saw a deterioration in the industrial harmony with the time loss per annum averaging much higher than in the years between 1956 and 1965.

15.13 For a realistic appreciation of the industrial relations situation, it is not enough to study only the trend in time loss over a period of years. It has to be related to the time worked. On this we do not have reliable information to come to a definite conclusion. However, a part of the increased time loss could be attributed to the number of new units established in recent years and the consequent increase in industrial employment and improvements in the methods of reporting mandays lost. Taking these factors into account, we feel that loss of production through wage disputes is not that significant. This statement should not be interpreted to suggest that we are indifferent to the possible effects of work stoppages on production, nor do we wish to minimise the serious consequences of a work stoppage in a key sector which results in indirect production loss elsewhere.

15.14 **Levels of living.**—The level of living is a function of real wages. It has been urged before us by the workers' representatives that the industrial relations machinery set up by the Government to settle wage disputes worked in such a manner as to result in a restraint on wages. This has been so on account of the time taken in the judicial process or by the tribunals in giving wage awards particularly when these were extended beyond their original period of application. While it is not possible to say what the precise impact of this aspect on levels of living has been, taking the period 1947 to 1966 for which data have been analysed in the last chapter, it would appear that real wages after a rise in the period 1947 to 1955 (reaching in the process the 1939 real wage level in 1952, and improving upon it thereafter) have been declining subsequently. Part of the real wage increase between 1947 and 1955 was fortuitous because of a fall in living costs. The net effect of the operations of the industrial disputes machinery on wages of factory workers has been that in 1965 the industrial workers at the lower levels were earning hardly a real wage corresponding to that of the year 1952. Evidence from the side of labour has em-

¹ Third Five Year Plan, p. 261.

phasised this fact. Some independent researches also corroborate this fall in real earnings. Wages of coal miners, however, have consistently improved since 1956. But this improvement is due to the initial low level of wages at which the miners worked prior to 1956. In plantations, the situation appeared to be somewhat better than in the case of factory establishments. In ports and docks and in some sections of white collar employments, workers did secure gains. On the whole, between 1952 and 1965, while per capita real income has improved, the real wages of workers have, with few exceptions, at best not fallen. But the situation has deteriorated since 1965-66 due to a further rise in living costs.

15.15 Changes in Productivity.—Labour productivity and changes therein are difficult to measure and there are no reliable indices available in this respect. A few independent researches in the field in specified industries have generally been limited by the assumptions made and lack of availability of data and precision in operational concepts. Their results have not been generally acceptable. The main difficulty in measuring labour productivity arises owing to the output not being an exclusive product of labour. Capital, technology and management—all contribute to it along with labour and these seldom remain constant. In consequence, increases in per capita output cannot be attributed to labour alone, much less the total output. Valuation of the physical product presents another set of problems. All that we have is information about changes in output per worker at constant prices. These cannot, of course, be taken as indices of labour productivity. With these limitations on understanding the changes in productivity, we notice that for industries for which serial data are available, value added by manufacture has increased from Rs. 2,113 in the year 1952 to Rs. 4,621 in 1964.¹ Adjusting the increase in net output for price changes during the period 1952 to 1964—and in this case it would be safe to use the index numbers of wholesale

prices (for manufactures)—we find that production per worker has increased by about 63 per cent between 1952 and 1964. A part of it must have been contributed by labour whose real earnings have remained almost static during the period.

15.16 Impact on Prices.—An analysis of data in the Census of Indian Manufactures upto 1958 and in its successor, the Annual Survey of Industries, for later years shows that between 1952 and 1958, money wages as a percentage of total output dropped from 13.7 to 11.4. Between 1960 and 1964, on the basis of the new series of the Annual Survey of industries, the drop was from 10.9 to 9.7. The decline varies from industry to industry but has been registered in all cases, except in case of fair sized units in the match industry where wage costs as a proportion of the cost of production have gone up. Even after adjusting the gross output in 1964 for prices (1952=100) and working out the share of wages to the output, so adjusted, there is a fall between 1952 and 1964.

15.17 Share of Wages.—Finally, one has to take into account the share of workers in the value added by manufacture. And in this indicator, only two shares count: (i) of employers and those who have provided capital in the expectation of a dividend and (ii) of workers. The percentage of wages to the value added by manufacture, on the basis of the CMI data, shows a decline from about 50 per cent in the period 1949-50 to about 40 per cent in 1958. This trend seems to have continued in the subsequent years as revealed by the data from the ASI. For instance, wages as a percentage of value added declined from about 40 per cent in 1960 to 36.5 per cent in 1964, the latest year for which information is available. Even if the money value of benefits and privileges is taken into account, the conclusion remains the same, though the decline then becomes less sharp. The table below brings out the trend.

TABLE 15.1: *Percentage of Wages, Salaries and Benefits to Value Added by Manufactures (VAM)*

Year	% of wages to VAM	% of salaries to VAM	% of money value benefits to VAM	% of wages, salaries and benefits to VAM
1	2	3	4	5
1949	53.3	10.6	1.1	65.0
1952	51.6	10.7	1.8	63.6
1955	41.8	10.6	2.7	55.1

¹Companion Volume on Statistics (Part I), p. 3.

1.	2	3	4	5
1958	39.8	11.6	3.3	54.7
1960	39.6	11.4	4.7	55.7
1961	39.2	10.6	4.5	54.3
1962	39.6	11.9	4.7	56.2
1963	37.6	11.9	4.7	54.2
1964	36.5	13.7	5.1	55.3

Source : Statistics of Selected Manufacturing Industries—Part I, National Commission on Labour.

15.18 To sum up, we note that increases in money wages of industrial workers since Independence have not been associated with a rise in real wages nor have real wage increases been commensurate with improvements in productivity. Simultaneously, wage costs as a proportion of total costs of manufacture have registered a decline and the same is true about workers' share in value added by manufactures. Wage disputes under these conditions have continued to be the single most important cause of all industrial disputes.

Trend of Evidence

15.19 In the evidence before us, every group, Government, employers, trade unions or independent persons, agreed that wage policy should be geared to policies for economic development. Each group, however, had its own notions of how development should be achieved. Employers emphasised that industrial wages should have relationship with wages in agriculture as also with the average per capita national income. Linking wages to productivity was another argument of theirs though in the course of further discussion, they admitted such linkage to be valid only for levels beyond the basic minimum wage. They agreed that a subsistence minimum wage must be a primary charge on the employer, but the minimum as defined by the CFW should have some relationship with the capacity to pay. Employers also sense some dangers in the present arrangement of neutralising rise in prices by providing dearness allowance linked with consumer price index numbers. They feel the need for a flexible wage arrangement, consistent with industry's need to raise resources out of its own surpluses, to meet at least a part of the cost of its expansion programme as suggested by the Government.

15.20 Unions in their evidence emphasised restoration of the recent fall in real earnings as a first step and, eventually, raising of living standards of workers through increases in wages commensurate with increases in productivity. Some of the facts which have been brought out in the earlier section of this chapter have been mentioned in support of their demand. Workers' organisations do not recognise that their claim is antithetical to development. Fair wage to labour is an item of cost. Resource requirements for the development of industry capital formation and return to entrepreneur in their opinion, should come after provision of fair wages for labour. According to unions, planning in India, in spite of its operations for the last 18 years, has not improved the per capita availability of consumer goods to the common man. On the contrary, the supply position has been such as to have resulted in a sacrifice by the working class. Income disparities have, likewise, not been reduced nor is there any evidence in the current policies that they will be kept under control. Some of the arguments used by employers for shaping wage policy so as to deny to workers their proper share could, with equal justification, be used against capital. Established social and economic relationship will have to change if progressive wage policies are to be pursued; and national commitment to planning should amount to a change in the established social order. Administrative agencies have lacked vigour in giving relief to labour even where beneficial legislation has been enacted and suitable policies have been framed.

15.21 The State Governments have generally recognised the need for a change in wage policy. The relative emphasis which according to them is now in favour of labour should be modified and the interest of consumers should also be taken into account.¹ While in this res-

¹We have already pointed out that the general impression that wage costs have been increasing as a proportion of total costs is unfounded. (See para 15.16)

pect their evidence seems to go counter to that of labour representatives, they are at one with labour in accepting that such beneficial policy measures as have been enunciated or enacted have suffered for want of adequate implementation. Government's commitment to improve living conditions in the country and to bring about a fair distribution of income and wealth have been reiterated in a memorandum which we received from the Cabinet Secretary in response to the Chairman's request to the then Deputy Prime Minister and Minister for Finance and to the Home Minister for an authoritative statement from Government on some issues relating to wages. It was also urged by the Government spokesmen that the scope of economic development to raise living standards and to provide more employment in the immediate future was limited by resources. The same view was expressed by the Planning Commission.

15.22 We analyse at this stage some of the suggestions made in the evidence before us. A point is made that industrial wages should not be out of alignment with (a) per capita national income, (b) wages earned in the agriculture/cottage industries, (c) the general level of earnings of the self-employed, and (d) levels of productivity. This needs examination.

(a) The main contentions of those advocating a linkage of industrial wages with per capita income are that (i) wages at any given time in any sector should not be out of gear with average earnings as reflected by per capita income and (ii) wage changes over time should not be out of tune with changes in per capita income. The first contention fails to recognise that in any economy sectoral productivities are bound to differ due to differences in skills, technology and capital and hence wage differentials are not only inevitable but based on sound grounds. It is of course necessary that the extremes which reflect imperfections of the market and inadequacies of measurement should be avoided. The second contention would be valid if wages in each sector were related to marginal productivity and the latter changed at the same rate throughout the economy. In so far as this is not so, wage changes cannot rightly be related to changes in per capita income. Here again, it has to be recognised that while changes in real per capita income reflect changes in productivity of the economy as a whole, wage variations in any particular sector may not always be based on productivity changes. A check against unsound wage increases may be provided by changes in per capita income. But this would

ever remain a crude index and its limitations must be fully recognised in applying it to any specific case or situation.

(b) The argument that industrial wages should be at par with agricultural wages or wages in small-scale industries is apparently based on the assumption that marginal productivity of unskilled labour is the same throughout the economy. This is nowhere true, far less in our own economy, where marginal productivity due to surplus labour in agriculture may be almost zero. The same applies to workers in cottage industries and handicrafts. Apart from differential productivity, this argument ignores differences in costs of subsistence of workers in agriculture and cottage industries on the one hand and in the organised sector on the other. An industrial worker has to pay for many things the cost of which is simply nominal at the margin in his village home. There are similar differences in the disutility of work or the effort that a worker has to put in, in different sectors. Finally, this argument ignores not only market imperfections in agriculture and cottage industries leading to sweated labour, but it also fails to recognise the economic necessity of a higher wage in the modern organised sector to transfer labour from the traditional sector. It is generally so in all transitional economies where such 'pull factors' have to be built up. The disparity between industrial and other wages may not be due to the fact that the former are disproportionately high, but because the latter are disproportionately low. It was for this reason that the Minimum Wages Act had to be enacted in 1948 to cover the scheduled industries. In any case, agricultural wages have been increasing in recent years; and in all areas, agricultural labour is seldom available in the peak season on the statutory minimum wages. But a certain amount of disparity between industrial wages and wages in agriculture or cottage industries is necessary and must continue for the general health of the economy.

(c) The earnings of the self-employed persons and wages of employees can bear no comparison anywhere. Their effort and sacrifices are altogether different and so are their working conditions. Their respective productivities and earnings cannot be related. Very often a self-employed worker may be under-employed. His earnings, therefore, cannot be taken as a criterion to determine the wages of a worker required to put in full-time work.

(d) The argument that wages be linked to productivity has much to commend itself on

principle. It is actually on this basis that wage differentials have a justification; and on this basis, industrial wages in general have to be higher than wages in agriculture or cottage industries. It may further be conceded that wage changes beyond a certain level must reflect productivity changes. But it is the application of this principle in practice that presents difficulties as contribution to productivity levels and changes therein are not easy to measure. It may be hoped that efforts to solve these practical difficulties will be intensified and made to succeed. Even then, productivity will be one of the factors affecting wages.

Our Approach

15.23 We sought the assistance of the Study Group on Wage Policy which we constituted to sort out the issues connected with wage policy and help us in framing our recommendations in this difficult area. The Group could not reach unanimity. The report it presented has two minutes of dissent, and rejoinders by its Chairman to each. We have carefully considered all these views in reaching our conclusions.

15.24 We believe that on an overall plane, issues concerning wage policy are inter-related with broader economic decisions on the one hand and on the other with the goals set for social policy. Wage rates and differentials have a functional role in sustaining and developing the structure of society and thus merge with other elements of economic and social policy.

15.25 The functional role of wages is evident, since wages are a price for labour as a factor of production. The prices paid for various types of skills and labour inputs, therefore, influence among other factors the pattern of allocation of labour. At the same time, these prices are also the incomes of wage earners and provide the necessary motivation for organisation of economic activity. If these factor prices are not in harmony with other prices in the system, the result is a disequilibrium which may manifest itself in deflationary or inflationary tendencies. In either case, the ensuing consequences affect the stability of the economy.

15.26 It is this need for ensuring the stability of the economy which has led countries like Netherlands, Norway, Sweden, France and the United Kingdom to adopt wage policies which are closely linked with policies relating to incomes and prices. The main aim has been to

ensure that wage increases and increases in other incomes do not outstrip the growth in real national product. Wage increases inconsistent with the rate of growth of real output and productivity have been looked upon as a cause of 'wage-price spiral'. The emphasis on the practical measures adopted for achieving this stability by the countries referred to above has indeed varied according to the social and political environments in which they operate. Although conditions are different in our country in many respects, the experience does indicate that the wage policy has to be framed taking into account such factors as the price level which can be sustained, the employment level to be aimed at, requirements of social justice, and capital formation needed for future growth.

15.27 In our context while an integrated type of incomes and prices policy may hold out promise of fruitful results, the limits in pursuing it have to be recognised. In contrast with advanced countries, which have a predominance of wage employment, self-employment is dominant in our economy. The incomes and wages policy that may be formulated has to take into account this structural feature of the economy and has to be in accord with the pattern of income generation and distribution as envisaged in our development plans. Even so, the social basis of wage policy we have referred to earlier may require consideration of wage policy as a distinct element of the incomes policy. We have to accept it as a distinct entity in the overall framework of policies for economic growth. Having said this, we recognise that each one of the considerations which have guided wage policies in other countries is present in varying degrees in ours too. Viewed thus, our wage policy will comprise a set of principles capable of being consciously adopted to guide, by means of legislation or otherwise, actions of Government as also of parties vitally concerned.

15.28 It is often argued that in all industrially advanced countries like the U.S.A. the U.K., West Germany, Japan and the USSR, both the absolute level of per capita wages and the share of labour in the national product were more or less stable or were declining during the initial period of economic development. But in all of them, the political and social factors at the time of development were different from those obtaining in our country. The growth of the economy certainly depends on the rate of investment which in turn depends on the rate of savings. To the extent wage incomes are consumption oriented rather than savings oriented, rise in wage levels signifies a corresponding diversion of a portion of the total national product from savings and

investment to consumption. In certain situations this can retard the process of economic growth and can act as a constraint. On the other hand, in order to maintain the tempo and the pace of growth, consumption increases cannot be continuously postponed or kept in abeyance in a period of rising expectations and possible social tensions. In fact increase in consumption may be necessary to sustain and improve the morale of workers and thereby the level of production and pace of economic growth. Wage earners expect to share in the gains of economic development and growth. Commensurate with checks and restraints on consumption required for sustaining the growth process, the standard of living of the workers has to improve. A democratic society with ideals of social justice will have to reconcile considerations of equity and fairness with economic compulsions.

15.29 In our country, due to large additions to the working force, the effect of wage levels on employment has a particular relevance. With an inadequate rate of growth of the economy, the sheer number of new entrants to the working population exerts a downward pressure on wage rates. Low wages, however, do not generate more employment in a less developed economy, since the latter is limited by scarcity of means of employment and the rate of capital formation. But high wages may result in a shift in favour of capital-intensive techniques and industries aggravating further the employment situation. To the extent this is not done, high wages may reduce the surplus for capital formation and affect employment potential. There is thus a conflict between the employment and wage goals. Its intensity depends on the choice of techniques and industries in the course of planned development. We, however, believe that this conflict, even when the techniques are given and cannot be changed in certain sectors of the economy, is not such that it cannot be resolved. Technologically, our economy will have to be for long a dual economy with a large range of capital and labour intensive techniques. Wage policy should foster an appropriate choice of techniques so as to maximise employment at rising levels of productivity and wages.

15.30. Wage policy should aim at a progressive increase in real wages. At the same time, any sustained improvement in real wages cannot be brought about without increasing productivity. The real wages of any group of workers cannot be unrelated to their productivity unless inroads into the share of other groups are made. The urgency of improving productivity levels to sustain increases in real wages cannot be over-emphasised. This in turn needs a widen-

ing and deepening of capital to raise technology on the one hand and investment in human capital on the other.

15.31 The wage levels will also have to recognise the dualism which reflects itself in different areas of wage employment. We have for instance the modern capital intensive large scale sector where rewards will continue to be more attractive, both to capital and labour. We have also, side by side, small enterprises and other traditional labour-intensive sectors, including agriculture. A uniformity in wage levels is either likely to affect the growth of the latter if the wage level is high or make inequalities even more glaring if the level is low and fiscal measures inefficient. Wage differentials consequent on this dualism, i.e., simultaneous existence of the modern capital-intensive sector and the traditional labour-intensive sector, are therefore, inevitable and desirable. But this does not necessarily mean that all existing differentials are scientific or based on differences in productivity. Steps should therefore be taken to standardise job classifications and reduce differentials, wherever necessary, to suitable limits on a scientific basis.

15.32 The determination of wages implies evolving and sustaining a wage structure which (i) permits a fair remuneration to labour, (ii) permits a fair return to capital and (iii) strengthens incentives to efficiency. Apart from these intra-industry wage-differentials, the inter-industry and inter-regional wage differentials have a relevance. The latter may be due to the limitations of the market or on account of inter-regional disparities in productivity due to differences in technology, capital per worker or organisation. It is expected that with the industries competing for skill in the country as a whole these will soon be eliminated. Inter-industry differentials likewise are also unjustified except on grounds of local differences in technology and capital per worker.

15.33 Obviously, a crucial issue in regard to the wage-structure is that of the level at which it should be fostered. Here, the right of the workers for a fair standard, the claim of industry for expansion through its own surplus, the charges on the industry for public revenues, the need of the economy for resources and the need of the consumer to get supplies at stable and fair prices, all become relevant factors. But we are clear about one point that the first claim is of the worker for a basic minimum wage irrespective of any other consideration. Beyond this, however, in the determination of wage differentials the capacity to pay becomes relevant.

These considerations highlight the need for a wage-regulating mechanism that should deal both with wage structure and its level from time to time.

15.34 An area of wage adjustment which we would like to specifically mention, and which is dealt with in detail in the next chapter, is in regard to adjustments in wage levels due to price changes. Often enough, the growth process may lead to a rise in the general level of prices and a change in the structure of relative prices. In order to protect the real wages from erosion, the level of money wages has to be adjusted to price changes. The present practice in this regard has been to pay dearness or dear food allowance over and above the basic pay to take account of an increase in prices. It is possible that this practice of adjustment of wage levels may conceivably lead to inflation. It is also possible that in an inflationary situation the mere maintenance of the real wage itself may entail monetary outlays on a scale which reduces the surpluses available for further investment. Keeping living costs under check should therefore form an integral part of wage policy. At the same time, social considerations do cast an obligation to mitigate through some adjustment mechanism the hardships caused by price increases at least in respect of the vulnerable sections of labour.

15.35 We would like to emphasise here that the existing system of neutralisation of a rise in the cost of living either through dearness allowance or periodic wage adjustment can not fully safeguard against a fall in real wages. Firstly there is a time lag; secondly neutralisation can seldom be cent per cent at all levels; and thirdly, the very process of neutralisation may push up the cost of living further, giving rise to the well-known spiral in which wages and living costs push up each other continuously. This last relationship or the feed-back mechanism is, however, often exaggerated. Firstly, the increased purchasing power in the hands of the workers on account of compensatory payments for rise in cost of living forms a small part of the overall increase in purchasing power. Secondly, the elasticity of compensatory payments to changes in cost of living is generally less than unity so that the feed-back must taper off. Money wage stability, though important for price stability, is seldom a necessary, much less a sufficient condition for it. On the other hand, holding of the price line, particularly of the cost of living, is an adequate condition for preventing increases in money wage payments that are not related to increases in productivity. This

alone can prevent a fall in real wages. Hence, policies that hold down living costs should form an integral part of wage policy. A successful implementation of such policies would not only restrain increases in dearness allowance and compensatory wage payments, but it would also lead to the stabilisation of prices of goods whose costs are sensitive to wages.

15.36 Any wage policy, to be effective, has to take into account the existing practices in regard to methods and modes of paying wages as well as the machinery for wage determination. In the context of improving production and productivity, it will have to recognise the role and the feasibility of introduction of payment by results in particular lines of activity with necessary safeguards. The extent of prevalence of the system of payment in kind and the existing practice of looking at the total wage as comprising different components like basic wage, dearness allowance and bonus have practical significance in wage determination and regulation. Benefits and privileges in kind partake the nature of substitutes for cash compensatory allowances.

15.37 In the unorganised sector for the most part, adequate governmental or quasi-governmental machinery may be necessary to provide for minimum wage regulation according to conditions in different areas and industries, but more specifically to protect the workers in weak position. Thus it may be that different institutional arrangements for wage fixation may be needed for different groups. In one case, it could consist of Commission/Boards for framing wage awards and suitable administrative arrangements for supervising their implementation. In others, both for reaching wage decisions and for enforcing them, bipartite arrangements or collective bargaining between workers and employers may be the most appropriate system. In still other cases, a tripartite machinery may be appropriate. All these can co-exist in the country depending upon the traditions and experience which are built up for utilising them.

15.38 The broad objectives of wage policy as outlined by us have to be looked upon as guidelines for instituting concrete steps as the economy moves from one phase to another. In each phase, the emphasis on different objectives may change. The main aim of a wage policy as we envisage it is to bring wages into conformity with the expectations of the working class and, in the process, seek to maximise wage employment.

CHAPTER 16

MINIMUM WAGES

In tracing the evolution of wage policy and its impact on the economy in the last chapter, we have set out in brief our approach to it, taking into account the present social and economic conditions and the perspective of development. We now examine, in some detail, issues relating to a specific area of wage policy *viz.*, 'minimum wage' and its protection against rising prices.

MINIMUM WAGE

Wage Concepts

16.1 Before dealing with minimum wages, it is necessary to be clear about the connotation of certain terms which are presently in vogue in discussing wage levels. Since we are not writing on a clean slate, it would be inappropriate to ignore them in formulating our views. The terms which have acquired currency in discussing wage problems since 1948 are: (i) the statutory minimum wage; (ii) the bare or basic minimum wage; (iii) the minimum wage; (iv) the fair wage; (v) the living wage; and (vi) the need-based minimum wage. The first term owes its origin to the provisions of the Minimum Wages Act, 1948. The second is used in awards and judicial pronouncements. The next set of three terms have been introduced in the Report of the Committee on Fair Wages (CFW) and the last one in the Resolution of the 15th Session of the Indian Labour Conference in July, 1957.¹

16.2 The statutory minimum wage is the wage determined according to the procedure prescribed by the relevant provisions of the Minimum Wages Act, 1948. This applies to the employments that are included in Parts I and II of the Schedule to the Act. The authority to include an employment in the schedule and to take steps for getting the minimum rates of wages fixed or revised vests in Government, Central or State, according to the nature of employment. Once the minimum rates of wages are fixed according to the procedure prescribed by law, it is the obligation of the employer to pay the said wages irrespective of the capacity to pay.

Early History

16.3 Although statutory regulation of minimum wages came into being only since 1948, the concept itself is old. It passed through several stages before achieving its present statutory character. The conditions under which labour worked when settled away from land were not what it expected; but labour still chose to migrate as pressure on land increased. With a large mass of unemployed and irregularly employed persons, and at times unscrupulous methods of recruitment, what a worker got in compensation for work was meagre. While this was the state of affairs in organised employment, in the unorganised sector, the effect of the free play of market forces was even more disturbing. Public attention began to be focussed on the evils of low wages and under-payment of even the wages agreed to.

16.4 Apart from the early struggles in some industrial centres of the country to give expression to this plight of workers, a resolution recommending the establishment of industrial boards for determination of minimum wages for each industry in the Bengal Presidency was debated in the Bengal Legislative Council in 1921. In the meanwhile, working class had started organising itself. International influences, notably the emergence of the International Labour Organisation, were also at work. In the course of its standard-setting activities, the International Labour Conference adopted in 1928 a Convention concerning the creation of minimum wage fixing machinery. The Convention urged the member-countries to create a machinery, but it did not define the term 'minimum wage'. However, a Recommendation concerning the application of minimum wage fixing machinery, adopted to supplement the Convention, required that for the purpose of determining the minimum rates of wages to be fixed "the wage fixing body should, in any case, take account of the necessity of enabling the workers concerned to maintain a suitable standard of living. For this purpose, regard should primarily be had to the rates of wages being paid for similar work in trades where the workers are adequately organised and have concluded effective collective

¹The ILC Resolution does not use the word 'need-based minimum wage', but the expression it uses is "that the minimum wage was need-based".

agreements, or, if no such standard of reference is available in the circumstances, to the general level of wages prevailing in the country or in the particular locality".¹

16.5 The Whitley Commission examined the question of 'minimum wage' specifically in the light of the ILO Convention and observed, "In our view the Convention, in referring to trades in which wages are 'exceptionally low', must be regarded as having in view trades in which wages are low, not by comparison with Western or other foreign standards, but by comparison with the general trend of wages and wage levels in kindred occupations in the country concerned".² A few trades which the Commission named on *prima facie* considerations as fit for initiating inquiries were bidi making, tanneries (small establishments) and mica factories. If inquiries revealed the existence of sweated labour, steps to set up boards for fixing minimum wages were advised. Its general conclusion on this issue was, "It is likely that there are many trades in which a minimum wage may be desirable but not immediately practicable. Here, as in other instances cited, the policy of gradualness should not be lost sight of if the desired end is to be achieved".³

Minimum Wage—Statutory/non-Statutory

16.6 The question of minimum wage fixation came up again for consideration in the Committees appointed by the popular ministries which came into power in 1937 in four of the Provinces.¹ They were required *inter alia* 'to examine the existing levels of wages and living conditions of labour'. These Committees were generally in favour of minimum wage regulation. The Central Legislative Assembly also adopted a resolution² in February, 1938, urging payment of 'sufficient wages' and fair treatment to workers employed in industries receiving protection or subsidy from the Government. 'Sufficient Wage' was defined as 'a wage which would ensure to every worker the necessities for existence, food, clothing, housing and education, taking into account at the same time the practical side of the question and the needs of the industry'. The implementation of the resolution was, however, deferred. 'Minimum Wage' was discussed in the 5th Session of the Indian Labour Conference held in September, 1943 but

in the context of 'social security'. The question of statutory wage control was again discussed in the Fourth Session of the Standing Labour Committee held in January 1944. The Committee came to the conclusion that there was a fair body of opinion in favour of some form of minimum wage for regions, but the enforcement of the minimum wage was a matter of very great importance.

16.7 After a full debate in another Session of the Indian Labour Conference and scrutiny in a special sub-committee appointed by it, the Minimum Wages Bill was introduced in the Central Legislative Assembly in April, 1946 and the Act enforced in March, 1948. It empowers the Central and State Governments to fix minimum rates of wages for different employments listed in the schedule to the Act. Thirteen employments were originally included in the schedule, but provision was made enabling the State Governments to add to the list. The appropriate Government "may refrain from fixing minimum rates of wages in respect of any scheduled employment in which there are in the whole State less than one thousand employees engaged in such employment". The Act also provides for review of rates of wages fixed at intervals not exceeding five years.

16.8 The passing of the Minimum Wages Act, 1948 is a landmark in the history of labour legislation in the country. It recognised that wages cannot be left to be determined entirely by market forces. As we have already indicated⁴ once a minimum wage is fixed according to the provisions of the Minimum Wages Act, it is not open to the employer to plead his inability to pay the said wage to his employees. In other words, after the minimum wage is determined under the Act, the obligation of the employer to pay the said wage is absolute. What applies to establishments included under the schedule to the Minimum Wages Act, must, on principles of social justice, apply with equal force to industrial establishments not included in the Schedule.

16.9 The whole philosophy underlying the enactment of the Minimum Wages Act is to prevent exploitation of labour through the payment of unduly low wages. We have just described the passing of the Minimum Wages Act as a landmark in the history of labour legislation, because the whole concept underlying the

¹ILO Conventions and Recommendations 1919—1966, p. 133.

²Report of the Royal Commission on Labour, p. 212

³*Ibid.*, p. 214.

⁴The Four Provinces which set up Committees were Bombay, Bihar, Central Provinces and United Provinces.

⁵Quoted in the Report of the One Man Committee on the Working of the Minimum Wages Act, published by the Ministry of Labour and Employment, 1966. p. 16.

⁶Please see para 16.2.

Act was, in 1948, new and revolutionary. The effect of the provisions contained in the Act is to make it clear that the rule of the market and the law of supply and demand will not be allowed to govern the terms about wages as between employers and employees in respect of establishments falling under the Schedule. In a country like ours, where the number of unemployed persons is very large, the legislature realised that if the rule of the market was allowed to prevail, it would be difficult to prevent sweating or exploitation of labour through payment of unduly low wages. It was to prevent this position that the law was enacted and specific provisions made for determining minimum wages in respect of Scheduled industries. If that be the basic concept on which the provisions of the Minimum Wages Act are founded, it would follow conceptually that just as in the case of the Scheduled industries statutorily determined minimum wage has to be paid by the employer to his employees in order to prevent sweating or exploitation of labour, so must the employer in any establishment not covered by the schedule pay his employees a minimum wage. As we have indicated broadly in dealing with our approach, considerations of social justice play a major role in shaping the social, economic and industrial policies of a welfare State like ours. This aspect should be borne in mind by wage fixing authorities in fixing the level of wages.

16.10 Experience shows that wage rates in non-scheduled industries are fixed in a variety of ways. They are settled either for the industry as a whole in a local area or for different units, if within a local area not many units operate in the same industry. Generally, wage settlement proceeds on the basis of fixing the wage for the lowest category of workers in the industry or unit, differentials for skills being built up on the basis of this minimum. If wage determination is industry-wise within an area, the wage fixed, whether it is through collective bargaining or with the help of the Industrial Relations Machinery (IRM), is on the basis of the overall capacity of the industry to pay. The IRM has consistently taken the view in such cases that the capacity to pay of an individual unit is irrelevant for fixing the minimum for the industry in a local area so long as the industry as a whole can pay. If a unit has no capacity, either it goes out of existence or improves its working to acquire the necessary capacity. Where, however, the wages for individual units in a local area are fixed through collective bargaining or the IRM, arguments are entertained, in the pro-

cess of such determination, about the capacity of the units to pay.

Assessment of the working of the Act ^{5/13/48}

16.11 Although the Minimum Wages Act was intended mainly as a measure to prevent sweating or exploitation of labour through the payment of unduly low wages, it took in its sweep employments in which labour was unorganised or weakly organised. Over the years, a number of new employments were added by State Governments to the original schedule, depending on local requirements. But such extension of the coverage of the Act brought in its wake difficulties of implementation.

16.12 The First Plan, while recommending that full and effective implementation of minimum wage legislation should be secured, suggested that depressed areas and employments should receive prior attention. The Second Plan envisaged no change in this regard. According to it, "the ultimate effect of legislation relating to minimum wages is to improve wage levels in rural areas". It recommended further that "despite the limitations, a steady effort should be made to enforce the wage rates which are fixed".¹ In expressing disappointment over the implementation of the Minimum Wages Act, 1948, the Third Plan observed that the provision for fixation and revision of wage rates had not proved effective in many cases. It suggested strengthening of the inspection machinery to ensure better implementation.

16.13 Thus, while it was generally accepted that the Minimum Wages Act, 1948 served a useful purpose in checking exploitation of labour in employments where conditions of sweating prevailed, dissatisfaction was expressed over the lack of proper implementation of the provisions of the Act. This has been one common complaint in the evidence before us. An equally persistent complaint has been that the minimum wages, once fixed, have not been revised for long periods in many employments, though the Act provides that wage rates once fixed should be reviewed at intervals not exceeding five years. We have come across several instances where the rates have not been revised even once after they were initially fixed. In some cases, there has been only one revision, while in a few others there have been two. Viewed in the context of price rises which have taken place, the position seems to be unsatisfactory. It is but natural, therefore, that

¹Second Five Year Plan, p. 320.

during the course of our visits we found that the prevailing rates of wages were distinctly higher than the minima fixed; in many cases, workers did not even care to know the minimum fixed under the law. This circumstance highlights the need for a periodic review of wage rates to prevent sweating and to eliminate areas of depressed and distress wages. We recommend that the provision made in the Minimum Wages Act, 1948 for wage revision should be amended making it obligatory on the appropriate Government to revise the minimum wages prescribed under the provisions of the Act at least once in every three years. If as the result of an adverse price situation wage rates require adjustment within three years, the local authority should make such adjustment.¹

16.14 The situation referred to in the paragraph above could also arise as conditions of sweating cease to exist in certain employments which were originally covered under the Act. It has been suggested by some employers that provision should be made for deletion of an employment from the Schedule to the Act when conditions of sweated employment no longer exist in it. *Prima facie* this appears to be a logical suggestion. There is no special merit in a worker being told that he is working under conditions of sweating. Nor does it edify an employer to be reminded that his workers need such protection. We recommend, therefore, that provision should be made in the Act for periodic revision of the schedules to the Act so that employment(s) which cease to employ sweated labour are deleted from the Schedule and such employment(s) as employ sweated labour are added to the Schedule. Before taking action about deletion of an employment, the State Government should satisfy itself that withdrawal of statutory protection will not operate harshly on workers. To widen the coverage of the Act, we also recommend that Section 3(I-A) of the Act should be suitably amended so that the employment limit for enabling a State Government to fix a minimum wage for a particular employment included in the Schedule to the Act is reduced from 1,000 to 500 in the whole State.

16.15 A criticism against the Act has been that it does not define the term 'minimum wage'. While several States consider that the concept of minimum wage as currently applied to sweated industries needs no change, trade unions have urged that to avoid differences in interpretation by wage fixing authorities, 'mini-

num wage' should be spelt out in precise terms. Our examination has revealed that neither the advisory committees set up under the Act nor the State authorities in charge of minimum wage fixation have followed a uniform set of principles while fixing or revising wage rates. They have mostly been going by their own assessment, over which the prevailing rates of wages have a firm hold.

The Minimum Wage may thus vary from region to region and even within the same region from time to time depending on particular situations. Prescribing some rigid criteria in regard to minimum wage fixation is, therefore, neither feasible nor desirable. It will necessarily have to be left flexible. We are further of the opinion that laying down a rigid cash equivalent of the content of a statutory minimum wage whose coverage is essentially transitional under conditions of development would not serve any useful purpose.

National Minimum Wage

16.16 Our terms of reference require us to report on the need for fixation of a national minimum wage. Several State Governments and some Government Departments have been of the general view that a 'national minimum wage' could be an alluring concept, but difficulties in giving shape to it should not go unrecognised. They feel that a start should be made by fixing 'regional minima'. Workers' organisations, on the other hand, have suggested a national minimum below which no employer should be allowed to hire labour. At the same time, some of them have expressed an apprehension that the minimum so fixed will tend to be the maximum and they require us to evolve suitable safeguards. With this national minimum, there should also be regional minima worked out with special reference to the ways of living in different areas. Employers have suggested fixation of a national minimum with the provision that it should take into account national per capita income and that it should be applicable to industrial as well as non-industrial employments. Some draw another distinction. They feel that a national minimum for sweated industries may be fixed, but fixing a minimum is unnecessary for others.

16.17 The advocates of a national minimum wage claim that such a minimum would have more extensive coverage and would make implementation easier and effective because of its

¹Shri Vasavada, Shri Ramanujam and Shri Malviya feel that the statutory minimum wage should be linked to the appropriate Consumer Price Index Number.

simplicity. A national approach would also enable minimum wage policies to be easily correlated with the general development policies and bring about rationalisation of the wage structure itself. We do not think that the advantages claimed for the national minimum are absent in the case of the sectoral minima or that the so-called advantages are really advantages under all circumstances. Far from leading to ease and effectiveness of administration, we apprehend that the fixing of a national minimum with a necessarily wider coverage may bring in its train a number of difficulties. Because of the vastness of the country and wide differences in the levels of development in industries and regions, a uniform national minimum wage will be untenable. Lack of coordination which is attributed to a sectoral system is also not such as could not be tackled. A greater measure of coordination can be achieved through Minimum Wage Advisory Committees at the Centre and in the States. Experience in other countries also does not encourage us to recommend a national minimum. We, therefore, feel that a national minimum wage in the sense of a uniform minimum monetary remuneration for the country as a whole is neither feasible nor desirable. If one is fixed, the dangers are that there will be areas which will not afford the minimum if the minimum is worked out somewhat optimistically. And if calculations are allowed to be influenced by what a poorer region or industry can pay, the national minimum will not be worth enforcing. While, therefore, it is true that a national minimum, whatever its content, may provide workers' organisations with something on the basis of which they could create public opinion, the inherent difficulties in fixing the minimum cannot be ignored. It may be possible, however, that in different homogeneous regions in each State regional minima could be notified. In fact, such regional minima seem to be called for in view of the wide variation in the rates of minimum wages fixed under the Act even within a small geographical region. An effort should be made to fix such regional minima. And this can as well give workers' organisations the necessary means to build up public opinion in favour of not allowing any employer to go below the notified minimum. In due course, the region itself could be widened to cover the whole State. But, widening of the area for fixation of minimum wage beyond a State may be impracticable and also not in the best interests of the workers. In respect of certain industries which are spread over two or more adjacent States, fixing a common statutory minimum wage may be feasible and indeed desirable; its absence may lead to

a flight of industries which do not need much of capital equipment, from one State to another, as is reported to have happened in the case of the bidi industry.

Need-Based Minimum

16.18 The minimum wage policy as it has emerged in this country distinguishes between the organised industries and the sweated ones. The Minimum Wages Act, 1948 is the instrument which seeks to protect the interests of workers in the latter. In the organised sector, the wage fixing authorities have generally been guided by the Report of the CFW. The Minimum defined by it indicated only the components which should be taken into account in fixing the minimum wage. It was the Indian Labour Conference (15th Session) which, for the first time, moved in the direction of formally quantifying its main components. The resolution adopted by the Conference and its interpretation are discussed in detail later.

Approach of the Second Pay Commission

16.19 The quantification of the 'need-based minimum wage' raised the question of its practicability and, indeed, other basic issues as to whether need alone should be the criterion for wage fixation. The Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-59 (the Second Pay Commission), while examining the question of minimum remuneration for Central Government employees, took note of the norms set by the ILC and the minimum worked out on this basis by the major organisations of Central Government employees. These calculations showed that on the basis of prices prevailing towards the end of 1957 the minimum could vary between Rs. 110 and Rs. 137. Neither the details of these calculations nor of those leading to Rs. 125, which has been referred to by the Pay Commission as the likely cost of the need-based minimum, are available in the Report. The Second Pay Commission, while accepting the other norms of the ILC, worked out its own diet schedule which could yield a caloric content lower than the one worked out by the ILC and justified the lower caloric content on the basis of the evidence before it. The money value of the minimum wage worked out on the basis of this diet came to Rs. 80, corresponding to the all-India Working Class Consumer Price Index Number 115 (1949=100). This calculation was supported also on other grounds such as the availability of foods, the current wage level, the needs of the economy for development, and wages in similar

occupations. The fact that the Pay Commission examined in detail the resolution of the 15th ILC and took into account the needs of the Government employees in fixing their minimum remuneration leads us to believe that it was fully conscious of the case for a need-based minimum wage. It, however, felt "that more important than the fact of quantitative definition of minimum remuneration is the content of what is defined".¹

16.20 The wage boards which reported after the Second Pay Commission have by and large taken a cue from its conclusions and not gone into the details, though some have tried to work out the money equivalent of the norms suggested by the 15th ILC. Our Committee on the Functioning of the System of Wage Boards took note of this fact and reported that a majority of the wage boards had not found it feasible to fix the 'need-based minimum' of the ILC because of one or more of the following reasons: "(a) it would be beyond the capacity of the industry to pay, (b) it would unduly affect the relativity of wages among industries in the same region, (c) it would result in excessive and abrupt increase in wages, and (d) it would be extravagance at the cost of the consumer on whom the burden of increased wages and salaries would fall."²

The 'Norms' of the 15th ILC

16.21 In all controversies over the ILC formula, the food norms have been attacked the most. A specific recommendation was, therefore, made in the Third Plan that "nutritional requirements of a working class family may be re-examined in the light of the most authoritative scientific data on the subject."³ The National Nutrition Advisory Committee (NNAC), which was required to examine the issue, came to the conclusion that the food requirements should be taken into account for the family as a whole, and that too on the basis of a net intake of 2,750 calories per adult consumption unit per day. In arriving at the calorie requirements for an average family, the NNAC evaluated separately the requirements of each member and on that basis reached its conclusions about the needs of the family. A similar procedure was adopted in regard to other nutrients in the diet such as proteins, fats, calcium, iron and vitamin A.

16.22 We reproduce in Annexure I a statement showing the nutritional content of the

diet actually consumed by the working class in certain important centres on the basis of information contained in the 1958-59 family budget enquiries. It provides a comparison of the nutritional content of the diets actually consumed with what should have been consumed by the family on the basis of the National Nutrition Advisory Committee's recommendations. We notice that only in seven out of the twenty-two centres was the nutritive content of the diet significantly below the NNAC's recommendations. Two nutrients, the intake of which was below that recommended in the report, are calcium and vitamin A. We have consulted nutrition experts in India and abroad on the effect of calcium and vitamin A deficiencies on the health and efficiency of workers. Their view is:

- (i) "An Expert Group appointed by the WHO/FAO came to the conclusion that there was no case on the basis of available evidence for suggesting an increased calcium supplementation to populations subsisting on lower levels of calcium, of the order of 400 mg. No evidence of specific signs of deficiency has been reported in those subsisting on a daily intake of 300 mg. of calcium. Furthermore, supplementation of the diets with calcium to populations living on diets providing 300 mg. of calcium conferred no benefit".
- (ii) "Inclusion of green leafy vegetables in the levels recommended in the balanced diet should be able to prevent Vitamin A deficiency. Inclusion of these green leafy vegetables should not increase the cost of the diet."

We, therefore, come to the conclusion that the diet consumed by the average working class family in 1958-59 was not far out from what was required according to nutritional standards. The deficiencies in some nutrients also appear to be either unimportant or could be made up within the working class budget at not much additional cost. It should, however, be noted that this is only in so far as the average working class family is concerned. In respect of those who were at the minimum, the position could have been different. If it was so, it means that those at the minimum will have to be brought to the level of the average then existing at least in respect of food.

¹Second Pay Commission, p. 64.

²Report of the Committee on the Functioning of the System of Wage Boards, pp. 25-26.

³The Third Five Year Plan, p. 256.

16.23 An exercise¹ was undertaken, under our sponsorship, to compute the cost of the need-based minimum wage by resorting to linear programming techniques. The constraints imposed in feeding the computer included *inter alia* the pattern of consumption prevailing in 1958-59, the nutritional requirements of the average family, the availabilities of the various food-stuffs keeping in mind the local rationing restrictions on certain items of consumption, and the nutritional content of the average varieties consumed. The results which have been arrived at for certain centres on this basis are summarised in Annexure II. It will be seen that the cost of the need-based minimum varies from about Rs. 155 p.m. to about Rs. 225 p.m. at the 1967 price level in different centres. Adjustment as a result of lowering the calcium content of the diet does not affect the cost substantially. The cost of clothing has been worked out by applying the 1967 average price of the different varieties of cloth to the norms suggested by the ILC. For housing, the rent payable under the Subsidised Industrial Housing scheme has generally been taken. While in some centres the existing wage levels are not far out of those arrived at on the above basis, in others the latter are substantially higher than the prevailing wage levels. It is also important to note that the minimum so arrived at for each centre will be subject to sampling variations. Whilst we have referred to the exercises undertaken with the aid of the computer, we are expressing no opinion on the acceptability or otherwise of the conclusions drawn. That is a task which wage fixing authorities may have to attempt in a manner which may appear to them to be fair and just.

16.24 The foregoing paragraphs briefly review the developments in regard to the need-based minimum, since the Resolution was adopted in 1957. The difficulty about the need-based minimum wage is not so much in regard to the nutritional requirements as it is in regard to its content and monetary quantification. It is in this light that we will have to examine the role and place of the need-based minimum in our wage structure. We do this by briefly recapitulating, even at the risk of repetition, the various definitions, particularly those mentioned in the report of the CFW.

Our Analysis

16.25 The CFW referred to several terms

used in relation to the different levels of wages. We are concerned however with three of them. They are: 'the minimum wage', 'the fair wage', and 'the living wage'. The general scheme of the CFW is that the minimum wage represented the lower limit of the fair wage. Beyond it was the higher level of the fair wage; and the highest level of the fair wage was the living wage. These levels naturally do not represent a static, inflexible concept; they would vary and expand according to economic development and compulsions of social justice.

16.26 According to the CFW, a minimum wage must provide not merely for the bare sustenance of life, but for the preservation of the efficiency of the worker. For this purpose, the minimum wage must also accommodate some measure of education, medical requirements and amenities. The CFW categorically stated that an industry which was incapable of paying this minimum wage had no right to exist. But, if the continued existence of an industry which was not in a position to pay the minimum wage was imperative in the larger interests of the country, it was the responsibility of the State to take steps to enable that industry to pay at least the minimum wage. The committee was of the definite view that for fixing the minimum wage no regard should be paid to the capacity of an industry to pay and it should be based solely on the requirements of the worker and his family. On the other hand, the upper limit of the fair wage, according to the CFW, "is equally set by what may be broadly called the capacity of the industry to pay."² In other words, the CFW recognised that the minimum wage as described by it formed part of the fair wage, though at its lower level. For claiming such a wage, the employees, in its view, should not be called upon to prove an employer's capacity to pay. In regard to the wage levels above the minimum wage, which would fall under the category of fair wage, the CFW made the capacity to pay a condition precedent for the prescription of such a wage.

16.27 The living wage, according to the CFW, represented the highest level of the wage and, naturally, it would include all amenities which a citizen living in a modern civilised society was entitled to expect when the economy of the country was sufficiently advanced and the employer was able to meet the expanding aspirations of his workers. As the traditional doctrine interprets it, the living

¹The exercise was undertaken by the Indian Social Institute, New Delhi, with the computer facilities available in the Planning Commission.

²Report of the Committee on Fair Wages, p. 15.

wage is "a will o' the wisp which floats a little further ahead, an arm's length out of reach. Its pursuit belongs to the same category as 'squaring the circle'."¹

16.28 The 15th Indian Labour Conference considered the question of minimum wage and adopted a resolution the relevant portions of which are reproduced below:

"2. With regard to the minimum wage fixation it was agreed that the minimum wage was 'need-based' and should ensure the minimum human needs of the industrial worker, irrespective of any other considerations. To calculate the minimum wage, the Committee² accepted the following norms and recommended that they should guide all wage fixing authorities, including minimum wage committees, wage boards, adjudicators, etc.

- (i) In calculating the minimum wage, the standard working class family should be taken to consist of 3 consumption units for one earner; the earnings of women, children and adolescents should be disregarded.
- (ii) Minimum food requirements should be calculated on the basis of a net intake of 2,700 calories, as recommended by Dr. Aykroyd for an average Indian adult of moderate activity.
- (iii) Clothing requirements should be estimated at a per capita consumption of 18 yards per annum which would give for the average worker's family of four, a total of 72 yards.
- (iv) In respect of housing, the norm should be the minimum rent charged by Government in any area for houses provided under the Subsidised Industrial Housing Scheme for low income groups.
- (v) Fuel, lighting and other 'miscellaneous' items of expenditure should constitute 20 per cent of the total minimum wage.

"3. While agreeing to these guidelines for fixation of the minimum wage for industrial workers throughout the country, the Committee recognised the existence of instances where difficulties might be experienced in implementing these recommendations. Wherever the minimum wage fixed went below the

recommendations, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adherence to the norms laid down.

"4. The Committee took note of the steps taken by Government for conducting (a) a wage census, and (b) family budget enquiries in various industrial centres.

"5. As regards fair wage, it was agreed that the Wage Board should go into the details in respect of each industry on the basis of the recommendations contained in the report of the Committee on Fair Wages. These recommendations of the Fair Wages Committee should also be made applicable to employees in the public sector."

16.29 A view put forward before us is that the need-based minimum wage, the contents of which were concretely enumerated in the ILC Resolution in clauses (i) to (v) of paragraph (2), is in substance the same as the minimum wage described by the CFW. It is argued that the ILC which quantified the need-based minimum wage recognised by implication the infirmity in the observations made by the CFW that the minimum wage as prescribed by it, though it fell within the range of fair wage but at its lower level, had no relevance to the capacity to pay. In other words, the tripartite resolution took the view that the minimum wage as described by the CFW and as concretised by the Resolution itself was the lower level of the Fair Wage and the principle that in fixing a fair wage the capacity to pay must be considered was applied to it. However, the Resolution, according to this view, took the precaution to say that if any employer pleaded lack of capacity to pay the need-based minimum wage, the onus would be on him to prove the fact of his inability. In other words, it is not for the employees who ask for the need-based minimum wage to prove that the employer has the capacity to pay; it is the other way round. To sum up, according to this view, there is, in substance, identity in the content of the minimum wage as enumerated by sub-clauses (i) to (v) of paragraph (2) of the Resolution and the minimum wage described by the CFW. Hence in prescribing such a minimum wage, the capacity to pay has to be taken into account.

¹The Just Wage by Prof. M. Fogarty-1969, p. 152.

²The reference here is to the sub-committee of the Indian Labour Conference which went into this question and on the basis of whose report the ILC adopted this resolution.

16.30 The other view is that had the ILC Resolution really meant that the capacity to pay should be taken into account in fixing the need-based minimum wage, it would not have said in para 2 of the Resolution that the said wage should ensure the minimum human needs of the industrial worker irrespective of other considerations. The fact that the Resolution really meant that the need-based minimum wage was the irreducible minimum is borne out by its recommendation in regard to fair wages made in para 5, wherein it has been suggested that as regards fair wage the wage boards should go into the details in respect of each industry on the basis of the recommendations contained in the Report of the CFW, since the criterion of capacity to pay is the main distinguishing feature between the minimum wage and the fair wage as per the CFW. According to them, the capacity to pay is not to be taken into account in fixing the need-based minimum wage.

16.31 We have carefully considered both the views and we are inclined to agree with the former. Since most of the Wage Boards have taken into consideration the capacity to pay in fixing the minimum for the respective industries, the wages fixed by them fall in the realm of fair wages, though at its lower level. The need-based minimum wage is also a level of fair wage and represents a wage higher than the minimum obtaining at present in many industries, though it is only in the lower reaches of the fair wage. We, therefore, hold that in fixing the need-based minimum, the capacity to pay will have to be taken into account. Experience with wage determination since the formula was adopted in 1957, supports this conclusion. The need-based minimum which is in the range of the lower level of the fair wage attracts, in its determination, the employer's capacity to pay. It is the level of wage towards the attainment of which every industry should strive and to which every worker in organised industry has a claim. The onus of proving that the industry does not have the capacity to pay that wage should lie on the employer. We recognise that the need-based minimum wage and the wages at the higher levels of fair wage, may and can be introduced by convenient and just phasing, keeping in mind the extent of the capacity of the employer to pay the same. This has to be a pragmatic process which the wage-fixing authorities will have to keep in mind.

Historical

16.32 Adjustments in wage levels become necessary, amongst other factors, on account of increase in the cost of living and improvement in economic conditions. While wage adjustments in respect of the former aim at preventing erosion of wage levels in real terms, adjustments belonging to the latter category are intended to improve real standards. It is only the first aspect, *viz.*, prevention of erosion, which we consider in this section.

16.33 During the First World War, when prices went up, demands were made by labour in different industries and different centres to secure compensation for price increases. In Ahmedabad, the demand led to the epic fast of Mahatma Gandhi and it succeeded in securing for workers the principle of protecting their *real wage in the event of a substantial rise in prices*. This compensation, presently termed as Dearness Allowance (D.A.), was at some centres called dear-food allowance [to emphasise its food component] in the early stage of its being recognised as a separate component of the remuneration for work. In the inter-war period, and particularly during recession, these allowances were adjusted taking into account the lower price level. The practice of paying a D.A., distinct from the basic wage, had these early beginnings.

16.34 The out-break of the Second World War disturbed the then existing relationship between wages and prices and raised industrial disputes. Compensation for increase in prices was sought and secured during the period 1940—45 mainly through the institution set up for the settlement of such disputes. The main reason for keeping these allowances separate was the assumption as to the temporary character of increased living costs. The expectation was that such allowances would be adjusted downwards and eventually disappear. This hope, firmly expressed in many reports, has still remained a hope. Originally confined to certain sections of organised workers particularly in the industrial sector, the practice of paying D.A. spread to many unorganised sectors and also to public services. In the last thirty years, the principle of D.A. found acceptance *inter alia* in the report of the Rau Court of Enquiry (1940),¹ the Rajadhyaksha

¹The Court of Enquiry constituted under the Trade Disputes Act to investigate the dearness allowance of railway employees.

Award (1946)¹, the Central Pay Commission (I) 1947, the Committee on Fair Wages (1948), the Bank Award Commission (1955), the Second Pay Commission (1959)², the Dass Commission (1965)³ and the Gajendragadkar Commission (1967)⁴. The industrial relations machinery such as industrial courts, industrial tribunals, and conciliation officers found it convenient to give satisfaction to the parties by adjusting remuneration on this basis. Since 1957, the Government of India set up a number of wage boards for determining terms of employment in several industries. The wage boards have generally sought to keep the D.A. as a separate component of wage, although some of them recommended the merger of a substantial part of D.A. with the basic wage. Tripartite meetings over the last twenty years have also felt likewise.

16.35 The system of payment of D.A. has varied from centre to centre, and from industry to industry even within a centre. In some cases it was linked to the Working Class Consumer Price Index; (hereafter referred to as the Index) in others it was not. It was at a flat rate and was applicable in some cases to all employees irrespective of their wages; in others, it varied according to wage or salary slabs. A graded percentage, linked to wages or salaries, was also prevalent. Permutations and combinations of such payments resulted in a variety of systems, with D.A. linked to the Index emerging dominant. The Occupational Wage Survey undertaken in 1958-59 revealed that of those who were getting separate D.A., 41 per cent had their D.A. linked to the Index; for another 28 per cent, it was at a flat rate; a fixed proportion of income in different groups was the method of compensation in the remaining 31%. As a result of the operation of wage boards after 1958-59, the area where D.A. is related to the index has enlarged considerably. According to one estimate, nearly two thirds of the industrial working force is now being compensated on this basis. Thus the prevailing system of D.A., originating as a protection against a fall in real wage and temporary in character, has come to stay as a part of the total wage structure.

Foreign experience

16.36 The system of payment of D.A. as a separate component of wages is a special fea-

ture peculiar to India and some Asian countries. In the industrialised countries, wages themselves are adjusted as and when necessary. Several wage agreements provide 'escalator clauses' or 'wage re-opening clauses' or provide for a review of wage rates when prices rise above a certain point. 'Escalator clauses', which are somewhat similar to linking the total wage to the index are common in the U.S.A., Belgium, Denmark and Italy; whereas 'wage re-opening clauses', where all other clauses remain undisturbed except the one which relates to wages which can be reopened even during the pendency of the contract, occur in several wage agreements in Norway and Sweden and in some agreements in the U.S.A. during 1954-58. In several Asian countries, the situation is met more or less by arrangements similar to those obtaining in our country. In Ceylon, there are several allowances, such as cost of living allowance, rent allowance and special living allowance which have the same effect as our D.A. In Japan, wages include cost of living allowance and rent allowance. Thus, international experience shows that while some form of relationship between wage levels and cost of living increase is preferred, the form of relationship varies. While the predominant pattern appears to be the adjustment of wages as a whole, the practice of keeping the compensation for price increase as a separate element also exists; both arrangements have their own advantages and disadvantages. The main advantage claimed for the latter is its flexibility. It is argued that while wage rates cannot be brought down because of a fall in prices, the dearness allowance, if kept as a separate element, can. The system can also be designed to reduce the time-lag between the price increases and payment of compensation therefor. The opposite view is that the way the system has operated all these years has resulted in a complete distortion of the wage structure with the dearness allowance portion in certain areas being several times the size of the basic wage. This may have an adverse repercussion on incentives and productivity. The system of D.A., as it has evolved in this country, may under certain circumstances add to the inflationary tendencies. We have considered these issues and feel that changes in money wages should be associated with corresponding changes in cost of living. Without such adjustment, real wages would be eroded. How

¹Adjudication by the Hon'ble Mr. Justice G. S. Rajadhyaksha, ICS, (Bombay High Court) in the Trade Dispute between the Posts & Telegraphs Department and its non-gazetted employees.

²Commission of Enquiry of Emoluments and Conditions of Service of Central Government Employees (1959).

³One-Man Independent Body for revision of Dearness Allowances of Government Employees.

⁴Dearness Allowance Commission on the question of the grant of dearness allowance to Central Government employees in future.

such adjustment should be brought about, whether by keeping the D.A. as a separate item or by periodic revision of wages, is not so important. But, since the system of D.A. has come to stay in this country, and as in most of the cases it is linked to the index, we propose to deal in some detail with the issues arising out of such linkage.

Analysis of Evidence

16.37 For convenience of discussion, we propose to analyse the evidence before us under five broad heads:

- (a) D.A. as a separate component and linked with the index;
- (b) the choice of the index with which a link is sought;
- (c) extent of neutralisation;
- (d) frequency of adjustment; and
- (e) relationship between D.A. and 'capacity to pay'.

16.38 State Governments have generally favoured the retention of D.A. as a separate component in the wage structure. Some have suggested adjustment either after a period of time (say, a year or six months) or when the index crosses a certain limit. Several employers' organisations oppose the system of linking D.A. with the index; in their view, it is not conducive to the health of the economy. It is unfair, according to them, for a section of the population to expect insulation against price rises when the same cannot be extended to a large mass of others. Workers organisations, on the other hand, have all favoured compensation through D.A. and have suggested its periodic review in order to merge a part of the D.A. with basic wage. They have also pleaded for adequate neutralisation. Many Study Groups appointed by us have come to the same conclusion.

16.39 We consider that payment of D.A. has to be viewed in the broader context of wage policy, many elements of which have been discussed in the previous chapter. In a developing economy where price stabilisation has proved ineffective, or the inflationary potential cannot be controlled, any arrangement for compensating for price rise will have its *raison d'être*. At the same time, a direct linkage between a rise in the index and the D.A. may create problems for price stabilisation. It can hardly be

disputed that the index is the best available indicator of changes in price level.¹ The reason for a disproportionately high D.A. is the fixation of basic wage on a date far remote from the present. For an employer it was convenient then to have a small basic wage, as many benefits conferred on workers were related only to the basic wage. The situation has now changed. Over the last 20 years, the tendency has been increasingly in favour of computing benefits taking into account basic wage and D.A. Retention of the old basic wage, therefore, is an anomaly which requires to be removed; the earlier the better.

16.40 The current D.A. is not in all cases related to an index with a common base period. In many centres and industries it is linked to the local index, and several such indices have different base periods. We hold that if the basic wage in all cases is adjusted to a common base year and the D.A. is linked to changes in the index over such a base year, the wage patterns in different centres would achieve a desired measure of uniformity. The Central Government through the Director, Labour Bureau, is currently preparing and publishing indices for different centres with the year 1960 as base. This suggests that wages could be adjusted to the 1960 price level by merging D.A. in that year with the basic wage. But prices have gone up considerably since 1960 and a merger of the D.A. at that level would still leave a substantial component of the total wage as D.A. Further, there would be difficulty in cases of industries where wage board awards have already adjusted basic wages to more recent years.

16.41 We have been informed that prices are not likely to settle below the level of 1968. Spokesmen of the Planning Commission and the Reserve Bank of India, besides others, have been clear on this point. There can thus be a strong case for merging dearness allowance with basic wage at the 1968 price level. The main function of any D.A. as we envisage it, ought to be to provide a desired neutralisation of a temporary or short-period rise in the cost of living. Whenever the latter turns out to be more or less permanent, the wage rate itself should be adjusted to it. We are, therefore, most anxious that the D.A. should be merged with the basic wage at a reasonable point of time. We recognise that the merger is likely to have wide repercussions on industry and may require consideration of related wage issues on an extensive front. There is also the difficulty

¹In another chapter we have recommended how the index could be made more acceptable to the users. (See Paras 31.34 & 31.37)

that in the absence of a price series related to the base year in which the two components of wages are merged, the workers might have a feeling that any future erosion of their real wages would not be adequately safeguarded. We have taken note elsewhere of the enquiries proposed in the year 1969-70 for measuring changes in workers' levels of living and for providing a base for revising the price indices at different centres. It would, therefore, be more practical to merge D.A. with basic wage at the base year of the revised series. In the interim, we recommend that (i) all future wage claims should be dealt with on the basis of the 1968 price level and (ii) the ground should be prepared for introducing a consolidated wage (basic + D.A.) as at the base period of the proposed revised series of consumer price index numbers. The aim of such merger should be to rationalise the existing wage structure and make basic wage more realistic than at present. It should not be construed to imply *ipso facto* any basic change in real wages or conferment of any additional benefit. The piece-rates would have to be adjusted to the merged wage in such a way that current differentials in the total wages are not unduly disturbed. No further adjustments are implied in our proposals.

16.42 Compensation against decline in the purchasing power of money is claimed by all wage earning sections; the employees in the lower income brackets are the worst sufferers. They have little or no manoeuvrability. Extension of this protection to all employees may not be in accord with the principles enunciated earlier for framing wage policy. Employees in higher income brackets have to make a sacrifice in common with other sections of the population who do not get compensated for price rises. To draw a precise line where the D.A. should cease will depend on the level of prices at any point of time. The Dearness Allowance Commission, 1967 which went into this question in respect of Central Government employees, felt that in deciding the level at which additional D.A. should cease to be admissible, the following three considerations should be taken into account: (i) the level should be a little above but not substantially above the subsistence level; (ii) the level should be determined in relation to the current price level; and (iii) it may have to be determined afresh in future if price levels went up substantially higher than the current level. These considerations, we feel, should be applied, *mutatis mutandis* to workers who fall within our terms of reference.

16.43 Many State Governments have preferred regional index numbers to the all-India index for making adjustments. A large body of evidence, particularly from industries and services which are spread throughout the country, however, favours the use of the all-India index. One central organisation of workers has preferred the all-India index in dealing with D.A. claims at the national level, but by and large workers' choice is for the local index. At present, the indices are available for individual industrial centres and for all-India. We have recommended elsewhere that such States as would like to have a State series may undertake enquiries at additional centres to provide a base for the State index. In the meanwhile, the only choice open is as between the series for the centre and the all-India series. Each one has its uses. Taking the industrial field as a whole in its wider connotation, many wage boards have shown preference for the all-India series. At the same time, it seems inappropriate to suggest that workers in centres where a local index has had a long tradition of being used should be made to change over to the all-India index. In any case, it would be best to leave it to the wage fixing authorities to choose the index (local or all-India) they consider suitable for the purpose of linking dearness allowance.

16.44 Several employers have urged that the index which represents the price rise for the consumption basket of an average worker should not be taken to regulate the D.A. paid for compensating those at the minimum level. In deciding this issue, it is necessary to appreciate that when D.A. is linked with an index, exact correspondence should not be expected between the group of employees whose D.A. is tied to the index and the group on whose family budgets the index is based. There is always an area of applicability for each index, the limits for which are wide for all practical purposes. Obviously it is not possible to maintain separate indices for employees in different wage ranges at different centres. The 1958-59 family budget enquiries show that about 60 per cent of the families surveyed had incomes below Rs. 125, at the time the enquiries were undertaken. The indices, therefore, predominantly represent workers in lower income brackets. They can be taken to be a good indicator for regulating D.A.

16.45 Also, in making the claim for working out a separate index for those drawing the minimum, the statistical points involved are generally ignored. The sample for the enquiry is designed in such a way that it will

give an idea of the average consumption basket. If on the basis of the enquiry so planned one has to work out an index for those at the minimum level, the data collected will not be representative for that class. If, on the other hand, it is claimed that future inquiries should be restricted only to minimum wage earners, they would cease to be working class family budget inquiries. Moreover, the index measures changes in the price of a fixed basket of goods and services. Marginal adjustment in weights of individual items, which will result if the employers' claim for calculation of the index on the basis of budgets of minimum wage earners is accepted, does not affect the index substantially. Also, the wage fixing authorities use the index only for understanding price changes. They work out the quantum of D.A. with a view to compensating the workers drawing the minimum in such a way that payment of D.A. does not amount to increase in real wage even at the minimum level.

16.46 Varying degrees of neutralisation, even at the level of the minimum wage, have been suggested by State Governments. While some would prefer cent per cent neutralisation at the lowest level, others demand maximum neutralisation at lower levels with a gradual tapering of as wage/pay scales improve. Several employers' organisations have relied on the Report of the Dearness Allowance Commission (1967) and have urged that the principles underlying the recommendations should be made more general in their application. Workers' organisations have unanimously voiced the demand for cent per cent neutralisation, some without indicating the wage limit, others confining it to persons at the lowest level. The existing practice in regard to percentage neutralisation on the basis of adjudication awards, wage board reports, etc., varies from place to place and from industry to industry. While in some centres and industries the percentage neutralisation is cent per cent at the lowest level, in others it is less. But whatever the rate of neutralisation, it has been generally egalitarian in its application, since the percentage neutralisation for price rise in the lower brackets of wages or salaries is generally higher.

16.47 It is obvious that unless money wages rise as fast as the consumer prices, it would result in an erosion of real wages. But the extent of its impact will depend on the margin of cushion available at different levels of income. The purpose behind the fixation of minimum wages itself is lost, if the wage so fixed is allowed to be eroded by price increases,

exceptional circumstances apart. We are, therefore, of the view that on principle, those who get a minimum wage will be entitled to have full neutralisation against rise in cost of living. There are, however, certain imponderables like natural calamities, famine and external relations which have to be taken into account in deciding what allowance should be made for them in working out full neutralisation. These are admittedly difficult of quantification. Some of us took the view that for reasons set out by the Dearness Allowance Commission in its report, its recommendation that neutralisation at the rate of 90 per cent should be allowed to those at the minimum should be accepted by us, while others thought that the allowance for imponderables should be less. After full discussion a consensus was reached that neutralisation at the rate of 95 per cent should be afforded to minimum wage earners in respect of any future rise in the cost of living. We accordingly recommend that 95 per cent neutralisation should be granted against rise in cost of living to those drawing minimum wage in non-scheduled employments.

16.48 As pointed out earlier, minimum wages in non-scheduled industries have been fixed as a result of collective bargaining, arbitration or adjudication. The percentage neutralisation of the rise in the cost of living in non-scheduled industries has been fixed by the same process. We are aware that in some non-scheduled industries and units, dearness allowance is paid to the worker on the basis of neutralising in full the rise in price in case of persons at the minimum level. Our recommendation of 95% neutralisation for minimum wage earners in non-scheduled industries should not be allowed to have any adverse effect on such agreements or on award rates of dearness allowance. The higher rates of neutralisation already achieved should be protected.

16.49 A suggestion that has been before us is that only the quantum of D.A. permissible to the lowest paid employee should be paid to those at higher levels of wages/salaries to whom D.A. may be admissible. The justification for it is sought in its simplicity, and in the argument that the principal aim of D.A. being to compensate only the increases in the prices of essentials, it should not vary with income level. On the other hand, some others argue that payment of a flat amount of D.A. is responsible for a substantial narrowing of wage differentials and such narrowing down acts as a disincentive to improve effort and affects production and productivity, particularly in the case of skilled workers. On this account, it is claim-

ed that while percentage neutralisation may taper off beyond the minimum, at higher levels it need not necessarily result in the payment of same amount of D.A. at all levels. This, however, assumes that the current differentials are justifiable on grounds of productivity and that our commitment to a socialist pattern of society will not eventually abridge these distances. There is little justification for these assumptions. According to our view, the only purpose of dearness allowance is to enable a worker in the event of a rise in cost of living to purchase the same amount of goods of basic necessity as before. This purpose would be served by an equal amount of dearness allowance to all employees irrespective of differences in their emoluments. But those employees, who are at present getting an amount of dearness allowance higher than what is admissible on the basis of our recommendations, will not be deprived of that, though for any additional increases in the cost of living, they will be entitled only to the same amount of dearness allowance as is given to persons receiving the minimum wage.

16.50 Several State Governments, Employers' Organisations, and Employing Departments of Government, have suggested revision of D.A. after a 10 point rise in the index or once in six months, whichever is later. Some State Governments and workers' organisations feel that the revision should take place after a 5 point rise in the index or once a quarter. There is also substantial evidence from the workers' side in favour of a point-to-point adjustment. Many employers do not want adjustments except on an annual basis. Our Study Group on Wage Policy prefers automatic adjustment of D.A., but considers month-to-month adjustment undesirable. According to it, "the management should have some reasonable stability in wage costs without at the same

time imposing too heavy a burden on the worker at the subsistence level."¹

16.51 On this point, the main controversy appears to be between point-to-point adjustment or adjustment from slab to slab. The size of the slab itself, whether it should be 5 points or 10 points (in either case, 1960=100) is another area for decision. The index is a statistical measure, and as all statistical measures are, it is subject to a margin of error. While this factor could go against making a point-to-point adjustment, such adjustment would still be made possible by taking the average of the preceding 12 months at the time of adjustment. This, however, does not settle the controversy over slab versus point. The point in favour of more frequent adjustment is that additional D.A. will not be noticed by the market, though this argument is true only within limits. The slab system would work better for reasons which have been explained in the report of the Dearness Allowance Commission. We, therefore, recommend linkage of D.A. to a 5 point slab (with reference to consumer price index Base 1960=100) on the basis of the current all-India series or the current (1960) centre series. However, this recommendation should not affect employees who are at present getting point-to-point neutralisation.

16.52 Almost all State Governments, employers' organisations and the Secretaries to Government of India have observed that capacity to pay is a very important consideration in fixing the amount of D.A. Workers' organisations, on the other hand, do not consider it to be relevant. As mentioned earlier, we do not feel that the capacity to pay is a relevant consideration for payment of D.A. at the minimum level. At other levels, or where D.A. is fixed on the basis of collective bargaining or other methods, the capacity to pay will have a bearing.

¹Report of the Study Group on Wage Policy, p. 47.

Comparison of the Nutritive value of Food stuffs actually Consumed with the Requirements

Sl. No.	Centres	Calories		Proteins (gs)		Fat (gs)		Calcium (gs)		
		A	B	A	B	A	B	A	B	
1	2	3	4	5	6	7	8	9	10	
<i>East India—Industrial Centres</i>										
1.	Jamshedpur	11,726	10,736*	273	283	..	162	5.6	2.2*	
2.	Asansol	7,905	8,200	202	229	..	101	4.1	1.5*	
3.	Calcutta	6,030	5,924	147	172	..	77	3.0	1.2*	
4.	Howrah	6,726	6,519	165	192	..	75	3.3	1.4*	
<i>East India—Mining</i>										
5.	Jharia	7,990	6,731	167	191	..	73	3.4	1.1*	
6.	Raniganj	7,223	6,176*	147	166	..	60	2.9	0.9*	
7.	Noamundi	10,369	7,743*	247	193*	..	60	5.1	1.1*	
<i>East India—Plantations</i>										
8.	Doom Dooma	9,220	18,478*	249	222*	..	100	5.1	0.9*	
<i>South India—Industrial Centres</i>										
9.	Coimbatore	9,985	10,158	254	256	..	134	6.3	2.2	
10.	Madras	10,765	9,856	280	258*	..	135	5.7	2.0*	
11.	Bangalore	11,570	10,995*	313	279*	..	138	6.5	4.3*	
<i>South India—Plantations</i>										
12.	Mundakkayam	10,538	10,308	285	229*	..	76	5.8	1.9*	
<i>West India—Industrial Centres</i>										
13.	Bombay	6,476	6,928	168	198	..	112	3.2	1.3*	
14.	Sholapur	10,584	10,302*	316	300	..	135	6.7	1.7*	
15.	Ahmedabad	8,405	9,465	214	270	..	229	4.4	1.8	
<i>Central India—Industrial Centres</i>										
16.	Nagpur	10,734	9,910	218	289	..	172	5.7	1.8*	
17.	Bhopal	10,194	9,335*	265	292	..	150	5.4	1.7*	
18.	Gwalior	8,853	10,315	231	323	..	185	4.8	2.1*	
<i>North India—Industrial Centres</i>										
19.	Delhi	7,550	7,520	194	213	..	155	4.0	1.4*	
20.	Kanpur	7,300	7,433	184	234	..	120	3.7	1.6*	
<i>North Western India—Industrial Centres</i>										
21.	Amritsar	7,459	7,863	190	238	..	143	3.9	1.7*	
22.	Ajmer	11,764	13,979	274	424	..	279	6.6	2.9	

ANNEXURE I—Contd.

Sl. No.	Centres	Iron (mgs)		Vita. (A)(i.v.)		Vitamin B (mg)		Vita C (mg)	
		A	B	A	B	A	B	A	B
1	2	11	12	13	14	15	16	17	18
<i>East India—Industrial Centres</i>									
1.	Jamshedpur	99	147	16,730	10,154	5.9	5.6	239	265
2.	Asansol	74	105	12,390	6,326	4.0	4.2	177	186
3.	Calcutta	54	81	9,205	6,329	3.0	3.0	132	199
4.	Howrah	60	97	10,185	8,216*	3.4	3.9	164	223
<i>East India—Mining</i>									
5.	Jharia	61	88	10,290	3,360	4.0	3.8	147	138*
6.	Raniganj	54	73	9,030	2,152*	3.6	3.0*	129	114*
7.	Noamundi	91	102	14,225	6,338*	5.2	3.8*	218	160*
<i>East India—Plantations</i>									
8.	Doom Dooma	90	110	15,190	2,372	4.6	4.5	217	71*
<i>South India—Industrial Centres</i>									
9.	Coimbatore	91	144	15,995	5,878	5.0	5.1	229	171
10.	Madras	103	133	17,120	9,355	5.2	4.3*	246	295
11.	Bangalore	115	166	19,425	9,252*	5.8	7.1	278	273
<i>South India—Plantations</i>									
12.	Mundakkayam	103	118	17,325	3,072*	5.3	4.5*	248	174*
<i>West India—Industrial Centres</i>									
13.	Bombay	58	80	9,800	5,700*	3.2	3.3	140	150
14.	Sholapur	115	168	19,325	10,977*	5.9	7.5	276	185
15.	Ahmedabad	79	134	13,335	10,598	4.2	4.5	191	158
<i>Central India—Industrial Centres</i>									
16.	Nagpur	102	146	17,150	7,837*	5.4	6.0	245	154
17.	Bhopal	97	146	16,275	7,767*	5.1	5.9	232	254*
18.	Gwalior	85	169	14,385	6,679*	4.4	6.5	206	159
<i>North India—Industrial Centres</i>									
19.	Delhi	72	106	12,110	4,920*	3.8	2.0*	273	110
20.	Kanpur	67	121	11,305	10,771*	3.6	3.8	162	130*
<i>North Western India—Industrial Centres</i>									
21.	Amritsar	71	117	11,900	7,708*	3.7	4.6	170	150
22.	Ajmer	46	218	19,600	12,687	5.9	8.8	280	216

*Means low.

NOTE : A means requirements. B means actually consumed. The figures regarding requirements in respect of some of the nutrients may need downward revision in the light of more recent knowledge. In regard to Vitamins, their concentration in food will depend on the particular variety of the food stuff consumed and the cooking procedures adopted. In calculating the actual consumption, no allowance for cooking etc., has been made.

Source :—Report of the Sub-Committee of the National Nutrition Advisory Committee on Nutritional Requirements of Working Class Families—March, 1965.

ANNEXURE II
(Ref Para 16.23)

*Estimated Cost of Need-based Minimum
Wage in Selected Centres*

Centre	Expenditure on				Total Wages Rs.
	Food Rs.	Clothing Rs.	Housing Rs.	Miscellaneous Rs.	
Doom Dooma	125.10	8.52	14.50	37.01	185.15
Jamshedpur	156.60	11.22	14.50	45.58	227.90
Jharia	150.30	7.76	14.50	43.14	215.70
Asansol	143.10	9.48	14.50	41.77	208.85
Calcutta	150.30	9.30	22.00	45.40	227.00
Howrah	150.30	9.66	14.50	43.61	218.08
Raniganj	145.80	7.32	14.50	41.91	209.53
Jalpaiguri	129.60	8.40	14.50	38.13	190.63
Hyderabad	134.10	11.64	14.50	40.06	200.30
Alleppey	115.20	8.34	14.50	36.51	174.55
Bangalore	126.00	10.56	14.50	37.77	188.83
Madras	108.90	9.54	14.50	33.24	166.18
Coimbatore	100.80	10.08	14.50	31.35	156.73
Ahmedabad	134.10	12.48	14.50	40.18	201.26
Yamunanagar	109.80	12.48	14.50	34.02	170.10
Bhopal	117.00	11.88	14.50	35.85	179.23
Indore	105.30	10.08	14.50	32.47	162.35
Bombay	134.10	12.54	22.00	42.16	210.80
Nagpur	120.60	9.12	14.50	36.05	180.28
Sholapur	111.60	9.12	14.50	34.03	169.25
Amritsar	109.80	11.40	14.50	33.93	169.63
Ajmer	116.10	12.18	14.50	35.70	178.48
Kanpur	112.50	8.76	14.50	33.94	169.70
Varanasi	121.50	7.92	14.50	35.98	179.90
Delhi	103.50	15.00	14.50	33.25	166.25

N. B. House rents were taken from the booklet "Subsidized Housing Scheme for Industrial Workers", issued by the Ministry of Works, Housing & Supply, Government of India, New Delhi, 1960.

Source—Computerised Exercise—Indian Social Institute, New Delhi.

CHAPTER 17

INCENTIVES AND BONUS

The systems of remuneration for work in industry are, in the main, variants or combinations of two fundamental arrangements: payment by time and payment by output. Under the former, a worker is paid a pre-determined amount for a specified unit of time, which may be an hour, a day, a week or a month; yearly payments are not common in industry. So long as he is engaged on tasks specified by his employer, there is no direct control on the amount of work done by him except through supervision. In the latter arrangement, the worker is paid his dues according to his output, or the output of the group to which he belongs. This relationship may be simple when the remuneration is for a straight piece work, i.e., a uniform rate per unit of work/output. It may assume complex forms as in the case of "differential piece work" wherein rates of remuneration per unit of output may be either progressive or regressive. Long-term collective systems relating wages to costs, standard production, sales or profits are other variants of payment by results. There are also other types of remuneration that are not directly dependent on production, like bonuses for regular attendance, length of service, quality of production and elimination of waste, all constituting an area of wage incentives.

17.1 There are advantages in incentive payments. They serve a double purpose, viz., (i) to increase the earnings of the workers and (ii) to improve the efficiency of the unit, thereby lowering costs. If properly worked, they could have an effect on prices in a manner which will benefit the community. On the debit side, the use of a system of payment by results accentuates the differences between the management and unions. While incentives provide additional remuneration for workers as production proceeds from day to day, another mode of such payment has come in vogue which may depend upon the total output of the unit as also on the state of the market, viz., payment of bonus. We propose to discuss in this Chapter some of the incentive schemes which prevail in this country and the manner of their introduction/implementation. In the later portion, we review the system of bonus payments.

INCENTIVES

Historical

17.2 Incentive systems in the industrially advanced countries date back to the introduction of scientific management in the closing years of the 19th century. Since then numerous schemes have been evolved; a wide variety of them are now in force in different parts of the world. Wage incentives tend to assume greater significance in a framework of planned economy. They encourage workers to accept technological improvements resulting in increased production for the economy and better standards of living for the workers. It was in this context that both the First and the Second Plans recommended the introduction of incentives to promote more efficient working in industries with due safeguards to protect the interest of workers, through the guarantee of a minimum (fall-back) wage and protection against fatigue and undue speed-up. The Second Plan also recommended that earnings beyond the minimum wage should be necessarily related to results and workers should be consulted before a system of payment by results was introduced in an establishment. The Third Plan emphasised the need for higher productivity and reduction in the unit cost of production. It put the responsibility on the management to provide the most efficient equipment, correct conditions and methods of work, and adequate training and suitable psychological and material incentives for the workers. There has been, however, no evidence of systematic implementation of these recommended measures. Whatever has been achieved in the last twenty years is the result of the efforts of individual employers or employer groups. Research institutes also have helped this limited effort by conducting scientific studies on work methods in industries—sometimes in collaboration with workers—and by publishing technical literature on the subject.

Labour Bureau Findings

17.3 The piece-rate system has been known in our country for a long time and widely practised too. It does not strictly amount to an incentive scheme, but is connected with it. According to the Occupational Wage Survey conducted by the Labour Bureau in 1958-59, 31.8

per cent of workers in factory industries, 75.4 per cent in plantations and 57.8 per cent in mines were piece-rated. Application of the piece-rate system has been understandably limited to industries and occupations in which it is possible to measure the output of a worker or a group of workers with reasonable accuracy and to maintain a satisfactory degree of control over the quality of the product. A variation of the straight-piece-work system is the standard-hour system under which a certain standard time is allowed to the worker to complete a particular job and he is paid for the standard time even if he completes the work before time.

17.4 The Labour Bureau made a study of incentive schemes other than the straight piece-rate system, operating in industrial units during the period 1956-57. The Study revealed that incentive schemes were predominant mostly in iron and steel, aluminium, engineering, cement, paper, cigarette, textiles, chemicals and chemical products, mining and glass industries and most of these schemes had been introduced during or after 1946. In more than half the units surveyed, incentive plans were stated to have been formulated in consultation with the workers concerned. The group system of incentive payment was more common than the one with individual incentives. In large undertakings, particularly in iron and steel, aluminium, paper and match industries, incentive payments were linked to the total production of the plant or the unit as a whole. Incentive schemes related to the productivity of individual workers or groups of workers existed in engineering and cigarette manufacturing industries. The one prevalent in gold mines, some cement and glass factories and printing presses, stipulated incentive bonus to workers for performance over and above the prescribed norm. The practice of making a distinction, for incentive bonus, between persons directly engaged in production and others was not uncommon. Where both groups were entitled to such payments additional remuneration to the non-production personnel was usually at a rate lower than what production workers could claim. The periodicity of payment varied from a fortnight to a year depending upon the type of incentive scheme.

The N.P.C. Study

17.5 Among more recent attempts to understand the position was an inquiry undertaken by the National Productivity Council (NPC). The response to the enquiry was generally poor.

Of the 85 establishments which responded out of the 1,000 addressed, 60 had one type of incentive scheme or the other. The reporting establishments covered several industries including light and heavy engineering, textiles, aluminium, chemicals and mining. About a third of them had a straight piece-rate system without a 'fall back' wage. In the remaining, arrangements for 'fall back' payments operated. While incentives restricted to production personnel only was the common pattern, in about a third of the units the schemes were applicable to nearly all workers. In some others, about one fourth to one half of work force benefited from incentives. In all cases, the incentive bonus was related to output. Other factors which figured in the calculation were quality, regularity in attendance, reduction in waste, and reduction in break-down repairs. Non-monetary incentives, among which promise of promotion was one, operated in some units.

Public Sector Arrangements

17.6 A team of Russian experts studied the applicability of incentive schemes to public sector undertakings in the year 1960. According to it, the then existing wage system in public undertakings was not based on the efficiency of the workers, but on their length of service and was anomalous in as much as workers doing identical work in quality and quantity got different wages. The team suggested the desirability of reducing the wage differentials for similar occupations and relating wages to skills required of labour and the equipment operated by them. It felt that the system of fixing wages on the basis of seniority should be progressively done away with by switching over all workers to a system of payment based on quality, skill and quantum of labour. Since achievement of the desired output depended on the effort of engineers and technicians as well as that of the personnel of administrative departments, it recommended payment of bonus to them as well. The creation of a fund out of the profits and savings resulting from increased production in the undertaking for welfare activities and improvements in production equipment was another suggestion. A recent study of labour in selected public sector undertakings reveals that productivity has been progressively increasing and unit costs falling in the Chittaranjan Locomotive Works where incentive schemes have been in operation since 1954. The Indian Telephone Industries, Bangalore, has a system of incentives by which both operatives and others benefit. Persons whose time is not directly booked on a job, i.e., operatives in the service departments and service shops, are also

covered by the scheme. Among the other public sector undertakings which have such arrangements are the Hindustan Steel Ltd., the Hindustan Antibiotics and the Hindustan Machine Tools.

Experience of Wage Boards

17.7 The wage boards set up for different industries are required by their terms of reference to bear in mind the desirability of extending the system of payment by results in evolving a wage structure, subject to safeguards against over-work and undue speed. In dealing with this aspect, the first Wage Board for the Cotton Textile industry observed that both the employers and the employees disfavoured any system of progressive rates of incentives. They were satisfied by the system of piece-rates that covered over 50 per cent of the workers. The Sugar Wage Board found little scope for incentive wage system in that industry. A similar finding was recorded by the Cement Wage Board, since it found that individual or even group performance in cement factories was not measurable. No extension of the piece-rate system was recommended by the Coal Wage Board because of "certain inhibiting factors in the very nature of production in the industry". On the other hand, incentives through extension of piece-rates were recommended by the Wage Boards for Jute, Rubber, Coffee and Tea.

Our Approach

17.8 The Study Group¹ on Productivity and Incentives, appointed by us, has pointed out that under our conditions, wage incentive is concerned with effective utilisation of man-power, which is the cheapest, quickest and surest means of increasing productivity. The only practicable and self-sustaining means of improving man-power utilisation is to introduce incentive schemes and stimulate human exertion to provide a positive motivation to greater output. The evidence before us supports the basic approach of the Study Group, though there is an understandable variation in the emphasis put by employers' and workers' representatives on its different aspects. There is a general agreement that incentive schemes should be applied to all sectors of economic activity. The following guide-lines for introduction of incentive schemes, on which we had sought views through our questionnaire, have found general acceptance. We recommend their adoption:

- (a) Employers and workers should formulate a simple incentive system at the unit level and implement it on some agreed basis through collective bargaining. In every case, introduction of incentive schemes should be preceded by an agreement with trade unions.
- (b) In evolving wage incentive schemes, it should be ensured that these do not lead to rate-cutting. The worker's normal wages should be protected where it is not possible for him for circumstances beyond his control to earn an incentive.
- (c) Individual or group incentives can be framed to cover both direct and indirect groups of workers.
- (d) An incentive scheme cannot be evolved without a work-study undertaken with the cooperation of workers. Nevertheless, it should always be open to employers and workers to evolve a scheme by agreement or on any other acceptable basis.
- (e) Efforts should be made to reduce time-rated categories to the minimum. This will ensure that all employees have an equal chance to increase their earnings with increase in productivity.
- (f) Wage incentives should generally provide extra earnings only after a mutually agreed level of efficiency has been achieved.
- (g) To ensure quality of production, incentive payments should be generally allowed only if the output has been approved on inspection by the management. Relevant norms in this connection should be laid down and made known to workers.
- (h) Incentive earnings should not fluctuate very much. This requires a certain degree of planning so that material delays, machine-breakdowns, etc., are controlled.
- (i) The scheme should itself safeguard adequately the interests of the worker if he is forced to remain idle due to circumstances entirely beyond his control such as non-supply of raw-materials, and machine breakdown.
- (j) Apart from financial incentives, non-financial incentives like better security of employment, job satisfaction, and job status, have also a place in increasing productivity.

¹Report of the Study Group on Productivity and Incentives, p. 38.

17.9 Apparently, incentive schemes cannot be introduced to cover all occupations in all industries. The application of such schemes has generally to be selective and limited to industries and occupations in which it is possible to measure, on an agreed basis, the output of workers or groups of workers concerned and in which it is possible to maintain a fair degree of control over the quality of production. Two of our Study Groups on individual industries¹ have specifically brought out this issue. It has been suggested to us that industrial units which have been recently set up in the country have taken advantage of modern technology; the scope for introducing incentive schemes in them would be more limited than in older ones. Heavy chemicals, oil refining, fertilizers etc., may not have much scope for production incentives. Due to the highly capital-intensive techniques of several of these industries, proper maintenance of plant and equipment representing heavy investment is equally necessary and this offers extensive scope for introduction of incentive schemes.

17.10 The question of a guaranteed minimum or a fall-back wage assumes considerable importance if workers are expected to speed up production. Production should not be organised in a manner which will give incentive wage on one day and unemployment on the next. A 'fall-back wage' can be a safeguard against it. This principle seems to have found general acceptance everywhere. Workers' organisations have represented to us that workers should not be made to suffer if employers fail to provide good material and machinery. Compensation for such default or shortcoming on the part of employers should be on the basis, not of a fall-back wage, but of what the worker would normally have earned. To us, this seems to be a matter of detail. When the principle of close consultation with workers' representatives is accepted, we feel that given goodwill on both sides, an essential pre-requisite of the successful operation of any incentive scheme, or for that matter, of any other scheme is fulfilled. The fixation of the quantum of fall-back wage is therefore not a matter that cannot be mutually settled.

17.11 Determination of the "Base" for introduction of incentives is another area of debate. If after scientific productivity studies on the shop floor carried out on an agreed basis, it is established that the present level of performance is only 'X' per cent of the standard

level of performance taken as 100, should this 'X' per cent become the 'base' for calculations of gains in productivity? Or should some other 'level' be taken as the 'base'? We reproduce below two guiding principles which have found favour in the Report of a tripartite Committee on Sharing the Gains of Productivity:

- (i) The norms should be fixed in an objective manner so as to be accepted by both management and labour; for this purpose, independent organisations like trusted management consultants should be increasingly employed.
- (ii) The productivity norms should bear some "optimum" relationship with payments; if incentives involve very large payments, management may not be interested in sustaining productivity increases, but if they result in very small payments, labour may not likewise be interested.²

The reaction of either side to an incentive scheme will depend upon what the scheme would bring by way of benefit, which is a function both of the rate of incentive and the 'norm' against which the incentive has to be worked out. This also can be a matter where dialogue between the parties with a determination to settle can provide an answer.

17.12 We are of the view that a careful selection of occupations should be made with the assistance of work study teams, the personnel of which commands the confidence of both sides. Schemes should be evolved after detailed scientific studies and application of agreed industrial engineering techniques. They should cover as many employees of an undertaking as possible and need not be confined only to operatives or direct workers. The inclusion of supervisory personnel as beneficiaries of incentives can have a vital role in improving efficiency; together with maintenance personnel they can make or mar the scheme. The scheme should be simple so that workers are able to understand its full implications; it should ensure their enthusiastic cooperation in its successful implementation. Management should take steps to guard against the impact on incentive schemes of certain unfavourable external factors such as non-availability of raw materials, components, transport difficulties, and accumulation of stocks. Workers' attitude towards accepting incentives is indeed conditioned by these factors much more than by the

¹Study group on Oil Refining and Distribution and Study group on Cotton Textile.

²Report of the Committee on Sharing the Gains of Productivity, March 67, National Productivity Council, pp. 8-9.

rest. Adequate machinery should also be made available for settling workers' grievances relating to the adverse effect of environmental arrangements on their work and earnings. Rate modifications consequent upon a change in job content, methods, organisation, etc., should be made, as far as possible, in agreement with the workers. Also, workers' representatives may be associated with various stages of work measurement, job evaluation and work studies. According to the NPC study team which visited West Germany, U.S.A. and Japan, this system is prevalent in West Germany where incentive rates are freely negotiated with labour unions.

Responsibility of Government

17.13 We need hardly emphasise that the central aim of all incentive schemes is to raise productivity in the establishment. In this matter, the responsibility of employers is indeed primary. It is they who have to seek the necessary response from workers. Since productivity improvements will be beneficial to the community, Government as the custodian of the interests of the community will have its share in promoting productivity and, in the process, in building up incentives which would help such promotion. Our Study Group on Productivity and Incentives has examined this point in some detail and suggested that:¹

- (i) The Government must pursue policies which will contribute to the growth of a social, political and economic climate in the country conducive to the rapid and continuing growth of production and equitable distribution of the same.
- (ii) The objective of increasing productivity must be raised to the level of a high national purpose and the regulation of industrial relations as well as policies in other related fields should be oriented towards this objective. Especially, it must be ensured that the workers get their due share in the benefits of rising productivity and their status in the social and political set-up in the country is paid due attention.
- (iii) The Government must take purposeful steps to improve the nutritional standards and living conditions of workers so as to raise their productivity.
- (iv) The industrial relations legislation and administration in the country should be so conceived as to promote sound col-

lective bargaining even at the risk of some possible industrial conflicts.

- (v) Specialised bodies working in the field of productivity like the NPC, the LPCs, the training institutes in productivity, etc., should be provided the means to extend their activities at the shop-floor level.
- (vi) Research in all aspects of productivity needs to be promoted and encouraged on the widest possible scale so that approaches and methods best suited to Indian conditions can be developed and made available to industry. The public sector should play a particularly active role in this respect.
- (vii) The Government should provide specialised, technically competent, independent and impartial agencies to assist employers and trade unions in handling productivity problems and resolving disputes arising therefrom.

We are in agreement with most of the suggestions. It is not our intention to elaborate on them at this place since each one of these ideas forms the subject matter of our field of enquiry. We only take up items (i), (ii) and (v).

17.14 We are sure that Government's policies will be increasingly directed towards the objectives mentioned in (i). It is possible that in a democratic system, there would be healthy differences of opinion on many issues between the party in power and other political parties. But we presume that no party is antithetical to development, although there would always be difference in regard to specific measures or strategies. Even then we hope that the goal of planned economic development will be kept above party politics.

17.15 We support fully the sentiments expressed in (ii). High productivity and any scheme which helps in improving it has to be raised to the status of a national purpose. They have to reach out far a-field wherever a man or a woman is at work. This again is a matter which requires cooperation on all sides.

17.16 In regard to (v), we recognise the need for a good deal of field support for the activities of an organisation like the NPC. This support has to be attracted by the programmes drawn up by the organisation itself. It must conclusively prove, in a society like ours, that

¹Report of the Study Group on Productivity and Incentives, pp. 79-81.

the wares it is seeking to popularise can really make an impact. This does not mean that the support from Government for such activities is not essential. In fact, such support has always been there from the Government, though one may feel that it has not been adequate. What is, however, more important is the support for such activities from the community at large.

BONUS

17.17 The dictionary meaning of the word 'bonus' is 'something to the good', 'especially extra dividend to the share-holders of a company', 'distribution of profits to insurance policy-holders' or 'gratuity to workmen beyond their wages'. It is the last meaning of the word which has acquired significance for labour management relations in India. Till recently, bonus was regarded as an *ex-gratia* payment made by the employer to his workers to provide a stimulus for extra effort by them in the production process; on occasions it also represented the desire of the employer to share with his workers the surplus generated by common endeavour and enterprise. From this limited connotation of the word, we have travelled a long way to reach the stage of enactment of the Payment of Bonus Act, 1965, which makes this annual payment obligatory on the employer.

Historical

17.18 Payment of "bonus", in the proper sense of the term, could be regarded as having started during the closing period of the First World War. The Whitley Commission in discussing this issue observed:—

"We do not desire to imply that, with his existing standard of efficiency, the worker has always obtained in the past a fair share of the results of industrial enterprise or that he always does so now; but so long as his organisation is as weak as it is today, there will remain a danger of his failing to secure a just share of the results of industry. Suggestions have been made from time to time that the difficulty might be met by the general adoption of profit sharing schemes, but this movement has made practically no progress in India and, in the present stage of industrial development, such schemes are unlikely to prove either useful or effective."

17.19 In the situation which developed during the Second World War, war-time bonus came to be regarded as a payment made to the workers out of the extraordinary profits earned during the war. The Indian Labour Conference, 1943,² after a discussion on profit sharing bonus, concluded that the question of bonus should be treated separately from that of dearness allowance and that primarily it was a question to be settled by employers in consultation with their employees. Though several employers paid bonus voluntarily, many disputes on the issue were referred to adjudication under the Defence of India Rules. The adjudicators took the view that profits were made possible by the cooperation, both of labour and capital. Labour, therefore, had a right to share in increased profits in any particular period. The claim to bonus was still not a legal right, but was accepted chiefly on grounds of broad principles of justice, equity and good conscience with a view to keeping labour contented. The position as stated above continued until the Bombay High Court laid down that payment of bonus could be demanded by workers as a right, that is to say, a payment which should be made by the employer as extra remuneration for work done by the employees under a contract, express or implied.⁴

The Committee on Profit Sharing

17.20 The Indian Labour Conference held in April 1948, while discussing the subject of profit-sharing, observed that the issue was such as would need expert examination. The Government of India appointed the Committee on Profit Sharing to advise them on the principles to be followed for the determination of: "(a) fair wages to labour; (b) fair return on the capital employed in the industry; (c) reasonable reserves for maintenance and expansion of the undertaking; and (d) labour's share of the surplus profits, calculated on a sliding scale normally varying with production, after provision has been made for (b) and (c) above". The Committee did not find it possible to devise a system in which labour's share of profits could be determined on a sliding scale correlating it to production and observed: "An experiment in profit-sharing on a wide scale would, therefore, be definitely undertaking a voyage on unchartered seas".⁵ The Committee, however, suggested that profit-sharing on an experimental

¹ Report of the Royal Commission on Labour, 1931, p. 210.

² Tripartite Conclusions 1942-67, p. 12.

³ cf. Judgements delivered by Justice M. G. Chagla in the cases of General Motors (India) Ltd. and the workmen and Standard Vacuum Oil Company vs. its employees (referred to at page 5 of the Bonus Commission Report).

⁴ Indian Hume Pipe Co. vs. E. M. Nanavutty (48 Bom. LR 551).

The Report of the Committee on Profit Sharing, p. 7.

basis might be tried in the following well-established industries:

- (a) Cotton Textiles.
- (b) Jute.
- (c) Steel (main products).
- (d) Cement.
- (e) Manufacture of Tyres.
- (f) Manufacture of Cigarettes.

The reason behind the recommendation for an experiment in profit-sharing was that it would promote industrial peace. The Committee also observed that the responsibility for ascertaining surplus profits and certifying that they had been disbursed according to law, should be laid squarely on the duly appointed auditors of the concerns. The Report of the Committee was considered by the Central Advisory Council, but no agreement could be arrived at. In practice, profit-sharing continued in the form of periodic bonuses awarded by industrial courts and tribunals. No uniform or clear-cut basis was, however, discernible in their awards.

The L.A.T. Formula

17.21 It was against this background that the short-lived Labour Appellate Tribunal (LAT) had to evolve principles for bonus payment. In its award on the dispute in the textile industry at Bombay in 1950, the LAT laid down the main principle involved in the grant of bonus to workers and observed as follows:—

“It (bonus) cannot any longer be regarded as an *ex-gratia* payment, for it has been recognised that a claim for bonus, if resisted, gives rise to an industrial dispute which has to be settled by a duly constituted Industrial Court or Tribunal”.¹

In another case,² it elaborated the considerations which should govern the quantum of bonus by stating:

“It is the consistent policy of this Tribunal to grant to the workmen a scale which is in accord with the trend of wages and also with the capacity of a concern to pay, and if possible to supplement it with bonus out of available surplus of profits. These matters have to be determined on principles and not on haphazard considerations; for should we depart from principle there will be no consistency in labour decisions; and it will be harmful to industrial relations if decisions are built on shifting sands of uncertainty”.

According to the formula laid down with reference to the first case and which came to be known as the ‘Full Bench Formula’, the surplus available for distribution had to be determined by debiting the following prior charges against gross profits:

- (i) Provision for depreciation,
- (ii) Reserve for rehabilitation,
- (iii) Return of 6 per cent on the paid-up capital and
- (iv) Return on the working capital at a lower rate than the return on paid-up capital;

and from the balance called ‘available surplus’, the workmen were to be awarded a reasonable share by way of bonus for the year.

17.22 The formula laid down by the LAT was followed all over the country by industrial tribunals in awarding bonus, though demands for its revision continued to be made from time to time. The main point on which this revision was sought centred round the provision for rehabilitation accepted by the LAT as a prior charge. This issue came up for consideration by the Supreme Court in an appeal from the Associated Cement Companies in 1959. The Supreme Court, while upholding the principles underlying the LAT formula, observed *inter alia*:

“if the legislature feels that the claims for social and economic justice made by labour should be re-defined on a clearer basis, it can step in and legislate in that behalf. It may also be possible to have the question comprehensively considered by a high-powered Commission which may be asked to examine the pros and cons of the problem in all its aspects by taking evidence from all industries and bodies of workmen”.³

The Bonus Commission

17.23 The bonus issue came up for discussion before the Standing Labour Committee in 1960. The Committee recommended that a Bonus Commission should be set up to go into the question of profit bonus in a comprehensive manner; the terms of reference of the proposed Commission were also settled by the Committee. Internal discussions within Government led to the inclusion of the public sector within the purview of the terms of reference of the proposed Commission.

¹ LAT (1950) II LLJ 1247.

² Metal Box Company of India Ltd. v. Their Workmen (1952), I.L.L.J., p. 822.

³ Supreme Court (1959) L.L.J., Vol. I, p. 644.

17.24 Apart from its endorsement of the concept that bonus could be claimed as a matter of right by workers, the Bonus Commission's formula rested on the procedure recommended by it for calculating the 'available surplus' and the workers' share in it, as indeed on the steps it envisaged for maintaining a continuity in such payment over a period. The main elements of these are—

A: The 'available surplus'

- (i) The computation of gross profits for the year is the first step.
- (ii) Deduction will be made from the gross profits on account of the following prior charges:
 - (a) Depreciation as admissible under the Income Tax Act.
 - (b) Income Tax and Super Tax.
 - (c) Return at the actual rate payable on the preference share capital and at 7% on paid-up capital.
 - (d) Return on reserves and surplus at 4 per cent.

The balance left after deduction of the above prior charges from the gross profits will be the 'available surplus'.

B: Distribution of the 'available surplus'

- (i) 60 per cent of the 'available surplus' shall be allocated to bonus to be distributed to workers.
- (ii) However, if the 'available surplus' (or even where the surplus is negative) is less than the amount required for distribution—4 per cent of the annual basic wage plus dearness allowance or Rs. 40 per individual, whichever is higher, a minimum bonus will be a charge on the industry.
- (iii) By the same logic, a maximum equivalent to 20 per cent of the annual basic wage and dearness allowance was also fixed.

C: The system of 'set on' and 'set-off'

- (i) Where the amount allocable as bonus exceeds the maximum, *i.e.*, it exceeds the equivalent of 20 per cent of the workers' earnings, then the excess upto a limit of a further 20 per cent is to be carried forward to be 'set on' in the succeeding years upto a maximum period of four years.

- (ii) Where there is no available surplus or the amount of the available surplus allocable as bonus is a sum less than 4 per cent of the annual earnings (as in B(ii) above), then the whole of the quantum of 4 per cent or the amount necessary to make up 4 per cent, as the case may be, should be carried forward and "set-off" in the succeeding years upto a maximum period of four years.

D: Public Sector

- (i) The formula applies to those public sector undertakings which are not departmentally run and which compete with establishments in the private sector.
- (ii) If not less than 20 per cent of the gross aggregate of sales turnover of a public sector undertaking consists of sales of services and/or products which compete with the products and/or services produced or sold by units in the private sector, then such undertakings should be deemed to be competitive.

E: Exemptions as a result of agreements between parties

- (i) Where in particular undertakings, the employers and the unions have adopted or, in future, opt for annual bonus linked with production or productivity, in substitution of bonus based on profits, the Commission's formula would have no application.
- (ii) Where industry-wise agreements already exist, the parties are at liberty to renew the agreements, with such modifications, if any, as may be agreed to by them. If the employers' and workers' associations can agree to make or continue industry-wise agreements on a basis acceptable to them, the formula recommended by the Commission would not apply.

F: Concessions for new concerns

- (i) The formula will not apply to new concerns until they have recouped all early losses, including all arrears of normal depreciation admissible under the Income Tax Law, subject to a time limit of six years.

G: Mode of payment

- (i) Bonus shall be payable in cash.

H: *Retrospective effect of the recommendations*

The recommendations of the Commission would apply to all bonus matters relating to an accounting year ending on any day in the calendar year 1962, other than those cases in which settlements have been reached or decisions have been given.

17.25 The Chairman, two independent members, both the representatives of labour, and the representative on behalf of public sector management agreed on all recommendations. The representative of the private sector employers added a minute of dissent. According to him:

- (a) in calculating 'available surplus', besides Income Tax and Super Tax, the Super Profits Tax should also be allowed as a prior charge;
- (b) a suitable allowance on account of rehabilitation (wasting assets allowance in case of mines and replanting allowance in case of plantations) should be allowed as a prior charge;
- (c) the rate of return on capital to be allowed as a prior charge should not be less than 8.5 per cent for paid-up capital and 6 per cent for reserves; and
- (d) the bonus formula should not be applied in its full rigour to the jute industry, plantations, coal mining industry and other mining industries. In the case of those industries, the limits of minimum and maximum bonus should be fixed at 2 per cent and 10 per cent of the basic wages and dearness allowance as against the limits of 4 per cent and 20 per cent in the case of other industries.

17.26 The Government of India announced, on September 2, 1964, their acceptance of the Commission's recommendations, subject to the following modifications:

- (a) all direct taxes should be deducted as prior charges in the calculation of the available surplus;
- (b) the return on paid-up capital should be 8.5 per cent (taxable) and the return on reserves 6 per cent (taxable);
- (c) tax concessions and subsidies given to industry should not be utilised for payment of larger bonus to employees; and

- (d) the recommendations should apply with retrospective effect to all pending bonus disputes in respect of the accounting year ending in 1962.

17.27 The Union Labour Minister, in the course of a statement made in Parliament on September 18, 1964 announcing Government's decision on the Bonus Commission Report, clarified that in the legislation to be promoted to give effect to the recommendations of the Bonus Commission as accepted by Government, suitable safeguard would be included so as to enable labour to get the benefits on the existing basis or on the basis of the new formula, whichever was higher.

The Bonus Act

17.28 The Bill to give effect to the recommendations of the Bonus Commission as accepted by Government was discussed by the Standing Labour Committee in March 1965; there was no agreement on it. The Labour Minister thereupon announced that Government would go ahead with the proposed bill keeping in view the opinion expressed by different parties. An Ordinance for regulating payment of bonus was issued in May 1965 and was later replaced by the Payment of Bonus Act 1965 in September of that year. The Act applies to every factory as defined under the Factories Act, 1948, and to every other establishment which employs 20 or more persons. Those public sector undertakings which are not run departmentally and which compete with establishments in the private sector to the extent of 20 per cent are also covered by the Act.¹ In the case of new establishments, whether set up before or after the commencement of the Act, bonus would be payable for the accounting year in which the employer derives a profit from such establishment or after the sixth accounting year in which the products manufactured by the establishment are sold, whichever is earlier. According to the Act, the salary or wage of a worker includes basic wage and dearness allowance only. The benefits of bonus extend to all employees receiving a salary or wage of upto Rs. 1,600 per month. The Act also requires that a minimum of 30 days' work in a year has to be put in to qualify for payment of bonus; and it provides for a reduction in the amount of bonus payable to those who work for less than the stipulated number of days during an accounting year. The available surplus in respect of an accounting year is to be computed after deduction of certain prior

¹Even in the case of non-competing Public Sector Undertakings, it was decided subsequently by the Government that bonus under the Bonus Act should be paid to workers *ex-gratia*.

charges from gross profits. The prior charges include depreciation, direct taxes, return on capital, remuneration for working partners and proprietors. 60 per cent of the available surplus (67 per cent in the case of foreign companies) is allocable for payment of bonus to employees in each accounting year.

17.29 As the debate on the propriety of the Government not accepting fully the majority recommendations continued and even a search for a new formula was on, the constitutional validity of the Payment of Bonus Act, 1965, was challenged in the Supreme Court through two petitions under Article 32 of the Constitution and a Civil Appeal against the decisions of the Industrial Court, Maharashtra. The Supreme Court upheld¹ the Act; its provisions relating to minimum bonus and system of 'set on' and 'set-off' were kept intact. But the main safeguard for which labour had fought, namely, the choice by labour of the formula which was to its advantage as provided for in Section 34(2) was not sustained. Section 33 (applicability to pending disputes) and Section 37 (powers of the Government to remove difficulties) were also struck down.

17.30 The Payment of Bonus Act, 1965 was amended in March, 1969 for increasing the amount of available surplus. According to this amendment, the available surplus is to be so computed that the amount of the rebate accruing to the employers on account of bonus paid or payable under the Act, becomes a part of the available surplus of the succeeding year instead of being diverted entirely to employers as was the case before the amendment was passed.

Recommendations

17.31 Bonus which was originally a voluntary payment has, under the Payment of Bonus Act, 1965, become a statutory obligation. A minimum bonus is now taken for granted by workers in the organised industrial sector as a part of their emoluments. The employers, too, keep it in mind while making their calculations of the total wage bill. It has thus become a necessary adjunct of wages. Its replacement, viz., wage adjustment, would not be practicable on account of its being an essential component of workers' expectations. After each such adjustment, fresh claims for bonus would arise. We are, therefore, of the view that the system of annual bonus has come to stay and may continue in future. This view is supported by the evidence before us. Employers' organisations have not seriously debated the

raison d'être of bonus, but have by and large suggested changes in the formula which would be favourable to them. They have, however, reiterated their objection to the payment of minimum bonus. In the interests of industrial peace, we feel that while the quantum of bonus can be left to be determined by collective bargaining, the formula which may serve as a guideline for such settlements has to be statutory. Details regarding the calculation of "available surplus", as also the minimum and the maximum limits placed on the quantum of bonus, have been areas of controversy. While employers would like the upper limit to be retained and the lower removed, workers have urged that the lower limit should be maintained but without an upper limit. Several unions have argued in favour of giving effect to the majority recommendations of the Bonus Commission.

17.32 The Payment of Bonus Act, 1965 was enacted only recently. In all fairness, it should be given a longer period of trial. Some workers' organisations and their leadership may not favour this suggestion, as they have been publicly voicing their opposition to the functioning of the Act as it has emerged after the Supreme Court judgment. Their main objections are in respect of the coverage and quantum of available surplus. Bonus payment already covers a very large number of workers coming under the Industrial Disputes Act, 1947, who formerly did not have this benefit. Likewise, the available surplus for bonus payment has already been enlarged by the recent amendment to the Payment of Bonus Act, 1965. Certain calculations made at the official level indicate that the additional amount disbursed as bonus on account of the implementation of the Payment of Bonus Act would be about Rs. 16 crores and the tax loss about Rs. 8 crores annually. We are of the view that the debate on this issue need not be reopened.

17.33 It has been argued before us that many employees—particularly those in the small establishments which employ less than 20 persons—who were getting bonus before the Payment of Bonus Act 1965 have now been deprived of that privilege. We feel that no employer should take advantage of the Payment of Bonus Act, 1965, to avoid paying bonus to workers merely because the Act is not applicable to his unit. Such establishments should continue paying bonus on the principles on which the Act has been framed. Government should consider the feasibility of making a suitable amendment to the Act in respect of such establishments.

¹Supreme Court (1966) II LLJ Page 546.

CHAPTER 18

RATIONALISATION AND AUTOMATION

The country today presents a picture of an economy operating at various levels of technology. This phenomenon is not unknown in other countries, but the range in India is perhaps wider than elsewhere. Jet planes operate in Indian skies with the same ease with which bullock carts ply in the countryside. The atom is exploited to provide energy in the same way as traditional fuels are used in rural households or even in rural industries. Electronic computers have in recent years facilitated work in some offices; but over a large area of production and distribution, manual labour reigns supreme. While the demand for the setting up of automatic machines in different industries is on the increase, individual artisans with their crude tools evoke sufficient sympathy and support from the community. Railway wagons are emptied at pre-determined places in a factory and material handled by conveyor belts to their appropriate destination while in old modes of transport physical labour still provides the main draft power. Such instances can be multiplied. It may not be possible to allocate shares to different levels of technology in the total production effort. But whatever their respective shares, production goes on with (i) hand tools, (ii) machines and power tools, (iii) rationalised plants and even with, (iv) automation and electronic devices, perhaps in that order of importance. In terms of the attitudes of users, it would be safe to say that though resistance on the part of workers is noticed in an establishment to a more efficient way of production in replacement of the current method, the setting up of a new unit at a higher level of efficiency is never opposed. In a way, therefore, the differences between labour and management on various issues in this area of our enquiry are more on the rate of obsolescence than on the need for efficient modes of production. We consider it unnecessary to deal with (i) and (ii) above. It is the other two which have raised controversies from time to time and which require a discussion.

The Concept

18.1 Rationalisation, in its early connotation, meant rational use of inputs in a plant and rational distribution of its output, to meet current market demands and simultaneously to

bring about a reduction in costs. More recently, it has acquired a wider meaning in industrial and commercial management and includes determination of manning patterns in industry. In its more complete form, rationalisation implies a basic change in the structure and control of industrial activity, with the word 'industry' used in its generic sense. Elimination of wastage and promotion of efficiency by means of a co-ordinated, well-integrated and all round view of industry will fall within the purview of rationalisation. In its application, it is a process which brings together the advantages of planned production, pooling of research and scientific and technical know-how, centralised regulation of finance, modernisation of productive processes and sales, and optimum utilisation of manpower. It is thus closely akin to a broad-based productivity drive through every available technique.

18.2 Automation is the continuation of the process of mechanisation of production initiated by the industrial revolution. The term "automation" can be applied only to an industrial process which provides data from its own operation and feeds them back to its own controls which fully govern the production process. It is something which replaces direct manpower for mental or manual work or for both by self-regulating machines. The logic underlying this concept is that human work makes two fundamental contributions to the process of production: (i) supply of physical energy, and (ii) supply and processing of information. Either of these functions or both could be taken over by machines with the help of the current level of technology.

18.3 Though rationalisation and automation could be regarded as two separate concepts, the effect they have on employment and labour is similar though not of the same magnitude. In a sense, automation could be considered a part of the wider concept of rationalisation. It is possible to conceive of rationalisation taking place in an establishment without any significant resort to automation and capital intensive devices, but automation will necessarily be the higher reach of rationalisation. Both will depend upon the nature of technological development and the considerations which are consciously brought to bear upon practical policy

in the matter of choice of techniques. Technological change is a historical inevitability and automation is the ultimate stage which Aristotle dreamt of when he said in his "Politics": "There is only one condition in which we can imagine managers not needing subordinates and masters not needing slaves. This condition would be such that each instrument could do its own work at the word of command or by intelligent anticipation."¹

18.4 In its present connotation, automation involves the application of automatic control mechanisms with an element of self-regulation. In the process, the mechanism gets integrated with computers, mechanical brains and the like to assess with remarkable speed and accuracy market forces of supply and demand and adjustment to price mechanism, as well as the efficient running of an undertaking which will include inventory control and production or quality control. While automation cannot be equated with every technological change in current parlance, it could be treated as an aspect of technology which covers electronic computers, transfer devices and the like. What distinguishes automation from other kinds of technological change is that it permits the linking of many processes, either in the plant or office or both, into a continuous system. Automation would thus be imposing entirely new requirements and adjustments on different sectors of the economy.

18.5 Labour saving and product standardisation are the results of automation. Together, they ensure simplicity and convenience of administration and precision in results. Technological advance has been such that the quality and standard of the results obtained through automation are superior to those achieved by human labour. Automatic self-correction prevents wastage of materials pending discovery and correction of faults. With automation there is greater safety for the operator too. Risk to life or limb is minimised owing to the systems of machine control and elimination of dangerous tasks. In offices, it ensures efficient record maintenance and provides a tool for various forms of management control. There is also immense saving on storage of information. In a certain range of highly sophisticated and technical processes of production, automation is becoming compulsory in the sense that the tasks to be performed will not be performed and the results to be obtained will not accrue unless the machine is pressed into service. This would apply specifically to highly sophisticated

and technical processes of production. Rationalisation and automation have made definite strides in developed countries and it is claimed that they have an important role to play in the developing economies. They are expected to stimulate agricultural, industrial and other development, because mass production will create more demand for raw materials and components, and in the process will help generate employment in the long run. Goods and services will be produced at lower unit cost, promoting greater consumption and improved levels of living.

Economic Effects

18.6 Automation through technological progress derives impetus not from the profit motive alone, but equally from the complexity of the production process, the necessity to save time and competition. The emergence of new nations, the widening of their economic horizons, growth of new trading areas and the desire on the part of each nation to reach these areas in good time, have intensified world competition and trade rivalry among nations within the framework of international understanding. Forces of competition operate within a nation also. In many cases, automation has its origin in union action, e.g., when unions exercise wage pressures or resort to direct action or generally when management rights are challenged to the point where management feels it would rather get work out of machines than out of men. Automation might also be skill-induced, where recruitment and personnel problems related to particular skill levels within the work force raise costly production issues.

18.7 The general assumption that automation would lower prices and raise wages is a very facile simplification of a very complex phenomenon. The extent to which this will be done may depend on how the gains in the process are shared. But sharing of these gains is not a simple proposition and the transfer problem that it involves has seldom a direct solution. If all the gains of automation in a plant or industry were to be passed on to the workers, inter-plant and inter-industry wage differentials would become extremely wide, while output prices would remain unaffected. The same would be true in respect of returns to capital if all gains were to be retained by the enterprise. Transfer of the entire gain to consumers would force the non-automated firms in an

¹Paper prepared by the Ministry of Labour & Employment for the 28th Session of the Standing Labour Committee held at New Delhi on 18th July, 1968.

industry out of market and still leave the market as a whole in a state of imbalance. The solution may, therefore, lie only in a balanced sharing of gains between workers, managements and consumers, an aspect discussed in the last section of this chapter. This, however, still leaves unresolved the problem of balance in the factor goods and products markets that automation tends to disturb. From the viewpoint of the economy as a whole, it is not less important than the difficulties encountered in transfer of gains. We discuss in the following paragraphs the factor market problem that automation creates.

Problem of Capital

18.8 Automation represents not only a higher technology but also highly capital intensive techniques that are built in its sophisticated machinery which has to be imported in the initial stages or at least so long as such machines are not domestically produced. This implies an increase in capital requirements for any given level of output, and that too, mainly in foreign capital. In a phase of capital shortage and foreign exchange scarcity this is not easy to meet and hence any programme of automation has to be limited by this constraint. The important question is not of the private rate of return on capital required for automation, but of its social productivity, viz., whether the use of the same resources will not bring a higher return elsewhere in the economy. A similar consideration obtains when automation has to be introduced in an existing plant. The rate of obsolescence of the plant is not an internal problem of the firm only. It is linked with the overall rate at which, at any given time, an economy can afford to replace the existing capital goods by new ones. This rate is governed by the equilibrium conditions of the capital goods market as well as by those of the labour market, since, when new machinery is introduced it not only replaces existing machines but also replaces labour as well. Moreover, requirements of foreign capital for automation are not simply costs incurred once and for all at the time of installation. In addition, maintenance components have to be imported year after year and their costs are substantial. Further, obsolescence here is very high, since the technology of automation is fast changing. Finally, maintenance and running of automated plants may require, at least in the initial stages, employment of foreign technicians and engineers whose emoluments represent another strain on foreign exchange resources. All these repercussions on capital resources and on the labour market cannot enter the cost and benefit calculation of an individual

firm. But these have their own impact on the growth of the economy and on employment. Automation, therefore, has to be socially guided so that the country's resources are properly allocated and disequilibrium in its factor-goods markets is not aggravated.

Effect on Labour

18.9 Problems posed by automation fall into two main areas: economic and social. Aspects of a change-over to automation such as redundancy, occupational adjustment, allocation of gains, transfer and retraining problem, investments required and effects on management policies, come under the first category. The social and psychological factors which are less easily measurable, but which are intensely human, including worker and union reactions and attitudes and problems of group relationship and job satisfaction, as also of utilisation of leisure, fall in the latter category. The introduction of automation would be particularly advantageous where production of standardised goods or accounting services is aimed at, and where the relative shortage of labour and high rate of capital accumulation dispel the fear of unemployment on the one hand and encourage capital intensive techniques leading to absorption of labour at higher levels of productivity on the other.

18.10 Impact on employment is the most important short-term economic aspect of automation. As is obvious, some old industries die out; new ones spring up. But the employees of the new and the old industries are not necessarily inter-changeable. In the short run, automation causes technological as well as non-technological unemployment—the first because old techniques are not required and the second because new automatic plants incorporate labour-saving techniques. Employment for any given level of output declines with automation. If the general rate of growth of the economy is high and the level of output is increasing while arrangements for retraining are pre-planned, redeployment of the unemployed will be possible though locational adjustments will still be necessary.

18.11 While the substitution of human labour by capital through rationalisation and automation constitutes a distinct advantage in a situation of labour shortage, developing countries with surplus labour find it difficult to resort to these processes because of fears of unemployment and displacement of labour. Levels of skill and education of a large majority of workers in these countries are also

not upto the standard required for a change-over. Given the impediments to capital formation and economic development, the displacement of labour already employed adds to the economic and social problems which the country has to face. With surplus labour on the one hand and dearth of capital resources on the other, indiscriminate resort to automation holds the threat of bringing about a lopsided growth, the social consequences of which will indeed be disturbing.

18.12 A more sensitive mind perceives in automation a 'de-humanising' effect on the working class. The existence of this effect cannot be denied even in the case of mechanisation. Every society has grown to live with mechanisation and in the bargain improved its level of living. There has been a marked substitution of human labour by machines in recent years and this is true of every country with an industrial civilisation. The supply and processing of information has now become a practical and economic proposition over a wide range of tasks in the production processes. With the advent of the computer which is a general-purpose information-processing device, the informational inputs of productive processes can yield outputs in the form of answers to a number of complicated issues which the human mind has not been able to tackle,

18.13 Another aspect of rationalisation and automation is the distressing displacement of such labour as is not adaptable to training in other vocations useful to the society. Experience has shown that as a result of rationalisation or automation, persons displaced will be those who are in the age group 35 and over, but well below the retirement age. Increased family responsibilities, as also psychological resistance to change, operate as inhibiting factors for these persons in sparing time and resources for undergoing new training. To expect them to acquire skills for running automated machines or learn new skills for a change of job will perhaps be somewhat harsh. To a younger employee, it may be an advantage, because basically he is better qualified at the time of entry to industrial life; and because of his youth, vivacity and air of non-chalance, he can either adapt himself to the change or seek his future elsewhere. For him also, the temporary advantage has its gloomy counterpart, because in due course he will reach the stage of life when the shadow of non-adaptability will fall upon him.

Policy Considerations

18.14 *General Aspects:* In several countries,

rationalisation has come in as a higher stage in the process of mechanisation. This applies to our country also, though with the qualification that rationalisation which reduces employment has been resisted. Indian labour never took kindly to rationalisation even in its limited sense and yet it cannot be said that labour has remained static in its approach. What labour has opposed all along and will continue to oppose is mere "rationalisation of labour", since this has a cynical implication that it is labour alone which needs to be rationalised. Unions have, therefore, been advocating that rationalisation should first take place on the organisational and managerial sides rather than on the labour side. Concurrently with this development in thinking on the issue of rationalisation, a realisation has also been growing that to keep pace with developments elsewhere, Indian industries have to introduce an adequate degree of rationalisation. The Working Party for the Cotton Textile Industry (1951), for instance, strongly recommended rationalisation on the ground that for expansion and retention of the export markets and for improving prospects at home too, rationalisation was a *'sine qua non'*. Similar views are found in many ad hoc reports dealing specifically with the problems of industry or of labour engaged in it. The Tariff Commission in discussing the price level at which an individual industry should get protection draws attention to this aspect. The workers' attitude to rationalisation, while framing policies, is very much conditioned by the stage and manner of its introduction. Difficulties arise when labour used to a certain rhythm of work over a period is required to change this rhythm for an advantage which may be tangible but inadequate. Even so, one avoidable aspect of introducing such changes is the unilateral manner in which rationalisation/automation is introduced. Over the last twenty years, there have been numerous instances where as a result of a fruitful dialogue between representatives of employers and workers, significant strides have been taken towards more efficient work.

18.15 *Plan Policies:* In the context of the special conditions prevailing in our country, Government has adopted a cautious approach in matters of rationalisation and automation. As indicated in the First Plan, the basic elements of Government policy in this regard have been (i) technical examination of work-loads, (ii) stress on natural separation, (iii) liberal separation allowance to those who opt for it, (iv) provision of alternative employment to persons affected, (v) re-training arrangements, and

(vi) sharing of gains. The Second Plan re-emphasised the principles laid down in the First and recommended that the attention of industrial tribunals might be drawn to the need for giving due weight to agreed arrangements in framing their awards. In case due notice was not taken of the principles evolved by the parties, the question of embodying them in a statute was to be considered. The comprehensive approach to productivity, inclusive of rationalisation, was referred to in positive terms in the Third Plan. The relevant extract from the Third Plan which has a bearing on the issues is reproduced below:

"For the workers no real advance in their standard of living is possible without a steady increase in productivity, because any increase in wages generally, beyond certain narrow limits, would otherwise be nullified by a rise in prices. Workers have, therefore, to insist on and not resist the progress of rationalisation in their own interest and in the larger interest of the country."

18.16 Tripartite Decisions: Rationalisation figured at the discussions in tripartite conferences more than once. The 'Model Agreement to Guide Employers in regard to Rationalisation' was adopted at the 15th Indian Labour Conference (1957). The agreement laid down among other things—

- "(i) there should be no retrenchment or loss of earnings of the existing employees, *i.e.*, the full complement required for the operations before rationalisation should be maintained except for cases of natural separation or wastage. Workers could, however, be provided with suitable alternative jobs in the same establishment or under the same employer, subject to agreement between the employer and his workers;
- (ii) there should be an equitable sharing of benefits of rationalisation as between the community, the employer and the worker; and
- (iii) there should be a proper assessment of work-load made by an expert or experts mutually agreed upon and also suitable improvement in the working conditions."²

This agreement also provided for prior consultation with the unions before the installation

of rationalised equipment. The Indian Labour Conference (July 1966) reaffirmed the principles contained in this agreement.

18.17 Automation came in for pointed discussion in the Standing Labour Committee (May, 1967). While no specific conclusion was reached, the general feeling seemed to be that automation for "production work" should continue to be regulated by the Model Agreement referred to above. Opinion was divided on automation of "table work". On the recommendations of the Indian Labour Conference (April, 1968) which discussed the issue again, the Standing Labour Committee (July, 1968) in its special session, debated the issue once more at full length. The workers' representatives stated that since the country had a large volume of unemployment and was short of technological and capital resources, the general orientation of policy should be against automation. They agreed that exceptions could be permitted in special circumstances, where there was compulsion for introducing automation. Employers, on the other hand, stated that the very size and complexity of operations of some concerns made automation a necessity in the interest of efficient functioning. They observed that the problem of local redundancy created by the introduction of such automatic processes could be dealt with under the procedure evolved at the 15th Session of the Indian Labour Conference for dealing with similar problems resulting from rationalisation. A view was also canvassed that a tripartite committee should be constituted by the Central Government for laying down policy guidelines in respect of introduction of automation. It should undertake a periodic review of the general effects of automation and study how the policy guidelines were working in practice. In the absence of an agreement, the Government assured that the views expressed in the tripartite would be taken into account in reaching decision on the subject. Generally, Government's approach has been to consider each case on its merit without committing itself to total acceptance or total rejection of automation in principle. A Committee has since been appointed by the Central Government to recommend safeguards for avoiding or minimising any harmful social effects on the introduction of automation.

Progress in Rationalisation

18.18 Against this background of policy, we propose to review the progress in rationalisation

¹The Third Five Year Plan, p. 262.

²Tripartite Conclusions (1942-1967), p. 45.

in three industries viz., cotton-textiles, jute and coal. These together account for a fair proportion of the labour employed in organised manufacturing and mining activities. While each industry has its problems the arrangements devised in these industries for introduction of rationalisation seem to have the common feature that the pace of rationalisation has been so regulated as largely to minimise the adverse effects on labour. We do not suggest that the operation of the process over the last fifteen years has satisfied either the employers or unions, but both seem to have agreed to live with the rationalisation thus introduced.

(i) **Cotton Textiles.**—A major difference of opinion about rationalisation of certain processes in textile units came up in the Kanpur textile industry which resulted in a prolonged strike leading to a high level inquiry and then arbitration by the Chief Minister of the State. In other centres, it had a less disturbed history for the industry as a whole. Apart from rationalisation of different processes in the industry, an important aspect of it which required special discussion was the installation of automatic looms. A phased programme was drawn up for the purpose on the basis of an agreement reached in December 1958 between employers and workers with the help of Government. Employers' representatives have stated during the course of evidence that the progress of rationalisation has been slow in so far as this industry is concerned. This may be due to the attitude of unions, but more important has been the inability of the industry to find adequate resources.¹ In the midst of this general picture, rationalisation on an agreed basis has made fair progress at several centres. We do not express any view as to whether timely action for replacing obsolete machinery was possible, nor do we want to speculate as to how it could have affected the fortunes of the industry. We note, however, that there has been a shift in the attitudes of parties and a progressive introduction of more rationalised processes has begun.

(ii) **Jute.**—In the case of the jute industry, the need for modernisation was stressed for several years in view of the competition which its products had to face in the export market and our dependence on a foreign country for raw material in the early years of Independence. On present information, while on the spindle

side the industry has been modernised, modernisation of weaving has not progressed adequately.² Because of an indifferent raw material situation, the mills had to resort to sealing of looms on various occasions in the last twenty years and this also has been an impediment to progress. The special position which the industry enjoys as an important earner of foreign exchange has made this slow progress in rationalisation a matter for concern.

(iii) **Coal.**—The coal industry is operating at two different levels of technology. We have on the one hand some large mines where a switch-over has taken place to more rationalised processes, side by side with small mines where old methods still hold the field. There is also the necessity in many mines to work on seams at difficult depths and this has meant gradual mechanisation. This later aspect involves not only rationalised work, but has a bearing on mitigating the hazards faced by the coal miners. With the operation of the National Coal Development Corporation, mechanisation at a level of technology consistent with Indian conditions has started. A satisfactory feature of it is the arrangements made for training workers before they are required to take on regular employment.

Progress in Automation

18.19 Automatic or semi-automatic machinery has been introduced in some pharmaceutical establishments, petroleum refineries, chemical plants and steel processing plants. New industries in general are also adopting modern technology. No significant progress in regard to what may be termed automated desk work is yet discernible. Some large firms are no doubt using computers for sales and pay-roll accounting, inventory control, invoicing, etc., but this does not in the overall constitute any sizeable magnitude. Even this very limited degree of automation in "table work" has been exercising the minds of almost every section of the working class. Computers have been installed in five zones of the Indian Railways and are expected to be installed in two more and also in the office of the Railway Board. The Chittaranjan Locomotive Works, the Diesel Locomotive Works, Varanasi and the Integral Coach Factory at Perambur are equipped with one computer each. The installation of these computers has not resulted in retrenchment of staff nor is it expected to affect future

¹The need for modernisation of the cotton-textile industry has been emphasised by both the employers (The Indian Cotton Mills' Federation) and workers (Indian National Textile Workers' Federation). There is a general feeling that progress towards modernisation is hindered essentially because of the paucity of resources. Similar views have also been expressed by the Study Group on Cotton Textile Industry.

²This view is supported by the Study Group on Jute Industry.

employment adversely. The Railway Board has given the assurance that not only will the employment prospects be safeguarded but promotions also will not be in jeopardy.

18.20 A major controversy over the computer has been going on over the last three years in respect of its introduction by the Life Insurance Corporation of India (LIC) in its Calcutta Office. It has already been introduced in its Bombay Office. The net reduction in the number of jobs on account of these computers, according to the LIC management, would be nominal and that too would be spread over a period of three years, but even this staff would be absorbed elsewhere in its offices. The LIC expects that while the reduction in new intake on account of installation of computers will only be marginal, the computers will contribute to a more efficient operation which would eventually accelerate the growth of their business and consequently of employment in their offices. The All India Insurance Employees' Association has contended that employment potential would decline on account of computerisation as at a higher level of business more workers would be required without it than with it. In the Oil Companies, the dispute over the manning pattern consequent on the installation of labour-saving equipment has had an even longer history. The issue has been examined by a Commission. But in the meanwhile, several individual cases have been amicably settled between management and the unions. The Reserve Bank of India and the State Bank of India also have a computer each. The installation of computers by them, it is stated, has been necessitated by the increasing volume of transactions, and replacement of outmoded machines. It has not resulted in any retrenchment nor has it aroused undue aversion among trade unions. A conclusion which follows is that labour's approach to introduction of automation or labour-saving devices is conditioned by the manner and circumstances in which it is introduced rather than by what is introduced or adopted.

Evidence Analysed

18.21 State Governments are generally of the view that rationalisation has a definite role in improving productivity and have observed that the recommendations of the 15th Indian Labour Conference have provided a useful framework for introducing rationalisation. An expert examination of the rationalisation proposals before their adoption has also been suggested. State Governments, while generally re-

cognising that the existing conditions in the country are not propitious for introducing automation in any large measure, have advocated a selective approach. Automation has been generally favoured for industries which have to cater to foreign markets, but automated desk work is not considered desirable. They apprehend that labour-management relations are likely to be affected adversely because of the fears of retrenchment in the event the automated devices are pressed into service. They suggest the setting up of a special machinery to study the issues connected with automation. The views expressed by public sector undertakings are similar and so is the remedy.

18.22 Employers' organisations have favoured rationalisation and automation. Some of them are satisfied with the recommendations of the 15th ILC., but others feel that it has helped only to a limited extent. A view has also been expressed that though efforts should be made to absorb retrenched workers in other units, a ban on effecting retrenchment in the process of rationalisation and modernisation will prove an impediment to progress. Employers have urged that automation technology brings lasting benefits to the community as a whole. It does away with heavy physical labour and monotonous manual tasks. In the long run, it creates more job opportunities and safe working conditions. They do not minimise the importance of prior consultation with unions so long as the latter are prepared to accept an impartial technical assessment.

18.23 Workers' organisations are of the view that rationalisation should be introduced by mutual agreement and the employment of surplus hands should be regulated according to the recommendations of the 15th ILC which have worked satisfactorily. They argue that labour should be associated in assessing work loads. One workers' organisation feels that all schemes of rationalisation should be banned till they have been cleared by a tripartite committee. To some workers' organisations, automation is a 'painful luxury for the country' at present when we have large surplus manpower. A selective approach to automation finds favour with several unions. Many have favoured the setting up of a special machinery for studying the problems of automation.

Recommendations

18.24 The arguments for and against automation are the same as in the case of introduction

of any rationalisation scheme; it has been so the world over irrespective of when and where changes have been sought to be introduced. In spite of such attitudes over the last fifty years, the amount of machinery used per employed person has been growing and so is the output per person. Use of machinery, when labour started becoming relatively expensive, has also been common. As the economy attains fuller employment, mechanisation and modernisation of an increasing proportion of production processes is inevitable. The goal of self-reliance in the context of the rising volume of foreign trade implies a highly internationally competitive economy. This is attainable only when our production processes are technologically as advanced as anywhere else. Labour, too, cannot enjoy an internationally comparable standard of living and wages unless its productivity is raised to a corresponding level. This being a function of technology, the economy and labour have to be ever geared to continuous technological advances.

18.25 However, in the application of advanced techniques of production, adequate care will have to be taken to see that the traditional labour-intensive sector which provides employment to a large labour force continues to exist, and in fact thrives, side by side with the development of the modern large-scale capital-intensive sector. This dualism will have to continue for quite some time to come even if it means subsidising the traditional labour-intensive industries. We are of the view that if this approach is followed, the effect of selective introduction of labour-saving techniques on total employment is not likely to be as harmful as is usually apprehended provided the rate of growth is sufficient to absorb the surplus labour. In saying this, we do recognise the hardships which unemployment may cause to individual workers affected by the introduction of new techniques. Their problem has to be tackled on a human plane rather than mixed up with that of the economic choice of technology. We are, therefore, of the opinion that while automation has to be highly selective at the current stage of our development and for long to be socially guided, relief to individual workers displaced in its course must be guaranteed. Any scheme for automation should satisfy the following conditions:—

- (i) It accommodates all labour that may be rendered surplus;
- (ii) It results in higher productivity and efficiency;

- (iii) It improves the level of earnings of the workers by ensuring them an equitable share in the gains due to automation; and
- (iv) It leads to reduction in costs and benefits the community.

18.26 Modern developments may sometimes need computer aid for understanding complicated problems and devising solutions for them. A computerised system makes precise information available on time, and conveys back the instructions in time. Thus it improves management efficiency and supplies information speedily. All these lead to better planning and will have a stabilising effect on the volume of employment. It could also become the basis of further expansion, because it releases the energies of the employer for enlarging his enterprise which in turn will generate more employment. However, we must be cautious in extending the use of computers particularly in areas where a large number of employed persons are likely to be thrown out. All that we recommend is that selective computerisation may be adopted. The aim of policy should be to ensure that while the economy as a whole gradually moves on to higher levels of technology, employment in the aggregate also shows a marked rise.

18.27 Thinking in terms of the future, a stage may come when replacement of present machinery may not be possible at all because of its having become obsolete. The choice, therefore, will be between the country's producing its own machines of the obsolete type and becoming handicapped in the foreign market or improving per capita production through technology of the advanced pattern. We consider that stress should be laid on manufacturing machinery of the improved type. Automated processes which depend upon indigenous equipment would be preferable to those which require foreign equipment.

18.28 All things considered, catching up with the level of automation and technology already reached in industrially advanced countries is not feasible and desirable under the present conditions in all or even in most of the production processes of the country. But a phased introduction of more advanced technological and labour-saving techniques and devices has to be initiated, guaranteeing simultaneously that employment opportunities do not suffer. The phasing has to be gradual so long as the economy does not enter an expansionary phase in which the rate of growth will be adequate to absorb the labour

force. Such an approach does not totally preclude automation and rationalisation in the immediate present. Rather it emphasises the principles of selectivity and gradualness with primary emphasis for the time being on securing of efficiency and higher productivity by organisational rather than mechanical devices. The use of highly advanced technology and a high degree of rationalisation and automation, wherever necessary on technical grounds, is indeed well within this approach. The process of automation and rationalisation should be introduced in consultation with the workers' representatives and carried out in suitable stages. It should, however, be ensured that the country's technological advance is not impaired.

Sharing Gains of Productivity

18.29 Apart from providing employment to labour displaced by the introduction of rationalisation and automation, the other important issue which has been exercising the minds of all concerned is sharing the gains of productivity. The main difficulty in this regard is the measuring of contribution made by different factors of production in raising productivity. We do not propose to deal with the technical problem of measurement of productivity. The discussion in the following paragraphs is on the basis of an assumption that the gains can be measured and the contributions made by different factors to these gains can be isolated. Though in individual units some workable arrangements have emerged, no national, industrial or regional formula has commended itself for acceptance.

18.30 Different formulae have been suggested by expert bodies for sharing the gains of productivity. These formulae have been developed on the assumption that productivity increases are not possible unless each factor is motivated to contribute its best not only to the industrial unit to which it belongs but also to the economic well-being of the society at large. In the process, attempts were made to find a scientific way of distributing the gains of productivity in a fair and equitable manner. One school of thought is that the sharing of gains should be left to mutual negotiations between the workers and the employer. The apprehension in this suggestion is that the larger interests of the community may be ignored because both the workers and the employer will like to have the maximum portion of the cake for themselves and the community will be forgotten in their

negotiations. A well-accepted principle is that the fruits of productivity increases should be distributed among all the three groups. Labour should get its share in the form of increased remuneration, the community by way of price reduction and/or improvement in quality, and the employer through increased returns on investment. Due consideration has also to be given to the needs of development. While this principle is unexceptionable, the working out of its details has become an area of controversy.

18.31 There is no single widely acceptable formula for sharing gains in a fair and equitable manner. Each situation will call for a solution best suited for the purpose. A tripartite committee set up by the National Productivity Council laid down the following broad guidelines for sharing the gains of productivity.

- “(i) It must not compromise the prospects of continued economic growth;
- (ii) it must not merely be a plan of co-sharing between management and labour, but also among consumers and society at large in the form of government;
- (iii) it should, as far as possible, be impersonal in its operation; and
- (iv) it should be publicized, preferably in printed form, prior to its implementation in a manner which should be simple but at the same time anticipatory of the difficulties likely to arise”¹

A greater share may be given to workers in the industries where wages are substantially below a “living wage”. However, unanimity could not be reached in evolving a formula for sharing the gains in productivity on the basis of these principles. One view was that the following formula² may be adopted.

	<i>Percentage share of gains of productivity</i>
(i) Productivity bonus to labour	30 to 40
(ii) Capital reinvestment for development	20 to 30
(iii) Dividends on capital	20
(iv) Reduction in prices to consumers	20

The other view was that the following distribution may be adopted.

“Where the wages are below the need-based minimum wage, the worker's share should be

1. Report of the N.P.C. Committee on Sharing the Gains of Productivity, page 4.

2. *Ibid*, p. 40.

between 65 to 75 per cent. Where the wages are at a level between the need-based minimum and fair wage, the worker's share should be from 55 to 65 per cent. Where the wages are between the fair wage and living wage the worker's share should be between 45 to 55 per cent. And, where the wages are above the living wage, the worker's share should be between 40 to 45 per cent.

The residue in each case has to be shared equally between the industry and the community subject to the condition that in no situation should the share of the community exceed 20 per cent."

18.32 On the basis of this report, the National Productivity Council suggested the following shares:

"After making a provision in the interest of the consumers which should not exceed 20 per cent wherever this is necessary, out of the balance of the gains of productivity, labour will receive half in those industries where their wages clearly correspond to a fair or living wage except that (a) where the wages are at a level below either the fair wage or the need-based minimum wage, the share of labour will be larger to be decided by mutual agreement, and (b) where the industry has clearly built up a large free reserve, the share of labour will also be higher than the 50 per cent mentioned above. Of the share thus available for distribution after a provision for consumers and labour has been made a portion will be reserved for the development of the industry and the rest will be available for remunerating capital.

NOTE: Where no provision is actually made for consumer the amount will be available for distribution to labour and capital"

18.33 The subject of sharing gains was also discussed by the Steering Group of the Reserve Bank of India set up in June 1964 to study the problems in the sphere of Wages, Income and Prices Policies. In recommending guidelines for an Incomes Policy the Steering Group outlined the following principles²:

- (i) A five-year moving average of productivity change in the economy should be a guide for regulating change in money wages.

- (ii) Trend in productivity should be the outer limit for wage income adjustment.

- (iii) Increases in wages and money incomes in different sectors and industries should be regulated at a rate which takes account of the growth of productivity in the economy as a whole, but to some extent also of productivity in the sector or industry concerned.

- (iv) Productivity-linked wage schemes should in general be such as will enable a part of the benefit of rise in productivity to accrue to the community in the form of lower prices of the products concerned.

18.34 Every institution/person recognises the claim of every group—employers, workers and the community—for a share; on what to share and how, there are understandable differences. The State Governments have taken a somewhat indifferent line. There is a consensus that wages above the basic minimum should be linked with productivity, but the content of the basic minimum assumed by different parties is not the same. Thus, on the question of measurement of productivity and its allocation among different factors of production, no clear-cut view emerges from the evidence. There is, however, stress on leaving it to mutual negotiations. The Study Group on Productivity and Incentives has stated that productivity is influenced by many factors some of which are internal to a unit while others are external. Improvement in the social and economic circumstances of workers would lead to better productivity. A substantial share of gains from increasing productivity should therefore be provided to labour to ensure their active cooperation. Increase in productivity also requires a modern technological base and improved organisation of work. These depend on the initiative and foresight of the entrepreneur and a reasonable share has to be allocated to him.

18.35 Sharing of productivity gains has two aspects: (i) sharing as production proceeds which is covered by incentives to produce and (ii) sharing of gains which result from the total operations. The latter again has two components—(a) sharing on the basis of gains in physical output and (b) participation in the total proceeds which depend on market conditions. We have discussed already (i) and (ii)(b) in the Chapter on 'Incentives and Bonus'. Our recommendations in regard to (ii)(a) are given below.

¹Report of the N.P.C. Committee on Sharing the Gains of Productivity, pp. 40-41.

²Report on a Framework for Incomes and Prices Policy—Reserve Bank of India, pp. 28-29.

18.36 A quantitative basis for sharing the gains of productivity is provided by the National Productivity Council formula (Paragraph 18.32). It is possible to argue about the percentages but these could be settled by mutual agreement. The principles appear to be essentially sound. In commending the formula, we would say that any suggestion for sharing will be debatable. It

will be impossible in our situation to evolve a scheme acceptable to all. The essence of wisdom in such matters is to approach the problem pragmatically and we feel that the elements required for such an approach are already woven into the formula recommended by the N.P.C.

CHAPTER 19

MACHINERY FOR WAGE FIXATION/PROTECTION

The machinery for wage fixation/protection is distinct from that dealing with wage disputes. The latter forms part of the general machinery for the maintenance of industrial harmony and has been discussed elsewhere. In this chapter we propose to analyse only the former and trace the evolution of the agencies specially created for wage fixation in sweated industries and in the organised sector, assess their functioning and, in the process, evolve recommendations for their improvement. We shall also attempt a review of the working of the Payment of Wages Act, 1936, the legislation specially designed to protect the wages earned by workers.

WAGE FIXING MACHINERY IN SWEATED INDUSTRIES

Early History

19.1 The concern felt by the International Labour Organisation for evolving an international instrument for minimum wage fixation resulted in the ILO Convention/Recommendation on the subject in the year 1928. Examining the Convention in the Indian context, the Whitley Commission concluded that there was a need to create machinery for fixing minimum rates of wages in those trades in which wages were lowest and where there was no question of collective bargaining.¹ The machinery it recommended was a wage board. It was conscious about inadequacy of statistics and indicated that after collecting the necessary information, a decision would be possible on the composition and number of minimum wage boards.²

19.2 The question of establishing a minimum wage fixing machinery came up again for consideration in 1937 when the popular Ministries came into power in many Provinces. Committees were appointed in four of the Provinces³ for enquiring into the conditions of labour and they were required *inter alia* to examine the then existing levels of wages and living conditions of labour.⁴ The Committee set up by the U.P. Government recommended the establishment of a Wage Fixation Board to function on the lines of the British Trade Boards for adjust-

ment of wages from time to time. The Board could consist of representatives of workers and employers together with a Chairman who could be either one of them or an independent outside authority, e.g., the Commissioner of Labour. Similar recommendations were made by the Bihar and Bombay Committees.

19.3 In reporting on the implementation of the ILO Recommendation (1928), the Rege Committee, after recording the action taken by the Government of Bihar, stated: "No action has been taken in other Provinces, but some of the Provincial Governments presume that the action will be taken in this matter on all-India basis as a result of the report to be submitted by the Labour Investigation Committee and the recommendations to be made by the Social Security Committee proposed to be appointed by the Government of India."⁵

19.4 The issue of statutory machinery for fixation of minimum wages was also discussed in the sixth and eighth sessions of the Indian Labour Conference. The Minimum Wages Act, 1948 was the outcome. The Act provides that either of the following two methods can be followed for fixation of minimum wages in the employments included in the schedules to the Act:—

- (i) By appointment of committees or sub-committees to hold enquiries and make recommendations about the minimum wage rates that should be applicable to particular employment(s) covered by them; and
- (ii) By notifying the draft proposals in the official gazette for comments, the parties may wish to make, and finalising these proposals in the light of such comments.

We feel that the committee method gives more satisfaction to both the parties *i.e.*, employers and workers who have the satisfaction of having a part in deciding what to pay or what to accept. To give such satisfaction is desirable. We recom-

¹The Report of the Royal Commission on Labour in India (1929—31) p. 212.

²The Report of Royal Commission on Labour (1929—31), p. 213.

³The four Provinces which set up Committees were Bombay, Bihar, Central Provinces and United Provinces.

⁴See also Para 16-6.

⁵Labour Investigation Committee—Main Report, p. 434.

ment that the committee procedure should be increasingly followed for fixation of wages under the Minimum Wages Act, 1948. This view is also supported by the evidence before us. But the committee method has involved delays in giving relief to beneficiaries. To remedy such delays, we recommend that a time-limit of three months may be fixed for a committee to recommend the statutory minimum wage.

19.5 There should be a common permanent secretariat for the different committees and sub-committees to expedite fixation and revision of minimum wages by prior collection and collation of relevant data. There should be a common Chairman for committees set up for fixation or revision of minimum wages in respect of allied scheduled employments to facilitate expeditious decision and better coordination.

B - MACHINERY FOR WAGE FIXATION IN THE ORGANISED SECTOR

Plan Recommendations

19.6 To evolve a scientific wage structure on an industry-wise basis, the First Plan considered it essential that the question of a fair wage for different operatives in an industry be adjudged by an impartial authority. It envisaged that permanent wage boards with a tripartite composition should be set up in each State and at the Centre to deal comprehensively with all aspects of the question of wages, to initiate necessary enquiries, collect data, review the situation from time to time and take decisions regarding wage adjustments *suo motu* or on reference from parties or from the Government.¹ Apart from the statutory wage boards which were functioning in Bombay State,² even prior to the publication of the Plan, it would appear that this recommendation of the Plan did not receive adequate attention. Wage demands continued to be settled through the normal industrial relations machinery both at the Centre and in the States. The Second Plan also considered the wage board to be "a more acceptable machinery for settling wage disputes", a machinery "which gives the parties themselves a more responsible role in reaching decisions."³ This recommendation was used in the Fifteenth Indian Labour Conference to get the principle of appointing industry-wise wage boards accepted. By the time the Third Plan was written, some wage

boards had already come out with unanimous reports. Both employers and workers wanted to give a trial to getting the wage board awards implemented voluntarily. It was on this basis that the Plan noted: "the representatives of employers and workers have agreed that unanimous recommendations of a wage board should be implemented fully".⁴ Since their inception in 1957, wage boards were appointed for the following industries/employment:⁵ (i) Cotton Textiles,⁶ (ii) Sugar,⁶ (iii) Cement,⁶ (iv) Jute, (v) Tea Plantations, (vi) Rubber Plantations, (vii) Coffee Plantations, (viii) Iron and Steel, (ix) Iron Ore Mines, (x) Coal Mines, (xi) Limestone and Dolomite Mines, (xii) Non-Journalists, (xiii) Port and Dock Workers, (xiv) Engineering, (xv) Heavy Chemicals and Fertilisers, (xvi) Leather and Leather Goods, (xvii) Road Transport Industry, and (xviii) Electricity Undertakings.

Wage Boards

19.7 A wage board is tripartite in character; it consists of an equal number of representatives of employers and workers with an independent chairman. In addition, an economist and a consumer's representative, both independent, are nominated to the board. The total number of members on a wage board, including the chairman, has varied from seven to nine. Representatives of employers and workers on the board are appointed by the Government after consulting the concerned organisations in the industry. The chairman and the independent members are nominated by the Government. The chairmen of wage boards have generally been judges either serving or retired. It has been the practice to nominate a Member of Parliament to represent the interests of the consumer. At times the same individual has been appointed to function concurrently as Chairman of more than one wage board.

19.8 In evolving a wage structure, a wage board, according to its terms of reference, is required to take into account, in addition to the considerations relating to fair wage, (i) the needs of the industry in a developing economy, (ii) the system of payment by results, (iii) the special characteristics of the industry in various regions and areas, (iv) the categories of workers to be covered (this may be according to the definition in the Industrial Disputes Act), and

¹First Five Year Plan, p. 585.

²The Bombay Industrial Relations Act, 1946, was amended in 1948 to provide for Wage Boards.

³Second Five Year Plan, p. 580. ⁴Third Five Year Plan, p. 256.

⁵This excludes the statutory wage board for Working Journalists constituted under Section 9 of the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955.

⁶Second Wage Boards were constituted for these industries.

(v) the working hours in the industry. Some wage boards have been assigned additional tasks such as consideration of the grant of bonus and framing of gratuity schemes.

19.9 The principles which the wage boards were expected to keep in view in determining the wage structure have been those adumbrated in the Report of the Committee on Fair Wages. The approach of different wage boards has been generally to determine the minimum wage for an unskilled worker and then to build upon it a structure of differentials. Capacity of the industry to pay has been interpreted in terms of profitability and future prospects. The consideration has been invariably the average capacity of the industry as a whole and not of individual units. The wage boards claim that they have been taking into account other criteria such as the prevailing rates of wages, the place of the industry in the economy, the development needs of the industry, the growth of national income and the level of productivity.

19.10 In serving as an effective machinery for wage determination, the wage boards attempt the fixation of wages within the broad framework of the Government's economic and social policy. The terms of reference of the wage boards, which are more or less similar, have been so designed as to take account of the larger economic and social objectives of the community and the legitimate interests of industry. During the last decade, this has been the dominant arrangement for settling wage disputes.

19.11 In the Second Plan, there was a pointed reference to the depressing influence which marginal units in an industry had on the industry-wise settlement of wages. Since the wage level has to be fixed taking into account the viability or otherwise of low-yielding units, the ultimate settlement which is reached is in favour of the larger units which are more efficiently run. Over a period of years, therefore, the disparity between such marginal units and others is reported to have widened. This has created its own problems. As a remedy, the Second Plan suggested merger of the smaller units. In actual practice, no mergers took place, but at the same time not many cases of units going out of business on this account have come on record. One could, therefore, infer that wage boards as a rule have been conservative in their recommendations on industry-wise wage settlement. Also, it may be that in a seller's market the extra burden of wage in-

crease gets transferred to the consumers and, by and large, the contingency of closure merely because of an adverse wage award has not arisen.

19.12 The wage boards are non-statutory,¹ and as a rule, have been functioning with a flexible approach. Each board issues its own detailed questionnaire, collects data/information and holds sittings to record the views of the concerned interests. After an assessment of these views, the board makes its recommendations to the Government. All this causes delay; evidence before us stresses the importance of cutting out such delays. The procedures adopted by the boards have evoked sharp criticism; we consider the criticism justified.

Implementation of Wage Board Recommendations

19.13 The recommendations of the wage boards are examined by Government, and such as are accepted are notified for implementation by the parties. The policy has been to accept the recommendations which are unanimous; only in a few cases, the recommendations have been modified. While this has been the position with regard to the Central Government, it was pointed out in course of evidence before us that some States had allowed wage board recommendations to be implemented with modifications. These modifications, it was alleged, went in favour of the employers.

19.14 The boards being non-statutory, implementation of their recommendations is secured through the good offices of the Central or the State industrial relations machinery, as the case may be. Periodic progress reports indicating the extent of implementation of the recommendations are obtained by the Central Government from the concerned authorities. The recommendations of some of the earlier wage boards were almost fully implemented, but in the case of the later wage boards, implementation has been increasingly unsatisfactory. In the second case, the employers have a feeling that the special difficulties of units which are unable to implement the wage board recommendations did not receive adequate consideration at the hands of the boards. Recently, the non-implementation of wage board recommendations in regard to non-journalists in the newspaper industry raised a public controversy which settled down only after a reference of the matter under dispute to a tribunal.

¹The only exception is the Wage Board for working Journalists. In some States, however, there are statutory wage boards for certain industries. (Annexure).

Assessment

19.15 The wage structure recommended by a wage board normally remains in operation for a period of five years during which time no demands for revision of wages (or other matters) dealt with by the board are generally entertained. Besides ensuring a stable structure for an industry, this has resulted in establishing a measure of harmony for a reasonable period.

19.16 An incidental effect of the time factor and Government's policy not to set up another board within five years of the start of implementation of recommendations of the previous one, has been that the parties take these facts as given in framing their statement of claims. They make their own calculations about how workers' needs will change and/or how the industry will fare five to seven years since the filing of the claim. It is on this basis that negotiations start. Employers consider such long-term projections as unrealistic and issues get joined on this score. Thus, every assumption that either side makes about the future becomes a matter of controversy. The debate goes on and relief to workers gets delayed. The demand on the workers' side that the effect of the recommendations should be made retrospective as from the date of appointment of the board does not provide a complete answer, nor has it found favour with the wage boards.

19.17 Evidence Analysed: State Governments have generally favoured wage fixation through the system of wage boards on an industry-wise basis. One State observed that the earlier wage boards were a success not only because they had novelty as a form of wage-fixing authority, but also because they gave their findings in good time. The subsequent wage boards, however, have had to deal with structurally more complex industries like engineering, iron and steel and heavy chemicals, embracing many lines of activity or with service industries like motor transport, and electric supply and transmission. In the process, they experienced many difficulties. A few States have observed that the wage boards have not been able to conclude their deliberations and give their findings quickly and this has given room for dissatisfaction. Some require a specific time limit to be placed on the boards for completing their work.

19.18 A section of employers' organisations feels that a single machinery for wage fixation in all types of industrial undertakings will not be suitable and that, depending on the nature of the industry, wage boards, collective bargaining or adjudication could be utilised for wage

determination. Some organisations are critical of the composition and functioning of the wage boards. Apart from the fact that the wage boards take an unduly long time, there is a feeling that the establishment of the wage boards has neither reduced tension nor introduced any scientific elements into the wage structure. One organisation has suggested that no wage board should be constituted for an industry which is not homogeneous or where the wage boards cannot adequately cover a sizeable number of workers. It is further suggested that the wage board set up for an industry should evolve general principles regarding wage fixation; and later the parties themselves should go on applying these principles for any subsequent wage changes. Recommendations of the wage boards should be implemented only if they are unanimous. It has also been observed that the question of linking wages with productivity has not been considered seriously by any of the wage boards. Working of the wage boards can be improved only if the procedural delays are removed.

19.19 Workers' organisations are generally dissatisfied about the manner of working of the wage boards. Some have suggested that in the organised sector where unions are well established and enjoy recognition, encouragement should be given to wage fixation through collective bargaining. Working of the boards, according to some unions, has not been satisfactory as the boards take a long time and give only *ad hoc* increases in emoluments which are generally on the low side. The non-statutory nature of their recommendations, and adjudication in the event of non-implementation, have been found to be highly unsatisfactory features by several workers' organisations. As a remedy, unions favour a statutory status for the boards and require that the wage board reports should be available within six months. It is only on this basis, the unions feel, that a continuance of the machinery of wage boards can be justified.

19.20 Our Committee on the Functioning of the System of Wage Boards has concluded. "The system of Central Wage Boards has been functioning for over a decade.....on the whole it has served a useful purpose. As bi-partite collective bargaining on wages and allied issues on an industry-wise basis at the national level has not been found to be practicable at present for various reasons, this system has provided a machinery for the same. It is true that the system has not fully met all expectations and particularly in recent years there has been an erosion of faith in this system on the part of

both employers and employees..... The Committee is, however, convinced that these defects are not such as cannot be remedied."¹

19.21 Our Committee has recommended that in future, wage boards should function essentially as a machinery for collective bargaining and should strive for unanimity. This, it has been pointed out, will necessitate some changes in their composition and functioning, though the opinion in the Committee was divided on the proposed changes. One view is that independent members can play a very useful role as mediators in case of disagreement between the representatives of employers and workers; the other does not favour inclusion of independents, as they have no place in collective bargaining. According to one view, in case of disagreement between the two sides, the chairman should act as an arbitrator and his decision should be binding on both sides. The other accepts the role of the chairman as arbitrator, provided there are no independent members on the board. According to the third view, the chairman can arbitrate only in cases where he is chosen by the consent of both sides.

19.22 Some of the other recommendations of the Committee² are as follows:

- (i) "The Chairman of a Wage Board should preferably be selected by common consent of organisations of employers and employees in the industry concerned. If, however, agreement on the Chairman between the two sides is not possible, Government will nominate the Chairman. In nominating the Chairman, the Government should give preference to persons having experience of Industrial Tribunals. If a retired judge is selected, he should not have an extension of service for more than two years. It is not necessary to select Chairman from the judiciary only. Persons enjoying confidence of both employers and employees and/or having knowledge and experience of industry and labour may also be considered for Chairmanship. No person should be appointed as Chairman of more than two Wage Boards at the same time."
- (ii) "Government should examine in consultation with central trade union organisations the present procedure for giving representation to central organisations/federations of workers and make such

modifications as may be necessary in order not to leave large sections of workers unrepresented."

- (iii) "In order that the wage boards are able to complete their work expeditiously.
 - (a) A Central Wage Board Division should be set up in the Union Ministry of Labour on a permanent basis to service all Wage Boards.
 - (b) This Division should have a special unit for processing and supplying statistical and other information needed by the Wage Boards and it should maintain close liaison with Labour Bureau, Simla.
 - (c) The Central Wage Board Division suggested above will lend the necessary staff to the Wage Boards.
 - (d) A standard questionnaire should be prepared, kept ready and issued as soon as a Wage Board is set up and this may be followed up by a short supplementary questionnaire to collect information peculiar to the industry concerned.
 - (e) On-the-spot inspections by Wage Boards should be reduced to the minimum and confined only to what is considered relevant and necessary.
 - (f) A manual of procedure for Wage Boards should be prepared."
- (iv) "Government should normally accept all unanimous recommendations of Wage Boards. In case of non-unanimous recommendations the Government should hold consultations with the organisations of employers and employees which were represented in the Wage Board before arriving at a final decision."³
- (v) "Though the Wage Boards should not be set up under any statute, their recommendations, as finally accepted by Government, should be made statutorily binding on the parties. Suitable provision should be made in the relevant Central and State laws for this purpose."

19.23 A Bipartite Committee set up on the advice of the 27th Session of the Standing Labour Committee examined the problems of

¹Report of the Committee on the Functioning of the System of Wage Boards, p. 41.

²Report of the Committee on the Functioning of the System of Wage Boards, pp 52-54.

³In practice, this is what happens.

(i) delays involved in the working of the wage boards, and (ii) securing fuller implementation. The ground covered by this Committee was the same. The additional suggestions which emerged are:

- (i) The time now spent on public hearings should be curtailed by fixing reasonable limits on the number of parties/persons to be heard and the time to be allotted to them. The schedule of such hearings drawn up by the Board should be strictly adhered to.
- (ii) Wherever necessary, the wage boards might appoint assessors to advise them on such matters as might be referred to the assessors. They should have no right to vote; and
- (iii) After the constitution of a Wage Board for a particular industry/employment, disputes relating to matters before the board should not be referred to adjudication.

Foreign Experience

19.24 Two countries, the experience of which is relevant to our system of wage boards are the U.K. and Australia. In the U.K., wage boards operated under various names since the turn of this century. The Wages Councils Act of 1945 converted the trade boards then in existence into wages councils with wider powers conferred upon them, including the power of fixing guaranteed weekly remuneration and such holidays with pay as they considered appropriate. The Wages Councils Act, 1959 thereafter consolidated the provisions of the earlier legislation. Wage determination of a large number of workers¹ in the U.K. is now within the purview of these wages councils. In their actual working, the wages councils lay emphasis on bringing about an agreed settlement with the independent members playing the role of conciliators. First of all, the leaders of the employers' and workers' representatives hold discussions to see whether they themselves can come to a settlement. The independent members do not vote, but in the event of disagreement between the two sides, the question may be decided by the majority vote within the council.

19.25 In Australia generally, the States set up conciliation committees, wage boards/industrial boards on an industry-wise basis. These consist

of representatives of employers and unions in the industry. They are Standing Boards and take cognisance of disputes as and when they come. The Chairman of the Board is common to many of them. This helps him to settle the matter on the basis of his vast experience of current wage decisions. Where the Wage Board gives a unanimous award there is no problem, but if the award is not unanimous, a party can appeal against the decisions of the Board to a court consisting of one or more judges who in some cases are assisted by representatives from both sides of the industry.

Recommendations

19.26 There is little scope for making any radical departure from the existing procedures and practices being adopted for wage fixation in organised industry. Building up on the procedures evolved so far and making improvements in the process would indeed be necessary. There is no doubt that wage boards have done some useful work and they should continue. We support the recommendations enumerated in Paras 19.22 and 19.23 above. Some of these and other recommendations of which we would like to make a special mention are: (i) There need be no independent persons on the wage board. If considered necessary, an economist could be associated with it, but only as an assessor; (ii) As far as possible, the Chairman should be appointed by the common consent of the parties. An agreed panel of names should also be maintained by the proposed National/State Industrial Relations Commissions for appointment as chairmen². They should preferably be drawn from the members of the proposed National or State Industrial Relations Commissions. In case a chairman is appointed by the consent of both the parties, he should arbitrate if no agreement is reached in the wage board. A person should not be appointed as chairman of more than two wage boards at a time. In case the Commission is unable to prepare a panel of agreed names, the Government will appoint the Chairman; (iii) The wage boards should normally be required to submit their recommendations within one year of their appointment. The date from which the recommendations should take effect should be mentioned by the wage board in the recommendations itself; (iv) The recommendations of a wage board should remain in force for a period of five years; (v) Unanimous recommendations of the wage boards should be made statutorily binding. In cases where no agreement is reached within the wage board,

¹The number is placed at about 3.4 million in the publication 'Industrial Relations - Hand Book, Ministry of Labour (U.K.)—1961.

²For National/State Industrial Relation Commission See Para 23.63.

the Chairman should arbitrate, if the Chairman before appointment was acceptable to both sides; (vi) A Central Wage Board Division should be set up in the Union Ministry of Labour and Employment on a permanent basis to service all Wage Boards. This Division should lend the necessary staff support to the wage boards and also supply statistical and other information needed by them for expeditions disposal of the work; (vii) A manual of procedure for wage boards should be prepared.

▲ MACHINERY FOR PROTECTION OF WAGES

19.27 The purpose of laying down a machinery for evolving a proper wage structure is defeated if malpractices in the payment of wages cannot be checked. The anxiety felt by the Whitley Commission in regard to defaults in payment of wages due to workers has been already referred to. The recommendations of that Commission in this regard led to a valuable piece of legislation, *viz.*, the Payment of Wages Act, 1936. The Act provides for:

- (a) Protection to persons in receipt of wages and salaries below Rs. 400¹ per month; wages include all remunerations which can be expressed in terms of money which will be payable to persons while in employment and includes any bonus and other additional remunerations.
- (b) Fixation of the wage period which should not exceed one month.
- (c) Payment of wages before the expiry of the seventh day in case of establishments with less than a thousand employees, and in other cases, before the expiry of the tenth day after the wage period.
- (d) Payment of wages to discharged worker before the expiry of the second day from the day on which his employment is terminated.
- (e) All payments to be made on a working day and in current legal tender

19.28 The Act permits certain kinds of deductions from wages for fines, absence from duty, damages for loss, house rent, income-tax, provident fund, etc. By virtue of an amendment in December 1962, on a written authorisation by the worker or the president or secretary of a union, deductions from workers' wages can be made for contribution to the National

Defence Fund and for approved defence savings schemes. Necessary safeguards about these deductions have been provided for.

19.29 The Act is administered by the State Governments, except in the case of the railways, mines and oil fields and the civil air transport service where it is enforced by the Central Government. The Act provides for the appointment of inspectors to ensure enforcement of the provisions relating to timely payment of wages and for prosecution for contravention of the provisions relating to working hours, unauthorised deductions from wages, and other matters. At the Centre, the Chief Labour Commissioner (Central) and his officers have been appointed Inspectors for the enforcement of the Act in mines, oil fields and railways and in the civil air transport service; only in the case of railways, officers other than the Labour Enforcement Officers act as Inspectors.

19.30 The Act in its original form suffered from a number of lacunae and failed to serve as an effective deterrent against malpractices in the payment of wages. It had to be amended as experience accumulated. The rules framed thereunder provide for maximum safeguards to workers against delay in payment of wages, unauthorised deductions from wages, and other unfair practices. The deterrent provisions of the Act regarding fines and prosecutions were also amended to revise upwards the monetary penalties for defaults in the timely payment of wages by employers. According to the assessment of the Department of Labour and Employment, Government of India, and several State Governments, even the amended Act has not effectively checked the malpractices on the part of some employers. On a number of occasions, the enforcement machinery found itself helpless to bring round defaulting employers because of the cumbersome procedure for prosecution laid down under the Act, and the insignificant penalties—the amount of fines being negligible—as compared to the monetary benefits reaped by the employers by delaying the payment of workers' wages. The inspectors notified under the Act have experienced considerable difficulty in enforcing compliance with the provisions of the Act even in the railways.

19.31 In spite of the above assessment, we recognise that over the years the operation of the Act has brought a variety of benefits to the working class. Non-payment of wages or even unauthorised deduction of wages are not

¹Till 1957, the Payment of Wages Act applied to employees earning less than Rs. 200 per month. In 1958, the Act was amended to bring within its scope the employees earning Rs. 200 or more but less than Rs. 400 p.m. also.

now as common as before. The growth of unions since the time the Act was passed, the education of workers, and indeed the desire on the part of the employers to play fair in this regard have contributed to the present position. Even so, malpractices of the type mentioned do prevail in many industrial pockets, mostly in the unorganised and small scale industries, where the arm and law does not reach and where workers have still little awareness of their rights.

19.32 There is no guarantee that work is properly measured/weighed, particularly where the payment is on the basis of piece-rates. From inspection of some registers in which weights were shown, we could see that fractions, whatever their size, were ignored; we have reason to believe that fractions were never adjusted upwards. Where payment is made on this basis and work measurement is undertaken two or three times a day, it is possible that workers will incur a loss in payments due to them. In particular, women workers who are anxious to reach home as quickly as possible after a day's work, find it difficult, or are not inclined, to check weighments on the basis of which they are paid. Realising this, the more vigilant unions have taken care to see that their agreements with the employers allow for fractions upto a half to be counted. The difficulty, however, is not so much the detail in the arrangement, but the manner in which it is given effect to. We place this matter on record because even where an employer is progressive and the union has adequate strength, matters like measurement/weightment are dealt with at the level of supervisors where malpractices may occur. While we realise that this is a passing phase in factory industries, its incidence in mines and plantations requires to be checked.

19.33 Rejection of sub-standard work is another equally important matter which affects wages which are due. Workers in the bidi industry specifically complained that their earnings suffered on this account. While we note that strict quality standards should be maintained, a remedy has to be found for unfair deductions. Cases where sub-standard work is not paid for, and yet the product is sold in the market at a slightly lower rate yielding a margin for the employer even after paying a wage for it at a reduced rate, were brought to our notice, particularly in small establishments, and these call for a suitable remedy.

19.34 We feel that implementing authorities should be more vigilant in case of units where the malpractices enumerated above are likely to be common. In small establishments in the more traditional industries, this malady could be cancerous and, in such cases, more drastic remedies should be thought of.

19.35 The problems of payment of wages to workers in the unorganised sector such as labour in small industries, contract labour, and construction labour, have been dealt with in the Chapter on 'Unorganised Labour'. Some other malpractices which have a bearing on payment of wages dues have also been brought out there.

19.36 We also recommend that the present limit of Rs. 400 per month below which the Payment of Wages Act, 1936 is applicable should be raised as the level of wages improves. For this purpose, Government should have the necessary powers to raise this limit as and when required.

Statutory Wage Boards in Maharashtra and Gujarat States

A system of statutory Wage Boards has existed in the States of Maharashtra and Gujarat under the Bombay Industrial Relations Act, 1946. Some details of this system will be of interest. The statutory Wage Boards have been set up for separate industries (cotton, silk and sugar) in the whole State. The Board for the cotton textile industry in Maharashtra has seven members—2 representing employers, 2 representing employees and 3 independent members, including the Chairman. The Board for the silk and sugar industries consists of 2 representatives each of employers and employees with an independent Chairman. In Gujarat the Board for cotton textiles consists of 2 members each from employers and employees with a Chairman and the one for silk consists of one member each from employers and employees and a Chairman. All the members are nominated by the State Government. Disputes relating to reduction of staff, increase of staff, rationalisation, wages and allowances and hours of work and rest intervals can be referred to these Boards by the State Government, recognised unions or employers. After a reference is received by the Board, notices are issued to the parties for filing claim statements which are

then exchanged between the parties. Thereafter, the Board hears the parties and takes such oral or documentary evidence as may be necessary. The members can go out for local inspection of processes, assessment of workload, etc. Having collected the necessary material the Board holds chamber meetings to settle the issues. The decisions are taken by a majority vote of the members present including the Chairman, who has a second or casting vote in the event of a tie. The decisions are issued as orders which are legally binding, but an appeal can be filed before the Industrial Court and the parties also can move the Wage Board for a modification of its order. Recently, the Government of Maharashtra has amended the Act preventing appeals to the Industrial Court against unanimous decisions of the Wage Board. The system is reported to have worked well both in Maharashtra and Gujarat. Its chief advantages are claimed to be that it is a permanent body (not an *ad hoc* one) with powers of review and modification of its orders, and since the decisions of the Board are judicial and appealable, the members try to accommodate each other's views to arrive at agreed decisions.

CHAPTER 20

WORKERS' ORGANISATIONS

Under the existing law, the expression 'trade union' includes both employers' and workers' organisations. We discuss the various aspects of this subject in this and the following chapter. In the first we cover the topics such as growth of trade unions, their structure and pattern, their finances and their role and functions, as well as the more controversial issues like outsiders in a union and inter-union rivalry. The problems which unions in this country have been facing for the last twenty years are many and varied. Some of them are of their own making; others are the product of an inadequate policy pursued by Government in the matter of trade union organisation. The law which permitted unions to be formed did not go beyond conferring on them certain minimum rights after registration. The more important right, the right of recognition, except in some State legislation, has been given to unions only through a voluntary code.¹

20.1 Employers' organisations, their growth, structure and functions, and the role they should play form the subject matter of the next chapter. ~~Workers' organisations and employers' organisations have to play a complementary role. They have many common problems, particularly those involving communication between the organisation and its members, enforcement of discipline, education of members and the like.~~ Employers' organisations can be registered as trade unions and indeed several are so registered. In what follows, whatever is said about trade unions of workers will also apply *mutatis mutandis* to employers' organisations.

GROWTH OF UNIONS

Early Developments

20.2 The main elements in the development of trade unions of workers (unions) in every country have been more or less the same. The setting up of large-scale industrial units created conditions of widespread use of machinery, establishment of new lines of production, changes in working and living environments of workers, and concentration of industries in large towns, all of which introduced a new class of workers who were dependent on wages for their livelihood. They were at a dis-

advantage in an age when the doctrine of *laissez faire* held the field. In the absence of collective action, they had to be content with the wages which each one of them could separately negotiate with his employer from a position of disadvantage. Protests by individual workers could have no effect in such circumstances, because of a plentiful supply of labour. Workers had to join together, at least to maintain, if not to improve, their bargaining power against the employer. Where joint action was inadequate, the sanction which workers evolved was joint withdrawal from work. Recognition by the community of this right to combine, organise for collective action and withhold labour, was a long and painful process everywhere; but perhaps less so in India. Unions have now come to symbolise (i) workers' right to organise, and (ii) their right to press their demand collectively and to go on strike if their claims are not accepted.

20.3 Labour protests on an organised scale were not unknown in India prior to the First World War, 1914—1918. Organised action by workers was reported in the first fourteen years of this century in many parts of the country; in some it was in response to the demands of the workers, in others the motive was political. Although by the end of the 19th century modern industry had secured for itself a place in the economic life of the community, the other part of the industry, viz., workers who were sweating from sunrise to sunset in dingy insanitary factories to keep the machines moving, had received no attention. Some social and welfare workers tried to organise labour, but there was no unionisation in the real sense.

20.4 Workers organised themselves to press their demands, but by and large, it was only in those cases where they could evoke public sympathy that they succeeded; and such sympathy was hard to come by. Several cases of concerted action in many industrial centres—notably Bombay, Calcutta, Kanpur—are on record. Two important struggles by workers in Ahmedabad and Madras have been referred to in an earlier chapter.² The establishment in 1919 of the International Labour Organisation (ILO) had its influence on the growth of unions in the country. While some unions

¹The reference here is to the Code of Discipline, the origin and the working of which are discussed elsewhere. See Paras 24.16 to 24.22.

²See Paras 6.42-6.43 & 6.44-6.45.

chose to operate independently and confined their activities to an industrial centre/unit, others felt the need for coordination of their activities at the national level. A section of the Indian working class thought in terms of the even wider international unity of the working class through the opportunity offered by the ILO. The formation in 1920 of an All-

India Federation, viz., the All-India Trade Union Congress, was the result of all these urges. The passing of the Trade Unions Act, 1926 gave formal recognition to the workers' right to organise. It also encouraged the further growth of the movement in the years following as would be seen in the table below.

TABLE 20.1 : No. of Trade Unions and Membership (Employers and Workers) 1928—35

Year	No. of registered unions	Total membership
1	2	3
1928	29	106,000
1931	119	219,100
1935	213	284,900

20.5 The continued efforts of the working class to make itself heard earned for it a voice in the legislative councils through nomination both at the Centre and in the Provinces. The Whitley Commission, discussing the then arrangements, recommended election in place of nomination, the details of election being left to the Provincial Governments to be worked out.¹

Recent trends

20.6 The setting up of popular Governments in the Provinces in the late thirties under the

Government of India Act, 1935, the Second World War, and the advent of Independence quickened the pace of growth of the unions. The years since Independence, particularly the period 1947—1957, witnessed a rapid increase in the number of unions, an increase brought about by a variety of factors such as the changed outlook towards labour organisations, the new spirit of awakening in the country, and the economic distress that followed the war years. The desire of political parties to help labour, as much as to seek help from it, was also a contributory factor. The table below gives the trend of growth of unions during the last four decades.

TABLE 20.2 : Number and Membership of Trade Unions (Employers & Workers)

Year	No. of registered unions	No. of unions submitting returns	Total membership (in lakhs)	Average membership per union ²
1	2	3	4	5
1927-28	29	28	1.01	3,594
1935-36	296	205	2.68	1,309
1947-48	2,766	1,629	16.63	1,026
1951-52	4,623	2,556	19.96	781
1955-56	8,095	4,006	22.75	568
1960-61	11,312	6,813	40.13	589
1963-64	11,984	7,250	39.77	549
1964-65	13,023	7,543	44.66	592

Source: (i) Labour Management Relations in India: Subramanyam, K. N. (1957 pp 62. & 68.)
(ii) Indian Labour Statistics, and
(iii) Indian Labour Year Books.

¹Report of the Royal Commission on Labour in India, pp. 461-464.

²Average membership per union has been obtained by dividing the total membership by the number of unions submitting returns.

20.7 This increase in the number of unions and their membership, however, does not reflect their real strength. Considering that the average union membership has shown a gradual decline from 1026 in 1947-48, to 568 in 1955-56, and to 549 in 1963-64, the increase in the number would seem to suggest rather a splitting of unions or their inability to absorb workers in new units.

20.8 As could be seen from the table below, as many as 73.2 per cent of the unions had a

membership below 300 in 1964-65 and accounted for only 12.4 per cent of the total membership. At the other end, only about 131 unions representing 1.7 per cent of the total number of unions had a membership of over 5,000 each; and these accounted for 47.8 per cent of the total membership. The data indicate that unions are too small to be viable and have little following. We do not have later statistics, but indications are that the situation has not substantially changed in this respect.

TABLE 20.3: *Frequency Distribution of Trade Unions submitting returns according to membership during 1964—65.*

Membership of Unions	Unions			Membership at the end of the year		
	Absolute Number	Percentage to the total number	Cumulative total of col. 3	Absolute Number	Percentage to the total number	Cumulative total of col. 6
1	2	3	4	5	6	7
Below 50	1,733	23.0	23.0	51,294	1.1	1.1
50-99	1,538	20.5	43.5	1,09,428	2.5	3.6
100-299	2,233	29.7	73.2	2,93,332	8.8	12.4
300-499	670	8.9	82.1	2,60,299	5.8	18.2
500-999	696	9.3	91.4	4,85,182	10.9	29.1
1,000 to 1,999	314	4.2	95.6	4,39,270	9.8	38.9
2,000 to 4,999	204	2.7	98.3	5,95,110	13.3	52.2
5,000 to 9,999	70	0.9	99.2	4,49,661	10.1	62.3
10,000 to 19,999	32	0.4	99.6	4,46,937	10.0	72.3
20,000 and above	29	0.4	100.0	12,35,769	27.7	100.0
TOTAL	7,519*	100.0	..	44,66,282	100.0	..

*Though 7,543 unions submitted returns, membership figures were available for 7,519 unions only.

Source: Labour Bureau, Simla.

20.9 According to a reliable estimate,¹ the proportion of union members to the total number of workers in 1962-63 could be placed at about 24 per cent in sectors other than agriculture; if workers in agriculture are included, the percentage of organised labour will fall considerably.² The degree of unionisation varied widely from industry to industry; it was 51 per cent in mining and 37 per cent to 39 per cent in transport and communications, manufacturing

industries, and electricity and gas. Industries with a high rate of unionisation are: coal (61 per cent), tobacco manufacture (75 per cent), cotton-textiles (56 per cent), iron and steel (63 per cent), banks (51 per cent), insurance (33 per cent), railways (33 per cent) and plantations (28 per cent).

Central Organisations of Workers

20.10 The events which led to the setting up of the AITUC have been referred to already.

¹Paper prepared by the Ministry of Labour and Employment for the Asian Labour Ministers' Conference (January 1969).

²Trade Union membership as proportion of the total labour force in some industrially advanced countries is: U.S.A.—22%; U.K.—40%; Federal Republic of Germany—26%; Japan—20%; Italy—35%; Sweden—54%.

Source: Economist, 9-10-1968.

For some time, the organisation worked as a strong united body. A section of its leadership had revolutionary urges. When in 1929 this leadership gained majority in the AITUC and captured both its General Council and the Executive Committee, those who opposed this development seceded and formed the All-India Trade Union Federation. Describing the situation obtaining in the late twenties, the Whitley Commission observed that the position of the trade union movement as a whole was still unstable, and that much would depend on the course of development in the succeeding years. Splits and mergers, for reasons not necessarily relevant to the working class, became a common feature of the trade union movement in the thirties. By 1946, the AITUC came under the control of the group whose approach for securing better terms and conditions of work for labour and for settlement of disputes differed radically from that of other labour leadership in the country. When attempts to restructure the AITUC failed, those believing in the aims and ideals other than those of the AITUC separated from that orga-

nisation and established the Indian National Trade Union Congress (INTUC) in the year 1947.

20.11 As the INTUC had, since the beginning, shared and supported the political outlook of the Indian National Congress, its popular image was identified with that of the Congress. When the socialist group broke away from the Congress in 1948 and formed a new political party, the socialist trade union leaders who were operating within the INTUC seceded from it and formed a new central trade union organisation called the Hind Mazdoor Panchayat. This organisation and the Indian Federation of Labour formed during the Second World War came together under the title of the Hind Mazdoor Sabha (HMS) in the year 1948. Some splinter groups from the HMS and the AITUC set up a separate organisation, *viz.*, the United Trades Union Congress (UTUC). The respective growth and strength of the four central organisations on the basis of the latest data available are shown in the table below :

TABLE 20.4: *Verified Membership of the Four Central Trade Union Organisations¹*

Year	INTUC	AITUC	HMS	UTUC	Total verified membership
1	2	3	4	5	6
1952-53	919258 (56.3)	210914 (12.9)	373459 (22.9)	129242 (7.9)	1632873 (100.0)
1955-56	971740 (55.3)	422851 (24.1)	203798 (11.5)	159109 (9.1)	1757498 (100.0)
1959-60	1053386 (53.8)	508962 (26.0)	286202 (14.6)	110034 (5.6)	1958584 (100.0)
1962-63	1268339 (57.4)	500967 (23.8)	329931 (14.9)	108982 (4.9)	2208219 (100.0)
1966	1417553 (59.5)	433564 (18.2)	436977 (18.3)	93454 (4.0)	2381548 (100.0)

¹*Trade Unions in India*—A paper prepared by the Ministry of Labour and Employment (1969).

NOTE.—Figures in brackets indicate percentage to total verified membership.

20.12 Government have recognised these four central organisations of workers for the purpose of representation at national and international conferences and for occasional consultations. Besides these four, some new federations which have come into existence since the fifties, particularly the Bharatiya Mazdoor Sangh (BMS) formed in the year 1955 and the Hind Mazdoor Panchayat (HMP) which came into existence in 1965, are now claiming

recognition to be represented at consultative forums set up by Government at the Centre and in the States.

20.13 The trade union movement in India has long been associated with the two international trade union federations, *viz.*, the World Federation of Trade Unions (WFTU) formed in the year 1946 and the International Confederation of Free Trade Unions (ICFTU)

set up in the year 1949. In these international forums, Indian trade union leaders have been the spokesmen for developing countries in general and Asian labour in particular. The ICFTU has been running an Asian Trade Union College in India since Independence. This College has been active in getting together union organisers from Asian countries and taking them through a detailed course of training based on experience of the trade union movement in the Asian region. The College publishes a journal for the benefit of trade union organisers in Asia. The WFTU has also drawn considerably on Indian experience in formulating policies in regard to the trade union movement in newly-independent countries and in matters relating to economic development. It organises occasional seminars and discussion groups for analysing problems of unions in developing countries.

Trade Union Structure

20.14 The pattern and structure of unions and the basis on which they are organised do not admit of any simple generalisation. Unions in different countries have developed on different lines, depending on social and economic compulsions of industrialisation, political and historical factors, and the institutional framework of the respective societies. For instance, in the U.K. where unions grew out of the guild system, the occupation/trade became the basis of workers getting together for collective action. Australian experience is similar. In the U.S.A., workers are members of local unions, most of which are affiliated to national unions covering an occupation or an industry. In the U.S.S.R., trade unions are organised on an industry basis; all persons employed in a factory or establishment belong to one union, and at the higher levels, each industry union comprises unions of one branch of the national economy. French, Italian and Belgian unions are divided not only on industry/plant basis, but also have strong religious denominations. 'Enterprise' is the basis of union structure in Japan. About 85 per cent of the unions covering 80 per cent of the total membership in Japan are confined to a single unit/establishment or enterprise.

20.15 It is true, that over the years, in no country has the union structure remained static; in its attempt to adjust to national situations, the trade union movement has undergone changes. Government intervention has played a significant role in giving a direction to unions and in the restructuring of unions; its impact again has varied from country to country.

20.16 The experience in India has not been different, though the ordeals through which unions in other countries had to pass were spared for our unions in the early years because of the protective arm of the State. Even so, cases are on record where union organisers had to suffer indignities at the hands of employers and penalties through State action. While the broad pattern of organisation has been small unit-wise unions loosely federated at the area or national level, variations in structure and pattern do exist. Formation of plant level unions, covering different departments, was the trend in the early stages. When the bulk of labour consisted of manual workers with little difference in skills and with equal need for protection and/or improvement in conditions of work, organisation on a plant basis covering all workmen was a necessity. Their welding together into larger industry-wise/area-wise unions has been a later development. In a few cases, however, the process was reversed in the sense that the formation of an industry-wise union or a union for the working class at a centre led to workers in a unit in the industry at a particular centre getting organised. In some specialised employments, craft unions have also been built up.

20.17 Industrial unions have been organised mainly as a result of the need felt by workers in one industry at a given centre to come together on a common platform. The main reason for the development of such industry-cum-centre unions has been the concentration of certain industries in particular areas; a contributory cause has been organisation on the part of the employers in those centres. For instance, textile workers in Bombay, Ahmedabad, Kanpur and Indore, plantation labour in Assam, West Bengal, Tamil Nadu and Kerala, and jute mill workers in West Bengal, got organised on this basis. Engineering workers in Calcutta, Bombay and other important centres, workers engaged in chemical and pharmaceutical industries in Bombay and Baroda, and transport workers in many States are other instances in point. Provisions in the industrial relations legislation in certain States permitting recognition of industry-wise unions in a given area have helped the growth of industry-cum-centre unions. At the all-India level, with the setting up of institutions like the wage boards and the tripartite industrial committees, and with greater scope given by Government for formal or informal consultations in the formulation and implementation of policy, the older industry-wise unions have acquired strength and many new ones have also been formed. Federations of workers engaged

in cotton textiles, cement, engineering, iron and steel, plantations, sugar, coal, oil refining and distribution, chemicals, banks, insurance, railways, post and telegraph and defence establishments are instances of organisations at the all-India level which have either strengthened or have newly come into existence to meet workers' needs. Workers in ports and docks are also organised on an all-India basis. In respect of some industries, there is not one union but more than one, and these are either affiliated to different all-India federations or exist on their own. Some have been sponsored by the central organisations themselves as their specialised agencies for the industries concerned. The advantages of organising industry-wise unions are: (i) the facility that they afford for collective bargaining, (ii) introduction of a measure of uniformity in the principles governing all aspects of working conditions and (iii) reconciliation of sectional claims of different levels of workers within an industry.

20.18 Although unions covering all workers without distinction of craft or category, either at the plant or industry level, are now the general pattern, craft unions have also come up in air transport, in some sections of ports and docks, and in industrial units based on modern technology. Skilled workers in these industries find or apprehend that their interests will not be protected by a general purpose union. They argue that the increasing complexity of modern industry makes it difficult for industry-wise unions to function effectively and smoothly and that the growth of technology and new skills demand craft unions to serve such specialised interests. Lack of homogeneity and rivalries between workers belonging to different craft groups have also prompted formation of separate associations.

20.19 We are conscious that unions being democratic and voluntary institutions, the basis on which a union should be organised is a matter to be determined by workers themselves, in the light of their own needs and experience. We also recognise that unions regard this right as basic to their democratic functioning. The political environment within which unions work, and the wider range of services which their members will require them to provide also influence their structure. It is, therefore, not our intention to draw up a scheme for structural reform of unions. They have to grow according to the dictates of their members, but within the constraints set on them by the laws of the land. We indicate, however, the desirable lines of future development, more as a guide to thinking within union membership, so that the

evolution of unions could be complementary to the recommendations we make.

20.20 The first question which comes to our mind is the size of unions. As pointed out earlier, our unions, by and large, are small in size. Even though we recognise that small unions could be well knit, there will be a minimum size below which a union will not be viable. No hard and fast rule to draw the line of demarcation is possible, much less can there be a regulation to prevent the existence of non-viable unions. We expect, however, that our recommendation on recognition of a union as bargaining agent will reduce multiplicity of unions at the plant level and help in the growth of viable unions.

20.21 The Indian Labour Conference, which discussed in 1964 the subject of category-wise/craft unions, concluded that their formation should be discouraged. The evidence before us supports this view. Several of our study groups have come to the same conclusion. According to one, "it is necessary to take steps to ensure that craft unionism does not degenerate into fragmentation of unions and thereby bring about the evils of inter-union and intra-union rivalries". Several central organisations of workers have also expressed opposition to formation of unions on a department/craft basis. We consider that with most unions confined to a single plant, the advantage of mobility which craft unions may provide to their members will be illusory. On the other hand, the disadvantages of having to bargain with too many unions in one plant are not likely to be minimised if craft unions are allowed to function in addition to plant and industry-wise unions. While we appreciate the argument that demands of skilled categories are not at times properly sponsored by the general union, craft unions as a rule should be discouraged. We, therefore, recommend that the craft unions operating in a unit/industry should be encouraged to amalgamate into an industrial union. In the alternative, where an industrial union covering all categories of workers in an enterprise has been recognised as the sole bargaining agent, it would be desirable for such a union to set up sub-committees for important crafts/occupations so that problems peculiar to them receive adequate attention. For these arrangements to work, the process of internal decision-making should be such that members belonging to any craft do not nurse the feeling that their claims go unrepresented.

20.22 We take cognizance of the welcome development in the formation of centre-cum-industry unions and industry-wise national

unions. The evidence before us is in favour of this trend. State Governments and important organisations of workers, as also several Study Groups, favour the view that centre-cum-industry unions are desirable and that they should ultimately develop into national federations, one for each industry—a goal worth striving for. Formation of such national industrial federations should be encouraged, as these will be more effective at collective bargaining forums and also as agencies to which educational and research activities for the benefit of the workers in the concerned industries could be entrusted.

20.23 Reduction in the number of workers' organisations at the State and the apex levels is also called for. This is a development which can come about only if various political parties and trade unions sponsored and controlled by them could come to some understanding as a basis for their common programme, or better still, if the workers themselves become sufficiently educated to avoid multiplicity of unions and unite into one strong union at the industry/plant level and affiliate themselves into a single national centre. We are conscious of the difficulties in this regard. Union leaders in different groups at present question both the need for and feasibility of a common programme, unless the means to further the interests of the working class are also agreed upon. Any action on the part of the State to force the pace in this matter is likely to meet with adverse reaction. In a democratic set-up, unity among trade unions cannot be imposed from outside; it has to come from within. Certain moves have been afoot in recent years to bring together various national federations, but without much success. Current attitudes of different trade union organisations and political parties to this problem are rigid and each is anxious to preserve its own identity. This is so in spite of a fair amount of unanimity with regard to

the goals of the working class movement and its organisations; the differences being confined mainly to the methods to be adopted. A major difficulty in the evolution of a single working class organisation in the country is the association, formal or informal, of different central organisations with various political parties who regard the former as a major source of their strength. We hope that our suggestion elsewhere, regarding a minimum membership qualification for a national federation to be represented at tripartite/consultative bodies set up by the Central/State Governments, may help this process of unification.

Trade Union Finances

20.24 The primary source of income of the unions is the membership dues. The quantum of these dues often depends upon the functions undertaken by a union and the financial needs arising therefrom. Apart from regular monthly/quarterly contributions from members, there are other sources of funds such as donations, sale proceeds of periodicals and special collections. Available data on the income and expenditure of unions over the years leaves one in no doubt that, with few exceptions, the financial position of the unions is generally weak. As a consequence, many unions are unstable, often winding up their activities even before they settle down to sustained work. Though the unions lose registration because of non-compliance with statutory provisions, the non-compliance itself is closely linked with lack of funds. It has been accepted on all sides that many unions are not in a position to maintain a regular establishment to provide adequate services to their members.

20.25 As would be seen from the table below, the average annual income of unions has hardly shown any improvement over the past 20 years.

TABLE: 20.5 *Average Annual Income and Expenditure of Trade Unions (of workers only)*

Year	No. of unions submitting returns	Average membership per union	Average income per union Rs.	Average expenditure per union Rs.
1	2	3	4	5
1947-48	1580	1045	2,335	1,867
1951-52	2509	750	2,026	1,806
1955-56	3970	570	2,089	1,639
1960-61	6717	590	2,279	2,078
1963-64	7106	560	2,747	2,367
1964-65	7380	602	3,195	2,751

¹See Para 22.33

It is clear that through the average annual union income shows a slight improvement in money terms, when viewed in the context of the general increase in prices including the cost of services, the real income of unions has actually fallen. There could be some satisfaction that income and expenditure per member has gone up; but, judging from the level of expenditure at which the unions operated in 1947-48, this gain also is negligible. The composition of union income has not changed materially. As would be expected, the bulk of union funds came from membership dues throughout the period under review. In 1964-65, membership contribution accounted for 72.5 per cent of the total income, donations for 15.1 per cent, and sale of periodicals and interest on investment for 1.4 per cent. The balance constituted miscellaneous receipts. In 1947-48, the annual income came to about Rs. 2 per member; in 1960-61 this was near Rs. 4 and in 1964-65 about Rs. 5. The composition of expenditure has not changed by and large. Expenditure on salaries and allowances and establishment charges accounted for 40.9 per cent of the total expenditure in 1956 and for 46.8 per cent in 1964-65. Expenditure on social service benefits to workers remained at a low level, 3.7 per cent in 1956 and 4.2 per cent in 1964-65. All these statistics will appear even more distressing if due allowance is made for the fact that most of this limited expenditure is accounted for by the larger unions i.e., unions with a membership of 10,000 or more; and these are few in number. Assuming that the average income of a union per member is the same in small as in large unions i.e., about Rs. 5 per annum, it is roughly estimated that the income of 23 per cent of unions in 1964-65 was less than Rs. 250, of 44 per cent less than 500 and of 73 per cent less than Rs. 1,500. Obviously, these unions could hardly render adequate service to their members.

20.26 In our view, therefore, an important factor limiting the effective functioning of unions in our country has been their financial weakness. There is clear recognition of this fact in the evidence before us. In most unions, poor finances have been the result of inadequate membership strength. This, in turn, can be traced to the small size of units. In a majority of unions, the rate of contributions required of members is also small. With a relatively low rate of unionisation, total funds collected are small. It is also on record that in a multi-union situation where workers are attracted to the unions by low subscription rates, the minimum prescribed under law be-

comes the rule; union organisers generally do not claim anything higher nor do workers feel like contributing more, because the services rendered by the unions do not deserve a higher fee. One thus enters a vicious circle. It is not uncommon to find, particularly in small size unions, that union fees, even at these low rates, are not regularly paid by members in spite of the energy and time the union office-bearers spend in collecting them. We do not suggest that this is the picture obtaining in all unions. Some are, indeed, very well organised; their members report to the union offices for paying their subscriptions. Others have adequate arrangements for regular collection of dues. But the general picture of finances of unions is disappointing.

20.27 It may be that the Indian worker is not adequately paid, but this does not appear to be the reason for his apathy towards the organisation which is built up by him. Except in some cases, his approach still is one of lack of firm commitment to the union. There have been many instances where a worker, while being in arrears in respect of union dues, makes *ad hoc* payments to the union much larger in amount than union dues, for getting a grievance redressed or for establishing a common adjudication claim. It is not possible to say whether the change has been conditioned by the current legislation for settlement of workers' grievances, and if so, to what extent. But this is one of the reasons advanced in the evidence before us. We believe that the suggestions we have made elsewhere for recognition of unions and for settlement of disputes, wherein due scope has been given to collective bargaining, will strengthen the worker's loyalties to his union, and in the process, union finances will improve. The provision for recognition of the majority union as the sole bargaining agent would help reduce multiplicity of unions, the splitting of union membership and undercutting of union dues. Rights to be given to a union as the sole bargaining agent under certain conditions would help them to grow in prestige and attract new membership. We also expect that the unions will be able to carry conviction with workers who, in the years to come, will be more literate and more alive to the utility of an effective organisation. There will be a realisation that workers can sustain unions only through their subscriptions. When a worker makes a reasonable payment to his union, he is more likely to take an active interest in the affairs and activities of the union. The current arrangements by which a genuine union organiser has to attend to many unions in order to earn even a modest living and

hence is unable to devote adequate attention to all the unions he is instrumental in organising, will have to be gradually replaced by each union having its own full-time officials.

20.28 Several persons/agencies have suggested prescription of a minimum membership fee higher than that prevailing at present. The suggested fee varies from 50 paise per month to one per cent of earnings. A view expressed equally categorically is that what a union should collect from its members is entirely a matter for the members to decide and that the union being a voluntary organisation, no outside agency should lay down the minimum that it should charge from its members by way of subscription. We are not convinced by this latter argument. If a union through registration seeks legal protection for some of its actions, it is the right of the State which provides this protection to lay down reasonable regulations which will make proper functioning of the unions possible. This is an accepted premise of the trade union law in this country. The Trade Unions Act, 1926, has a clause for prescribing the minimum membership fee (now 25 paise per month)¹. The question before us is whether this minimum membership fee should be a fixed sum or tied to a worker's earnings. A minimum of 1 per cent of earnings has been mentioned to us in the course of evidence. In examining this issue, we realise that in many advanced countries union fees in effect amount to more than this percentage, but they are seldom related to the worker's earnings and generally there is a flat rate of payment. We have also been told that several unions in India, which are functioning well, have been collecting one per cent or even more by way of membership fees. But such unions are still few; and in their case too, the fee is uniform. A flat rate is easier to understand, as also to realise. The idea of different amounts within each slab for the same group of workers, and that is what the fixing of a percentage rate will amount to, does not find favour with many unions. We, therefore, do not recommend a percentage basis for union dues.

20.29 In statutorily prescribing the minimum subscription for union membership, we recognise that mere registration does not confer any special rights on a union *vis-a-vis* the employer. At the same time, since registration of a union is a condition precedent for enabling it to secure

the recognised status, membership subscription for a registered union has its importance. Considering all these factors and the prevailing level of prices, we recommend that the minimum fee for trade union membership should be raised from the present level of 25 paise per month to Re. 1 per month.

Role and Functions of Unions

20.30 In our opinion, the primary function of a union is to promote and protect the interests of its members. The union draws its strength from the funds and general support provided by its members. It has, therefore, to strive to better the terms and conditions of employment and generally to advance their economic and social interests so as to achieve for them a rising standard of living. Welfare activities like organising mutual benefit societies, co-operatives, employment assistance, libraries, games and cultural programmes are one aspect of union functions. Education of its members in all aspects of their working life, including improvement of their civic environments, will be another. These have been recognised as the normal activities of a union in the Trade Unions Act 1926, which stipulates the objects on which the general funds of a union can be spent. These primary functions lead the union to areas not specifically within its confines.

20.31 In every society it has been recognised that in discharging the basic functions, unions have to operate on many fronts: social, economic, civic and political. To the extent possible, they have to influence policy decisions in the interests of workers and also explain to their members the limits within which their interests can be served by the union. Legislative support which the unions require for realisation of some of their objectives and achievement of their long-term interests takes them into the region of politics. They have to formulate a stand on social and economic objectives of the community/country as a whole, and participate in activities to make their viewpoint heard in the policy making bodies so that the choices eventually made and the priorities adopted subserve the best interests of the workers. Of late, trade unions are not content to rest merely with their contribution in framing policies; their experience has been that once the policies are framed, their implementation has also to be diligently watched. Unions have come to realise that unless their

¹ "It is felt that a membership fee of at least four annas a month be prescribed in the rules of a trade union as a condition precedent if it desires registration as a recognised union". (Second Plan, p. 573); this recommendation of the Second Plan was given effect to by the Act, No. 42 of 1960.

voice and weight is brought to bear upon the Government, the workers' interests are likely to suffer. In several countries, therefore, the political process of Government and participation in it have been attracting the interests of unions increasingly. Whether a union should get directly associated with a political party or have its own wing would depend upon the circumstances in each country. Considering that such political action/association is legitimate, the Trade Unions Act, 1926 permits the constitution of a separate fund to facilitate political action by a union.

20.32 We do not take a static view of the role which trade unions have to accept in the larger interests of the community. In every country, this role has to change depending upon the stage of economic and social development. It also depends on the strength of unions, both organisational and financial, and also to a great extent on the institutional set-up of the society in which they operate. In the early stages of their growth, unions in many countries concerned themselves primarily with their members' interests, but took on wider functions in due course.

20.33 Participation of unions now ranges from joint consultation at the plant/industry level to work on bodies like the Economic and Social Council in France, the Planning Commission in Sweden, or the Economic Council in Denmark. Contacts with governmental authorities are less formal in the U.S.A. and Australia. In a number of countries, the law specifies the activities that unions may engage in. In practice, however, the unions' freedom to enlarge on these is not restricted. In France and the Netherlands, unions, according to law, are consulted on any draft legislation dealing with economic and social issues. In Sweden and the Netherlands, they are made responsible for the implementation of the labour and social security legislation. The experience of co-determination in the Federal Republic of Germany and workers' control over industrial establishments in Yugoslavia fall within the range of responsibilities of unions in the different countries, mentioned above.

20.34 Thus, while a union will function in the interests of its members, depending upon the strength of organised labour and labour which could be organised, it should also accept community responsibilities. Consciousness of this wider responsibility will vary from coun-

try to country depending upon the extent of wage employment. Where wage earners are a predominant section of the working force, no special responsibilities in regard to the community can devolve on unions. Where, as in our country, self-employment is sizeable, unions have to make a special effort in understanding the interests of the total community. It is being widely suggested that unions should seek to harmonise the sectional interests of their members with the larger interests of the society. This aspect of the role of unions in a developing economy has been emphasised in our successive five year plans. As the Third Plan observed, "there is need for a considerable readaptation in the outlook, functions and practices of trade unions to suit the conditions which have arisen and are emerging".¹ Unions, being the organised expression of the working class, have to shoulder this urgent task. It is in recognition of this fact that in India trade unions have been associated with nation building activities since long. The very first Planning Advisory Board, constituted in 1950 to advise the Planning Commission on matters of policy, had two labour representatives on it. Subsequently, labour representatives have been associated with the Development Councils set up for individual industries as also with apex consultative bodies formed by Government for seeking advice on problems of industrial development. The association of organised labour with tripartite bodies at the Central and State levels in the formulation and implementation of labour programmes has had a longer history still.

20.35 In their evidence, some unions have shown an awareness of this responsibility. Others, while recognising the need for it, have argued that in the present state of development of unions when (i) they are confined largely to the urban industrial sector, (ii) a vast section of labour employed in agricultural and small industries is still outside the pale of union influence, (iii) levels of living, wages and working conditions of workers are to be protected and improved, (iv) several unions compete for the loyalty of workers and (v) unions have also to contend against unhelpful, if not antagonistic, employers, needs of sheer survival will force unions to give priority to the immediate sectional interests of workers. As an analysis of the present situation both these views seem to be valid, though for some of the obstacles mentioned in the latter view, the remedy would seem to lie with the unions themselves.

¹Third Five Year Plan, p. 255.

20.36 The immediate interests of a group of workers and of the community at large may sometimes conflict, though there can be no such conflict in the long run. Even in the short run, the sectional goals must be reconciled with the community goals. The process of achieving reconciliation of interests depends upon the creation of an awareness of the identity between the two. Unfortunately, such an awareness of the identity of interests appears to be still lacking in the country and the evidence before us is conflicting in regard to its need and urgency. Employers' organisations, for understandable reasons, have shown reluctance in expressing their views on the subject. While State Governments favour some reorientation of trade union functions, most of the workers' organisations have emphasised only the traditional role of unions. The INTUC while acknowledging the need for adequate attention to fulfilling the traditional role of unions, has suggested that unions should (i) serve their membership and cater to the many-sided requirements of workers as responsible citizens; (ii) plan for sustaining the interests of their membership during times of industrial peace by organising intellectual, social, cultural and recreational activities, consumer co-operatives, credit co-operatives and co-operative housing societies; and (iii) educate the rank and file so that the traditional agitational role should gradually be transformed into one of understanding. It has pleaded that the union should be given an effective role in the affairs of the industry, including in its management as co-partner in industry. The other view is equally cogently put forth by the HMS when it points out that "if the trade unions allow themselves to be diverted from their traditional role in the name of requirements of economic development, the weaker and exploited sections of the working class will find themselves terrorised and deprived of safeguards to an even greater extent". The AITUC strikes a different note altogether. In its view, "the ultimate aim of the trade union movement is to abolish capitalism and wage-slavery and establish socialism in which not only the working class but all layers of society are freed from exploitation". To evoke proper response from unions, it suggests a wide range of institutional changes. Other central organisations have indicated views which lie between these extremes.

20.37 The trade union movement, which we expect will evolve on the basis of changes in its structure recommended earlier, has indeed to pay greater attention to the basic needs of its members. Important among these are:

- (1) To secure for workers fair wages;

- (2) To safeguard security of tenure and improve conditions of service;
- (3) To enlarge opportunities for promotion and training;
- (4) To improve working and living conditions;
- (5) To provide for educational, cultural and recreational facilities;
- (6) To cooperate in and facilitate technological advance by broadening the understanding of workers on its underlying issues;
- (7) To promote identity of interests of the workers with their industry;
- (8) To offer responsive co-operation in improving levels of production and productivity, discipline and high standard of quality; and generally
- (9) To promote individual and collective welfare.

20.38 At the same time, it is imperative that unions keep the well-being and progress of the community constantly before them even in the midst of their endeavours to help the working class. Unions have a stake in the success of the national plans for economic development, since these are formulated and implemented as much for maximising production as for distributing the product in an equitable manner. Unions have to adapt themselves to changing social needs, and rise above divisive forces of caste, religion and language; and indeed, in this regard, the role of the unions has been creditable. It is only thus that they can progressively become instruments for constructive purposes. In this context, some important social responsibilities of trade unions appear to be in the field of:

- (i) promotion of national integration;
- (ii) generally influencing the socio-economic policies of the community through active participation in their formulation at various levels, and
- (iii) instilling in their members a sense of responsibility towards industry and the community.

20.39 We believe that real progress in trade union functioning, in the unions' ability to assume social responsibilities and in their capacity to reconcile their responsibilities to their members with those to the community can come only through the building up of the internal strength of the unions. It will be the task of

the trade union leadership to improve the range of their services as much as the method of operation with these ends in view.

Outsiders in Unions

20.40 To put the current debate about outsiders in unions in its proper perspective, we must state that the trade union movement in the country has been built up, particularly in its early stages, by leaders committed to the well-being of the working class, but who seldom belonged to it and were often engaged in political struggle against the alien rule. Since Independence, many of them have identified themselves completely with labour; some others have been engaged in political activity entirely and still others continue to work both in the political and labour fields. It is therefore not easy to identify the outsiders in trade unions in our context. Under the Trade Unions Act, 1926, any person not actually engaged or employed in the industry concerned is deemed to be an outsider. Section 22 of the Act requires that ordinarily not less than half the officers of a registered union shall be actively engaged or employed in an industry to which the union relates. "Officers" include the members of the executive.

20.41 The controversy about outsiders in a union is as old as the Act itself, perhaps even older. Upto 1920, Government, while permitting unions/associations of their own employees, did not allow outsiders to be connected with such unions/associations. Explaining the position the Whitley Commission stated: "the official position had been defined with a view to the pre-war organisations which catered mainly for the upper ranks of Government service and in 1920 the Government of India conceded the principle of the right to employ outsiders".¹ The Commission then analysed the legal provision under the Trade Unions Act, 1926, and even in the very early years of its operation, emphasised the need for training insiders for accepting greater responsibilities in managing union affairs. It recommended "in view of the desirability of securing that the members of a union take an active part in its work, we consider that two-thirds would be a more suitable minimum" (for insiders).² No action was taken on this recommendation.

20.42 Neither the nature of the controversy nor its keenness has changed in the last forty years. Those opposed to outsiders find that it is necessary even to narrow the scope of the de-

finition of outsider so as to exclude particularly those who are discharged or dismissed. There are others who emphasise current employment status (*i.e.*, whether the person is currently employed in a unit/industry or not) to determine whether the person is an insider or outsider. The argument of the union organisers is that anyone who has devoted his life to union work and has been a full-time union worker, whether he had ever worked as an employee in an industry or not, should not be treated as an outsider. The contention that an outsider is more prone to cause disturbance of industrial peace is rebutted, according to them, by the experience that unions with insider leadership have not shown any special concern for industrial harmony. For an employer, in many cases, the objection to an outsider is in essence an objection to particular individuals *e.g.*, dismissed employees or politicians. While a dismissed employee working as a union leader is alleged to create difficulties in the relations between the union and the employer, the presence of outsiders who have close links with one political party or the other, it is argued, imports extraneous considerations into the trade union movement as a whole. Such outsiders are stated to have worked against trade union unity. Multiple unions are mainly the result of political outsiders wanting to establish unions of their own, with a view to increasing their political influence, albeit in urban areas. Essentially, the allegations against outsiders have remained unchanged all through the years since the publication of the Whitley Commission's report. As pointed out earlier, in the years immediately prior to and since Independence, open differences in trade union leadership led initially to the formation of four different central organisations of workers; their number has increased now. While no central organisation would like to accept that it has direct links with any political party, their political associations and party lines of action are sharp in public image. In more recent years, splinter groups within political parties have resulted in intra-union rivalries and these, more than inter-union differences, seem to establish links between political parties and trade unions.

20.43 To understand the problem of outsiders, it is important to recognise the other side of the picture too. While in manufacturing industries, more and more educated labour is being recruited, in employments like mines, plantations, ports and docks, and construction, the workers are generally illiterate. Though

¹ Royal Commission on Labour (1929-31), p. 317.

² *Ibid.* p. 331.

the fear of standing up to an employer of the type referred to by the Whitley Commission may be less in evidence now, difficulties in the emergence of strong inside leadership still exist. The complicated nature of industry makes the unions require the services of educated or technical personnel, not necessarily connected with the plant, as helpers/well wishers. Industrial negotiations have become more complex on account of the legal frame-work and procedures under which they are to be carried on. Unions must have whole-time office-bearers and their own expertise. More affluent unions can afford to pay for them, but others have to depend upon outsiders.

20.44 Our attention has also been drawn to the view that politics and the trade union movement cannot work in mutually exclusive compartments. Political action for bettering its own position cannot be denied to labour, just as labour support is necessary for any political party. Further, in a democracy, no public organisation can be isolated from extraneous influences and certainly not an organisation which deals with a large body of workers. It cannot be said that even a total ban on outsiders will necessarily insulate a union from political influences. The employee office-bearers cannot be prevented from being interested in and connected with political parties, or from seeking the assistance of one political group or the other when such assistance is needed. Numerous instances of this type have been cited to us during the course of evidence.

20.45 Trade union legislation in our country deals with outsiders in a somewhat different manner than in many other countries. Legislation in many countries contains no provisions concerning grounds for disqualification from holding office in a trade union or employers' organisation. The I.L.O. Convention (No. 87) concerning Freedom of Association and Protection of the Right to Organise provides that workers' and employers' organisations shall have the right to draw up their constitutions and rules and to elect their representatives in full freedom and enjoins the public authorities to refrain from any interference which would restrict this right or impede the lawful exercise thereof. Member countries would, however, remain free to provide in their legislation for such formalities as appear appropriate to ensure the normal functioning of trade unions/industrial organisations.

20.46 Consistent with this Convention, the laws in several countries provide for disquali-

fication of persons to hold union office on grounds of (a) nationality, (b) political opinions, and (c) occupation, apart from conviction on offences involving moral turpitude. The criteria adopted in determining disqualification seem to depend on the circumstances obtaining in each country, the composition of the labour force, the structure of the unions, the historical carry-over, the constitution of the country and so on. In the U.K., office-bearers of a union or of the British Trade Unions Congress may be ex-workers, but according to the legal position obtaining in our country, they will be considered outsiders. Trade union leadership in most advanced countries is drawn from within the ranks of the working class. A union office-bearer or leader who has not been a worker but has political affiliations is a peculiar feature of countries like ours where the trade union movement had to be in the forefront of a political struggle. This feature has now survived its historical necessity.

20.47 Our broad assessment is that while it is true that on some major issues outsiders have influenced union decisions, and not all such cases have necessarily led to industrial disharmony, the total effect of outsiders has not been such as should bar them altogether from trade union counsels. There have been cases where ordinary members also have struck militant postures of the type attributed to outsiders, and in such cases, the latter operated as a sobering influence on the former. On the other hand, arguments about illiteracy of workers and victimisation of leadership usually urged in favour of continuing outsiders sound weak in the current context, and even more so, in the context of the future.

20.48 The remedies suggested for minimising outside influence range from an outright ban on all non-employees to leaving the outsider alone and concentrating on steps that would strengthen inside leadership. Advocates of the latter view seek support from the Whitley Commission's observations: "Those whose wages and leisure are barely adequate for sustained work in a factory are not likely to find energy or leisure for activity outside it."¹ The position now is not so desperate and is likely to improve with every advance in the economy. Workers now enjoy a better living standard and more leisure than when the Whitley Commission reported. Most of the State Governments seem to favour a programme of active measures to promote the growth of internal leadership. This alone, according to them, will ultimately be

¹Royal Commission on Labour, p. 321.

an effective step to minimise outside influence. One suggestion is that as a first step the law should be amended to provide that either the President or the General Secretary of a union should be from among the ranks of workers. While the employers' organisations have emphasised the undesirable effects of outside leadership, particularly the politically-oriented leadership in trade unions, workers' organisations have generally laid stress on the useful role played by outsiders in the past and on the factors that would justify their continued association with unions for some time to come. The importance of steps like workers' education and trade union training, to encourage and build up workers to accept the responsibility of leadership has, however, been emphasised by all. Some unions have suggested that office bearers of unions should be barred from holding simultaneous office in a political party; others go strictly by the letter of the ILO Convention referred to above and want the freedom of association to be undiluted.

20.49 Our Industrial Relations Study Groups have emphasised the need for building up internal leadership. To hasten this process, one of them has favoured a reduction in the legal limit of the number of outside office-bearers to a third of the total. Another feels that a provision should be made to restrict individuals from becoming office-bearers of more than a certain number of registered unions.¹ Our Committee on Workers' Education has emphasised the important role that workers' education could play in helping the process of training workers as union leaders. This emphasis has found support in other evidence before us.

20.50 We are not in favour of a legal ban on non-employees holding positions in the executive of the unions, as it will be too drastic a step. In any case, it may run counter to Article 19 of the Constitution. Whom workers should choose to elect as their leaders is a matter best left to workers themselves. Any endeavour to dictate to unions the choice of their office-bearers or leaders would be as much of an imposition from outside as the leadership of outsiders that is proposed to be eliminated by this measure. The right course would be to take steps to promote internal leadership and give workers a more responsible role to play and keep them outside the pale of victimisation. Without creating conditions for the building up of internal leadership, a complete banning of outsiders would only make unions

weaker. A reduction in the number of outsiders in the union executive or at the officers' level would not by itself eliminate outside or political influence. Even today, outsiders in union executives are estimated to be about 10 per cent, much less than the number legally permitted. Thus, the only fruitful line of approach is to concentrate efforts on those measures which would help build up a strong leadership from within.

20.51 In our view, the issue of outsiders would solve itself as workers become more educated and conscious. Already, the fact that unions in some 'white collar' employments and in newly developing industries which require an adequate complement of educated workers are managed effectively by persons from the rank and file lends support to this view. Industries of the future will be mostly of the type where employment of educated workers will be the rule. Even in mining and plantations, as indeed in agriculture (a sector yet to be organised), the worker is certainly more conscious of his rights than before, though still illiterate. We expect that this trend would gather momentum. With the spread of workers' education and a greater emphasis on training of trade union workers, we hope that internal leadership will develop. Adequate protection against unfair labour practices, an important factor inhibiting the emergence of internal leadership, will also help. Compulsory recognition of majority unions to represent workers and negotiate on their behalf, recommended elsewhere, will vest union officials with greater responsibilities and will give them the needed confidence to build up competent internal leadership. Added to these, if legal procedures are simplified and industrial relations practices are rationalised, workers will certainly be able to stand on their own. The compulsions of developments taking place in the sphere of industrial relations will by themselves provide a check to outside influence. To hasten the process of building of internal leadership, the permissible limit of outsiders in the executives of the unions should be reduced.

20.52 Our approach to the concept of the term 'outsider' is somewhat different from that of the Trade Unions Act, 1926, which regards all non-employees as outsiders. It was brought to our notice that a number of employees resigned their jobs in order to shoulder the responsibilities of unions as selfless and devoted workers and it would not be appropriate

¹The observations of the Whitley Commission on this point are: "No man can take an effective share in the organisation of half a dozen unions simultaneously. In existing conditions, the fostering of one good union is a hard task and more than enough for a man who can generally devote only a part of the day to such work". (p. 329)

to call them as outsiders to the movement. They have very much identified themselves with unions and contributed to their growth and stability. The cases of some of the dismissed or discharged employees who were punished apparently for misconduct, but in fact for their union activities, fall in a similar category. It is only fair that persons who at one time or the other were employed in the industry and had resigned or had their services terminated, should not be treated as outsiders.

20.53 We are of the view that outsiders in trade unions should be made redundant by forces from within rather than by a legal ban. Simultaneously, legal provision to protect internal leadership should be strengthened. Along with this, measures will have to be taken on several fronts to strengthen forces for building up internal leadership. For this we recommend the following steps:

- (a) intensification of workers' education;
- (b) penalties for victimisation and similar unfair labour practices;
- (c) intensification of efforts by trade union organisers to train workers in union organisation; and
- (d) limiting the proportion of outsiders in the union executives as follows:

Where the membership of a union is:	
(i) below 1,000 the number of outsiders should not be more than	... 10%.
(ii) between 1000—10,000	... 20%.
(iii) above 10,000	... 30%.
(iv) the permissible limit for industry-wise unions should be	... 30%.
- (e) treating all ex-employees as insiders;
- (f) establishing a convention that no union office-bearer will concurrently hold office in a political party.

Inter-Union and Intra-union Rivalry

20.54 We have referred to the splits in the trade union movement having their origin in the twenties when a section of the AITUC leadership broke away and formed a separate organisation. After Independence, union rivalries based on political considerations have become sharper. The splitting up of unions and formation of new unions having sympathies with political parties have permeated unions

operating at different levels. In many important industrial units, unions, whether affiliated to central organisations or not, operate independently, each claiming to speak on behalf of all workers. The evidence indicates that attempts are made by each to undermine the influence of the others; questioning the *bona fides* of rival leaders is not unknown. In this situation, one could visualise some employers taking advantage of the rivalries and playing one union against the other. Basically, inter-union conflict feeds itself on differences in the concept of what one group or the other considers to be the workers' interest as also about the means to be adopted for advancing them. The spirit of service which motivates the entry of a person into public life, with or without political affiliation, brings a trade union worker into contact with the rank and file. Differences in the concept of service introduce rivalries as in every other field.

20.55 Attempts to bring about trade union unity have failed to bear fruit. Statutory restrictions on the formation of unions have neither been considered desirable nor necessary, though every group has been aware of the salutary effect that such restrictions will have on industrial relations. Since legislation permits formation of several unions covering the same group of workers, a voluntary basis was sought to regulate inter-union relations. An inter-union Code of Conduct was evolved in 1958 at a meeting of the representatives of the four central organisations of workers, presided over by the then Minister for Labour and Employment, Government of India. The Code of Conduct recognises the existence of multiple unions, but seeks to regulate their relations on the basis of mutual understanding. It recognises the right of every employee to join a union of his choice; forbids coercion, violence, intimidation and personal vilification in inter-union dealings; emphasises the need to follow democratic principles in the functioning of trade unions. The Code also expects that no organisation will make excessive or extravagant demands in an attempt to outbid its rival. In effect, what the code sought to do was nothing more than what the British TUC did in 1939 or the two important trade unions/federations in the U.S.A. did prior to their coming together in 1956. While the basic tenets on which the code was built up were unexceptionable, what was found to be its weakness was the absence of a joint machinery to be evolved by the organisations themselves. Governmental machinery which was set up for this purpose proved ineffective. It was looked upon with suspicion by three organisations which

were a party to the code, because of the apprehension they had about the possibility of the machinery being used in favour of the fourth. The working of the Code was reviewed on a number of occasions and renewed assurances were sought from top leadership in the central organisations of workers that they would abide by its provisions. These only served to highlight the fact that the signatories to the Code themselves had no faith in its effectiveness; that the causes of inter-union rivalries were more deep-rooted and could not be removed by a Code which had only moral sanctions. Political rivalries in unions are not unknown in other countries. Apart from internal arrangements evolved within the federation, the growth of collective bargaining which connotes a formal arrangement for union recognition seems to have minimised inter-union conflicts.

20.56 Added to inter-union rivalry, instances of intra-union rivalry have also been increasing in frequency in recent years. While healthy rivalry and opposition is necessary for the strength of any democratic institution, it can have pernicious effects when motivated by personal considerations. The Standing Labour Committee in February 1966 recommended that where more than one set of persons claimed to be the office-bearers of the same union, provision should be made in the Trade Unions Act, 1926 for an election, confined to the members of the union concerned, to be conducted under the aegis of the Labour Court after allowing the Central Organisation concerned an opportunity to sort out the difference within its own affiliate.¹

20.57 The economic and social aims of the central organisations are not very different. All the central organisations want operation within a democratic framework, the establishment of a socialist society, placing of industry under public control, improvement in the conditions of work and life of workers, the securing of a fair deal for the working class, and so on. There is, however, a difference in the means to be adopted for the achievement of these ends; and the means are no less important. This again has its basis, to some extent, in the ideologies of the different political parties with which these organisations have links. The AITUC, believing as it does in class struggle, has always been very critical of the industrial relations policy of the Government. It demands that workers' right to strike must be guaranteed and unhampered. The HMS, the HMP and the UTUC also hold that a conflict of interest is inevitable in employer-employee

relationship and that the workers' right to strike is inalienable. They prefer collective bargaining to adjudication for settlement of disputes. The line taken by the BMS is not much different. The INTUC, on the other hand, emphasises that "the means to be adopted for the furtherance of the objects shall be peaceful and consistent with truth". It does not believe in the inevitability of class struggle. It seeks to establish just industrial relations and secure redress of grievances without stoppage of work by means of negotiation and conciliation, and failing these, by arbitration or adjudication; but reserves the right to resort to other methods where arbitration/adjudication is not available. While, therefore, in one major instrument to be adopted for settlement of disputes, there seems to be no disagreement, the timing of direct action and the circumstances under which it should be resorted to differ. We do not, however, minimise the significance of this disagreement. Indeed it weighs on us much more than the identity of aims.

20.58 Our approach is to deal with this issue, as with the overall issue of strengthening unions, from within rather than from without, and through the evolutionary rather than the regulatory process, to unite the working class into a single organisation committed exclusively to the trade union movement. This process however needs to be strengthened and its pace hastened by an active policy. Our approach, therefore, should not be misconstrued to imply a negative or passive policy. We recommend action along the following lines: (a) elimination of party politics and outsiders through building up of internal leadership, (b) promotion of collective bargaining through recognition of sole bargaining agents, (c) improving the system of union recognition, (d) encouraging union security, and (e) empowering Labour Courts to settle intra-union disputes if they are not settled within the organisation. The Labour Courts should step in at the request of either group or on a motion by the appropriate government, in cases where the central organisation is unable to resolve the dispute. We have already discussed (a). The chapter on Industrial Relations will cover (b), (c) and (e). We will now analyse issues connected with (d).

UNION SECURITY

Closed Shop/Union Shop

20.59 Although union security provisions, such as closed shop and union shop, have presently not gained currency in India, as unions grow strong and collective bargaining and

¹See Para 20-84.

union recognition become accepted practices, there will be demands for the grant of such facilities. A consideration of the issue thus seems to be called for.

20.60 Union security provisions involve agreement with the employer or at least his acquiescence not to employ a non-member. Its two main variants are: (i) pre-entry or 'closed shop' by which the employer will recruit only trade union members; this gives the union control over the supply of labour; and (ii) post-entry or 'union shop', by which new entrants to employment, if they are not union members, must join the union within a specified period.

20.61 Where there is already a strong and stable union, arrangements for closed-shop/union shop add to its strength, and in other cases, they support and hasten the process of stabilisation of a union. A corollary to the above argument is the common obligation principle. The arguments normally advanced in its support are: (a) since in an establishment all workers enjoy the benefits secured by a representative union, no employee should be entitled to share the gains unless he contributes towards the activities and expenses of the union which secures these gains; (b) it becomes easier for a representative union, with which the collective agreement is signed, to implement its part of the obligations, if the workers are subject to union discipline; (c) it exercises a check on eventualities like non-members not honouring the commitments made by a representative union; and (d) it gives financial support and also enhances the prestige of a representative union. The closed shop/union shop provision will offer advantages to the individual worker also; it will eliminate interference by the employers in the union activities; it will make the member's employment more secure and create conditions for internal leadership to carry on union activities freely. The employer also benefits by such arrangements as he is sure that he deals with an organisation which represents all his workers.

20.62 There are equally weighty arguments on the other side as well: (i) The practice infringes upon the right of freedom of association in that it compels an employee to join an association which may not be to his liking. Freedom of association includes freedom to join an organisation as well as not to join it. Since in a union-shop or closed-shop contract, a person has no choice but to join a trade union and pay subscription, such arrangements seem to abridge a person's freedom. It may also happen that a union may refuse to accept

an individual as its member. The individual is obliged to accept however all the decisions of a union of which he is forced to be a member, and in case of disagreement or non-observance of the decision, he runs the risk of losing his job through expulsion from the union. The union, therefore, loses its voluntary character. Some critics have also argued that if a union's finances are secure, it may not function in a democratic manner.

20.63 There is little experience of 'closed shop/union shop' within the country itself. A committee appointed by the Government of Bihar in 1956 'to examine the question of introduction of check-off and union shop in selected establishments' recommended conditional introduction of union-shop purely as an experimental measure. In its view, "the right of the citizens to seek and get employment is one of the fundamental rights guaranteed under the Constitution and any interference with that right in the shape of prior membership of a trade union will be an unreasonable limitation on the right to work". It was, therefore, strongly opposed to "the system of 'closed-shop' under which membership of a trade union is a condition of employment". The Committee, however, felt that this objection did not apply equally to "union-shop under which a worker is given an opportunity to be a member of the recognised trade union within a certain period after his employment". In its view, only when a majority of the workers within the bargaining unit vote in a secret ballot for a particular union, could the demand for union-shop provision be considered by the management.

20.64 The practice of closed-shop, according to us, is neither practicable nor desirable. Apart from considerations of feasibility, it is against the Fundamental Right of Freedom of Association guaranteed in our Constitution. We can at best think in terms of 'union-shop', though in this system also some compulsion is 'in-built'. The evidence before us is overwhelmingly against the introduction of either 'closed-shop' or 'union shop'. Admitting that such security measures give organisational and financial strength and stability to a union, and facilitate collective bargaining, we would like unions to build themselves up and win, through their own strength, the benefits of union security rather than this right be given to them under statute.

20.65 Our recommendations on recognition of a representative union, union finances, rights of the recognised union *vis-a-vis* minority unions, changes in the present system of settlement of industrial disputes, joint consultation

at plant level, etc., will have a far-reaching impact on the unions' organisational and bargaining capacity as indeed on union security provisions. In our view, it will be better that such security measures are allowed to evolve in the natural process of trade union growth rather than be introduced through compulsion for fostering that growth.

Check-off

20.66 Another related issue is 'check-off', a practice in which the employer regularly deducts from the employees' pay membership dues and other financial obligations to the union and hands over these deductions to the union. In countries where the system is in vogue, it is usually enforced through a clause in the collective bargaining agreement and is made legally permissible.

20.67 We recognise that sustained and regular membership lends stability and strength to a union; the union's bargaining power improves, and as a consequence, it can attend to its responsibilities. Regular membership connotes payment of union dues. Union members, like anyone else, are prone to forgetfulness, and at times indifferent, and union dues fall in arrears. Inter-union and intra-union rivalries and the competition to attract membership makes collections sporadic and irregular. Collection of dues is generally done by union leaders or their helpers contacting workers by visiting their residences or at the work places on the pay day with the permission of the employer. The method of collecting dues through appointment of paid persons, or a person on commission basis, is not common in India nor is check-off.

20.68 Instances where recognised unions demanded the extension of the check-off facility have been few. The Bihar Committee, referred to earlier, recommended the introduction of the check-off as an experimental measure and subject to certain conditions, *viz.*, (i) the initiative for check-off must be taken by the union itself; (ii) check-off should be permitted only if the worker signs an authorisation slip and hands it over directly to the Head of the Department in which he works; (iii) once the authorisation slip has been handed over, it should be valid for the calendar year or the financial year (whatever is the period of union membership); (iv) the deduction should stop if the authorisation is revoked by the worker; and (v) the unions which seek to enjoy the benefit of check-off should ensure proper maintenance of accounts and democratic functioning.

20.69 Those who favour check-off see several advantages in it: the arrangement eliminates the necessity to approach individual members each month and ensures regular payment of membership dues. The chances of members falling in arrears are minimised. It leaves union executives free to concentrate on other important work of the union which today gets neglected for lack of time. Check-off eliminates to a great extent the possibility of dual membership. Employers will benefit by this arrangement as it eliminates on-the-job interruptions caused by collection of dues, albeit by a recognised union. On the other hand, those who do not favour check-off feel that collection of dues is an important way of keeping in close and live touch with members and maintaining the organisers' active interest in union affairs. But the more basic objection raised by unions is that it discloses information to the employers about the state of union organisation, membership and names of members. In a situation where the employer is not well disposed towards a union, there might be a latent fear of victimisation among some workers. We do not attach importance to this apprehension particularly in the context of the future.

20.70 The evidence indicates general support to the idea that if 'check-off' is to be introduced, the facility should be restricted to the recognised unions only. There is something to be said in favour of this point. However, in view of the present attitude of the parties, particularly the unions, it does not seem necessary to give this facility through statutory means. An enabling legal provision should be adequate. The right to demand check-off facilities should vest with the unions, and if such a demand is made by a recognised union, it should be made incumbent on the management to accept it.

20.71 An individual employee from whose pay his membership subscription is deducted must be a party to such a deduction. A system of 'authorisation slips' from individual employees will meet such a requirement. At the same time, to avoid any unnecessary increase in the workload of management or upset in the financial stability of unions by too frequent revocations, it should be provided that the members' authorisation will be valid for at least one year.

TRADE UNION LEGISLATION

20.72 The Trade Unions Act, 1926 gave a legal cover to the activities of unions. It

granted them immunity from certain criminal and civil liability, and enabled unions to undertake and discharge their normal and legitimate functions, to safeguard union funds, and generally to facilitate the working of unions. It was amended on various occasions during the last forty two years of its operation mainly to remove administrative difficulties. While the amending Acts of 1928, 1937, 1960 and 1964 were relatively minor in their scope, that of 1947, which was not enforced, was of a far-reaching nature and contained provisions for the compulsory recognition of unions and for penalising unfair labour practices. Reasons for non-enforcement were partly administrative and partly the far reaching character of the amendments themselves. Many Governments felt that the unions in their jurisdiction would take years to satisfy the qualifications under the amended Act to secure recognition. There was some opposition, even within the Central Government, to enforcement of the amendments.

20.73 Under the present law, registration of unions is not compulsory; unregistered unions would not in any way be illegal. But the benefits, including immunity from civil and criminal liability, conferred by the law on registered unions will not be available to unregistered unions. Before a union can be granted registration, it is required to comply with certain formalities. It has to be sponsored by a minimum of seven members. Its rules must provide, *inter alia*, for (i) the objects for which it has been established, (ii) the purpose for which the general funds of the union can be spent, (iii) the procedure for the admission of ordinary, honorary and temporary members, (iv) a minimum membership subscription of 25 paise per month, (v) the manner of appointment of the executive, and (vi) the manner of dissolution of the union. At least one half of the office-bearers must be persons actually engaged or employed in the plant/industry with which the union is concerned. While the general funds of a union can be spent on specified items, it may constitute a separate fund for the protection of the civic and political interests of the members. No member can be compelled to contribute to this latter fund. The Act also provides for items like the maintenance of registers, audit of accounts, submission of returns and de-registration of unions in certain specified circumstances.

20.74 Although there has been general satisfaction with the law relating to unions for the

limited purposes for which the Act was framed as far back as 1926, complaints about the manner of its administration by the State Governments have been many and varied. The evidence also emphasises the need to bring about further improvements. In particular, the tying up of union registration in some States with advance declaration by its sponsors of compliance with the Code of Discipline¹ has been a matter of dissatisfaction. Suggestions made by the officer-in-charge of registration were considered by sponsors of some unions as mandatory. This complaint, though, was not as extensive as it was made out to be nor were delays in registration on this account 'motivated' as alleged. In our view, the present law has helped the growth of unions by giving the needed protection to their activities. Experience of the past and requirements of the future, however, indicate the desirability of certain modifications/reforms in the present legal provisions.

20.75 We have already drawn attention to the fact that an overwhelming number of unions are too small to be viable. It has also been urged that prohibition of unfair labour practices, which was once written into the amended Act but not enforced, should be statutorily restored. According to some, the powers of the Registrar of Trade Unions (Registrar) to register and de-register unions and inspect their records, should be extended by permitting him to adjudicate on disputed union elections. The general feeling among trade unions ranges from a suggestion made by the INTUC and its affiliates that the Act should be amended to provide compulsory recognition as under the Bombay Industrial Relations Act, 1946, to the view expressed by the AITUC that all laws and regulations which interfere with, supervise or control the formation and functioning of unions should be done away with. In considering these suggestions and indicating the lines on which the Act requires amendments, we have rejected the latter view.

20.76 **Registration.**—Under the present law, registration of unions is not compulsory. Several unions/associations have remained outside the purview of the provisions of the Act. We feel that there is advantage in requiring all unions to get registered and be subject to uniform regulations. Trade union registration should be compulsory also for industrial federations, but not for Central Organisations. Such provision would not only make for a tidier arrangement, but also result in a qualita-

¹Discussion on the Code of Discipline will be found in Chapter 24.

tive improvement in their organisation and functioning. The fear that compulsory registration will be a temptation for the authorities to impose onerous conditions and undue restrictions and that it will bring in an element of outside control, does not appear to be well founded. The experience of the past forty years in regard to the administration of the Trade Unions Act, 1926 supports this view.

20.77 As indicated earlier, unions of the future have to undertake greater responsibilities, and it is important that they should be streamlined to be able to discharge these. Compulsory registration will only bring the application of the same standards of obligations to all unions. We are convinced that registration does not impose any undue hardship on unions nor would the recommendations we make to improve the functioning of unions have that effect. Existing regulations for items such as maintenance of accounts, submission of returns, and observance of their constitution which only make for proper functioning, will continue; they will apply to all unions uniformly. No union which claims to take part in industrial relations procedures should at the same time be allowed to stay outside the trade union law and its obligations.

20.78 A remedy suggested for avoiding multiplicity of unions is to raise the minimum number of persons required to form a union. The present minimum of seven, some hold, should be raised to anywhere between 15 and 100 or even to 10 per cent of the employees in a unit. In our view, this may help in checking the proliferation of unions only to a limited extent. Indeed, industrial units where rival unions want to acquire a foothold are invariably large; any numerical limit, unless it is sufficiently high, will not serve as a deterrent to them. At the same time, a higher limit will retard the growth of unions particularly in the unorganised and small-scale sectors. A more positive remedy is needed to avoid multiplicity and we deal with it in a subsequent chapter. When the system of union recognition gets established, unrecognised unions will have less claim for support. While the argument that in the present state of trade union growth, imposition of further restrictions on the formation of unions should be discouraged is not without merit, we feel that a step in the right direction will be to fix a somewhat higher minimum membership for sponsoring a union. It seems to us appropriate to raise the number required for starting new unions to 10 per cent (subject to a minimum of 7) of the regular employees of a plant or 100, whichever is lower.

It is also necessary to ensure that the initial membership requirement for registration as indicated above should be satisfied by a union to continue its registration. If the annual return submitted by a union discloses that its membership has fallen below the prescribed level, the Registrar should be empowered to cancel its registration.

20.79 Powers of the Registrar.—It has been brought to our notice that the present provisions of the trade union law, particularly in regard to the powers and functions of the Registrar, require modification. The suggestion is that stricter vigilance should be exercised by the Registrar in the matter of compliance with various statutory regulations/requirements. The powers of the Registrar should be widened to enforce proper observance of rules and the maintenance of membership registers as well as the statement of accounts. There is also a view that the powers of the Registrar need to be enlarged in regard to cancellation of registration. On a complaint supported by not less than 10 per cent of the union members, he should be able to cancel registration if it is found that the union continues to violate its own bye-laws or that it wilfully submits false information and incorrect returns, fails to hold its annual meetings or elections for constituting the executive, and commits similar lapses.

20.80 Under Section 10 of the Act, the certificate of a union can be withdrawn or cancelled if the Registrar is satisfied that the union has wilfully, and after a notice from him, contravened any provision of the Act. The contravention which is generally noticed is failure to submit annual returns. The section, however, requires that the default has to be wilful. To establish a wilful default to the satisfaction of a court is difficult. We, therefore, recommend that where the union fails to submit the annual return, its registration should be cancelled irrespective of whether the default is wilful or otherwise.

20.81 Similarly, the position regarding the treatment of materially defective returns, when submitted to the Registrar, is not clear. Whether a materially defective return should be considered a return at all within the meaning of Section 10 of the Act, as it stands today, is not free from doubt. We, therefore, propose that submission of a return which is defective in material particulars should amount to a default and the union should be under obligation to rectify mistakes within the prescribed period, failing which the Registrar should be deemed not to have received the return. In all such

cases, it stands to reason that provision should be made for appeal over the Registrar's orders to the Labour Court. We recognise the difficulties which industrial unions registered under the Act may encounter in getting returns from their branches. Some concessions in their case will not offend the spirit of this recommendation. The Registrar may be empowered to condone a delay in submission of returns, if there are satisfactory reasons to do so.

20.82 Time limit.—The Registrar should be time-bound to take a decision regarding grant/refusal of registration. He should complete all the preliminaries leading to registration within thirty days of the receipt of application from the union, excluding the time which the union takes in answering queries from the Registrar.

20.83 Re-registration.—There is no provision which regulates an application for re-registration from a union, the registration of which has been cancelled. We consider it appropriate to provide that any application for re-registration from such a union should not be entertained within six months of the date of cancellation of registration.

20.84 Election Disputes.—Disputes between rival sets of office-bearers of trade unions have also been on the increase in recent years. No satisfactory remedy is available at present except civil litigation which often becomes prolonged and tortuous. We recommend that the Act may be amended to provide that in case of a disputed election the matter should be referred to the Labour Court.

CHAPTER 21

EMPLOYERS' ORGANISATIONS

The effectiveness of any industrial relations system, whether based on legislation or voluntary arrangements, depends, to a great extent, on the attitude that unions and employers' organisations adopt towards each other. Ability to convince members of the respective organisations and carry them along is another factor determining its success. Protection and promotion of the interest of members having identical interest—the prime motivation for the formation of any organisation—is as valid in the case of employers' organisations as it is in their counterpart. The intention in covering employers' organisations also under the Trade Unions Act, 1926 was to place both workers' unions and employers' organisations on par in matters of rights and responsibilities. The principle of giving equal representation to capital and labour on all consultative bodies like the Indian Labour Conference, Standing Labour Committee and Industrial Committees recognises this basic tenet in employer-employee relationship. In considering issues relating to employers' organisations, a basic distinction between them and workers' unions has to be kept in mind. While workers get together for joint action through a union, an employer is in many cases an organisation in himself and meets the union on equal terms. At the same time, employers find it convenient to organise themselves in furtherance of common objectives of evolving attitudes to labour or approaches to national policies, as also for standardisation of wages and other conditions of employment in an industry within a local area.

Origin and Growth

21.1 The origin, growth and development of employers' organisations have three distinct phases: (i) the period prior to 1930; (ii) the period between 1931 to 1946; and (iii) the post-Independence period. Each phase reveals its own structural and functional characteristics; in each the organisations had to undergo changes because of contemporary economic, social and political developments. These changes have been more rapid in some than in others. The periods referred to also coincided with important developments in the labour field, and these have had a great impact on the pattern and development of employers' organisation as also on their functioning.

21.2 Pre-1930 Period.—This period was characterised mainly by the formation of associations of merchants in the form of chambers of commerce. During the latter half of the last century, industrial associations also came into being with the aim of protecting the commercial interest of their members and securing concessions from the Government. Regional associations at important centres of industrial activity developed, but again with a different focus for action. The Bombay Millowners' Association, the Bengal Millowners' Association, the Ahmedabad Millowners' Association are instances in point. Because of the need for industrial development and promotion of indigenous entrepreneurship, society was kind to and proud of persons who were instrumental in setting up industrial establishments generally, and Indian employers particularly. Not until the First World War did the organisations consider it important to deal with labour problems; there used to be stray references about undue militancy shown by labour, but these also were rare. By and large, the attitude of the employers towards labour was one of indifference and, at times, of aggression. The task which the organisations set for themselves was to defend their traditional rights through legislative lobbies and social contacts. Individual members had autonomy in working their units and in dealing with labour as they liked. Notable exceptions were the Indian Jute Mills' Association (IJMA) and the Bombay Millowners' Association which, because of conditions created by the First World War, regulated the working hours of member mills and introduced a system of payment of standard remuneration to workers. The Ahmedabad Millowners followed, but somewhat later. Shortage of skills in those days made individual employers attract workers by better payment. The workers gained in the process, but this did not last long since the employers soon realised the disadvantage of such individual arrangements. In plantations and mines, for instance, the employers were cautious in not allowing 'poaching'.

21.3 It was during this period that unions started gaining ground. Simultaneously, the movement for the liberation of the country also gathered momentum. The Indian National Congress was trying to synthesise the interests of workers and employers by bringing them politically under one fold. The limited

success achieved by it in the process was confined to some industrial centres, because a fair section of employers was outside the pale of such political influence. The combined effect of factors like the setting up of the ILO, the enactment of the Trade Unions Act, 1926, and the Trade Disputes Act, 1929, was the realisation on the part of individual employers of the need for greater coordination of their collective interests.

21.4 Period 1931—46.—Organising chambers of commerce and industrial associations for dealing with a variety of problems connected with industry was the rule prior to 1930. Some of these chambers dealt with labour matters too.¹ The All-India Organisation of Industrial Employers (AIOIE)² and the Employers' Federation of India (EFI) came into existence in 1933 to comprehend and deal with problems of industrial labour in a concerted manner. The All-India Manufacturers' Organisation (AIMO) followed in 1941. The setting up of these organisations was again, as in the case of workers' unions, in response to the need then felt for representation on international conferences and legislative bodies. For a long time since 1920, the Government of India used to nominate delegates/members to represent employers' interests at such forums from amongst members of chambers of commerce but the employers soon realised that the chambers of commerce could not effectively look after their interests in labour matters. Each of the three organisations referred to above had a different sponsorship. The AIOIE consisted mainly of indigenous entrepreneurs and had links with the Federation of Indian Chambers of Commerce and Industry. The EFI of those days had predominant membership of British industrial interests. The AIMO was sponsored by comparatively small sized establishments to look after their interests. The Government of India Act, 1935 made provision for representation of employers and labour in legislative bodies through special constituencies. The constituents of the AIOIE and EFI thus got an opportunity to be represented in the Central and Provincial Legislatures. Labour legislation in the thirties in some Provinces made it necessary for local employers' organisations to expand their services to members in the labour field. The creation of the Labour Department in the Central Government and the constitution of tripartite bodies like

the Indian Labour Conference and the Standing Labour Committee during the years of the Second World War helped develop further these activities within the local associations and federations.

21.5 Post-Independence period.—The period since Independence witnessed the growth of planning, expansion of industrial activity, extension of the democratic apparatus, passing of several labour laws and a growing trade union movement, all of which acted as a spur for the strengthening and expansion of employers' organisations. Experience of working together convinced employers of the advantage of united action. Employers' organisations grew in strength mainly to meet the requirements of individual employers for advice on labour matters. In some cases, they built up their strength to match that of organised labour; in others, it was the other way round. At present, employers' organisations are organised at three levels: (a) employers operating through their local organisations or otherwise; (b) industrial associations which cut across State boundaries; and (c) federations which comprise representatives both of industries and centres. Of the three, the local organisations which operate mainly through the chambers of commerce cover all industries in an area; their activities in the labour field are comparatively less extensive. It is the arrangements in the latter two which require a more detailed discussion.

Industrial Associations

21.6 The industrial association is the general pattern of organisation of employers in India. These associations are formed at the area/regional level as also at the all-India level. Regional/industrial associations are generally affiliated to the central industrial organisation at the apex. Individual employers are also admitted to the apex. The main reason for the development of associations, industry-wise, is the common nature of problems confronting each industry. The setting up of wage boards on an industry wise basis, industrial committees at the Central and State levels, and development of collective bargaining at the industry level in certain regions, have helped their growth. Jute, cotton textiles, engineering, tea, sugar, cement, paper and chemicals are important industries which have associations at the all-India level with branches in areas/States.

¹The role played by employers' organisations has been described in the Report of the Royal Commission on Labour, pp. 316-17.

²This organisation has since changed its name. It is now called All India Organisation of Employers (AIOE)

In turn, most of these associations are affiliated to national federations. Development of these associations was gradual. They have been instrumental in providing specialised labour advisory services and developing training facilities for management personnel in the last ten years.

21.7 Existence of more than one industrial association in a particular industry is a problem which has at times hindered the progress of collective bargaining on an industry-wise basis. Difficulties of multiplicity have, to a certain extent, been overcome in coal mining and plantations where joint committees have been formed to ensure a uniform approach by employers in dealing with industrial relations problems concerning the entire industry and in making representations to the Government. We are of the opinion that this is a healthy development; multiplicity of employers' organisations within an industry is not conducive to collective bargaining. Wherever, at present, there is more than one organisation of employers dealing with an industry, we suggest that these should be amalgamated into a single organisation and the first step in this direction would be the constitution of Joint Committees to deal with the problems of the industry as a whole or to negotiate on behalf of the industry at that level.

21.8 We are aware of the limitations of the managements in the public sector to join industry-wise organisations primarily meant for employers in the private sector. The reluctance of some undertakings to fall in line with the private sector may have some justification, but as employers there is an identity of interest between the public sector and the private sector. The Government of India had already permitted public sector units to join the respective industrial associations. There is reason to believe that this is being done. We expect that, in due course, public sector undertakings will be able to play a role in the counsels of the industry to which they belong and through them in the wider forums available to private employers. There is an equally strong case for cooperatives to join the respective industrial associations.

21.9 Our recommendations supporting the growth of industry-wise unions and their recognition will acquire greater strength if parallel arrangements are made on the side of managements. As stated in the Second Plan: "in the interests of industry-wise bargaining in an area, provision should be made for the certification of employers' associations as representatives of industry in an area. Any agreement entered

into by such associations would then be binding on all members of the associations, as well as on non-members."¹ We consider that the implementation of this recommendation is long overdue. Arrangements should be made through the Industrial Relations Commission for certification of employers organisations at the industry/area level for purposes of collective bargaining.

21.10 At the national level, apart from the AIOE and the EFI which have had representation on consultative bodies in labour matters, the AIMO has also been given a seat almost since Independence. The AIMO is an omnibus multi-purpose body which represents the voice of small and medium-size employers, but its membership is not necessarily restricted to them. Unlike the AIOE and the EFI, the AIMO combines in itself both the trade and labour interests of its members. Membership of these organisations is open to individual firms or joint stock companies engaged in any industry and to any association/chamber of commerce representing an industry/industries in the country. Between them the three federations cover almost all employers; some employers/associations are members of more than one national federation. It is true that the spheres of influence of these organisations vary from area to area and from industry to industry, but their functions are not exclusive; indeed, they have a mutuality of interest. This explains the reason for a firm or an association joining more than one federation.

21.11 All the three federations have special committees to deal with specific problems. Besides, they operate through their regional committees and maintain close links with the respective chambers of commerce as well. In many cases, the labour departments attached to a chamber of commerce and to a federation are common to both. For example, the representatives of firms and associations connected with the Bengal Chamber of Commerce and Industry in the eastern region and who are also members of the EFI, have formed the Eastern Regional Committee which is the same as the Industrial Affairs Committee of the Chamber. These members of the Eastern Regional Committee serve on the Executive Committee of the Employers' Federation of India. The Labour Department of the Chamber acts as the secretariat of the Eastern Regional Committee. The position in regard to regional committees in other parts of the country is not any different. Since the headquarters of the EFI is located in Bombay, its Western Regional Committee is serviced in part by the main secretariat of the EFI.

¹Second Five Year Plan, p. 574.

Arrangements in the case of AIOE are somewhat similar. The regional committees serve as a vital link between the Federation and the chambers as also its affiliated industrial associations. The AIMO activities centre round the functioning of 20 special committees, one of which is for industrial relations. Its membership is spread throughout India and has nine State Boards, four Regional Boards and seven District Councils.

Aims and Objects of Federations

21.12 (a) **Employers' Federation of India:** The principal objects for which the EFI has been established are embodied in its Constitution. These are:

- (i) "to promote and protect the legitimate interests of employers engaged in industry, trade and commerce;
- (ii) to maintain harmonious relations between management and labour and to initiate and support all well considered schemes that would increase productivity and at the same time give labour a fair share of the increased return;
- (iii) to collect and disseminate information affecting employers and to advise members on their employer/employee relations and other ancillary problems".

These objects lie within the field of what may broadly be termed 'industrial relations'. Although consideration of broad economic problems is not altogether excluded, the EFI does not generally comment on commercial questions of customs, taxation and the like which lie in the sphere of the Associated Chambers of Commerce and Industry.

(b) **The All India Organisation of Employers:** The objects of the AIOE are *inter alia*:

- (i) To take all steps which may be necessary for promoting, supporting or opposing legislative and other measures affecting or likely to affect directly or indirectly, industries in general, or particular industries;
- (ii) To nominate delegates and advisers, etc., to represent the employers of India at the International Labour Conference, United Nations Organisation, International Chamber of Commerce and other conferences and committees affecting the interests of trade, commerce and industries, whether as employers or otherwise;

(iii) To promote and support all well-considered schemes for the general uplift of labour and to take all possible steps to establish harmonious relations between capital and labour".

(c) **The All India Manufacturers' Organisation:** The objectives of the AIMO are:

- "(i) To help bring about the rapid industrialisation of the country through sound and progressive economic policies;
- (ii) To help in increasing the aggregate wealth of India;
- (iii) To raise the standard of living of the people of India by utilising to the fullest possible extent all the available national resources and talent in the country; and
- (iv) To play a positive role in relieving the pressure of population on land."

The industrial relations functions of the AIMO are similar in material particulars to those of the EFI and AIOE.

21.13 All these federations function through their regional offices which have, over the years, developed departments well equipped to deal with labour matters. The two federations, AIOE and EFI, operated severally in securing representation on consultative bodies, but jointly in their approach to problems connected with labour. Such a joint front was, for a long time, on an informal basis. With the coming together of these two main bodies in the Council of Indian Employers (CIE) in 1956, it is this Council which has now taken on the functions of choosing delegates to represent Indian employers international conferences/committees. It is this Council which is a member of the International Organisation of Employers at Brussels in place of the AIOE and the EFI which were earlier affiliated separately. The period since Independence is thus particularly important because of the joint approach by employers to labour problems, informally in the first half and somewhat more formally in the second. Building up of adequate specialised advisory services in labour matters and training of management and personnel officers at various levels have been the result of this joint approach, although a beginning in this direction had been made earlier by individual industrial associations.

21.14 Apart from these important activities, the two main Federations took special steps to organise the movement for scientific management. The All India Management Association which has been active in the last ten years and which is supported by local associations is now

an active force in the counsels of management. The two management institutes set up about ten years back and the departments for the study of management set up in some universities and the training courses they organise have to some extent helped in meeting the shortage of trained management cadres.

21.15 Multiplicity of organisations at the national level has not been a problem with employers' organisations. Unified representation of employers' interest at tripartite forums has, for all practical purposes, been effectively secured by the main employers' organisations coming together under the CIE. But the AIMO is outside the CIE. It will be desirable that the CIE brings this organisation also within its fold. It is easier for the employers' organisations to come closer, because there are no special ideological differences to divide them. The CIE can continue to provide the coordination. Determination of representation on important national organisations should rest with the apex body. Taking into account the nature of agenda to be discussed at any meeting, the reconstituted CIE will be in a better position to nominate persons competent to partake in the deliberations. Some organisations at the industry level and the Employers' Federation of India at the national level, originally registered under the Companies Act, are now registered under the Trade Unions Act, 1926, while many are still outside its purview. We realise the psychological difficulties in employers' associations registering under the Act, which though designed for both employers and workers, has a special appeal to workers' organisations. If such barriers are considered insurmountable, separate arrangements for registration will be appropriate. In any case, registration of employers' organisations should be made compulsory.

Role and Functions of the Employers' Organisations.

21.16 The main role and functions of an employers' organisation is to protect and promote the interest of its members. The membership of employers' organisations is basically composed of corporations/employers who have certain purely economic ends to pursue. All enterprises have to survive the test of economic viability. For a proper appraisal of the role and functions of an organisation, this aspect cannot be brushed aside. Naturally, its activities are designed and directed in such a manner that their members stand to gain. Also the organisations have to work on a broader plane; labour problems are only a part of their over-all responsibilities. Economic, commercial and fiscal matters and policies are equally or even more

important for them. Services rendered by the organisations in representing their members' views on Government's policies, rules and regulations and in giving advice to members on the interpretation and extent of applicability of agreements arrived at various bipartite and tripartite bodies and on Acts and Regulations which come into force constitute their main functions. Labour departments/advisory services, which have come in vogue in many employers' organisations to advise and assist members have been the direct consequence of the recognition of these functions.

21.17 Employers' organisations find it necessary to have legislative support for realisation of their objectives. The pursuit of their activities leads to their involvement in politics or to their developing lobbies without directly aligning themselves with any political party. There is evidence on record to show that individual employers, and not the employers' organisations, have used these avenues to the extent necessary, although providing finances to political parties or sponsoring candidates are not unknown to the organisations or industrial associations, national or local. Political activity by employers' associations may be as inimical to peace in industry as that by workers' associations, particularly when we are envisaging employers' organisations to include both public and private sector units. This should be eschewed. It is thus that they will be able to establish rapport between the two sectors and work exclusively to the interest of industry rather than to the sectional interests of one or the other form of ownership.

21.18 The pursuit of economic gains by employers' organisations does not mean that they should not recognise social responsibilities. With planned economic development and increasing democratisation of the institutional framework of society, there is active consultation by the State with all organisations, including those of employers, for formulation, *inter alia*, of economic, educational, social and labour policies. Employers' organisations are, therefore, expected to take a stand consistent with the social and economic objectives of the community/country as a whole and be active in promoting policies and measures that are not contrary to the general interest of the community. Along with their gains, they should keep in view the needs of the developing economy, the requirements of planned growth, importance of maintenance of peace in industry and the desirability of an equitable distribution of the national wealth. There can, however, be differences as in the case of trade unions, as to priority between the interests of the community and the

interests of their members. Since these conflicting interests require to be harmonised, it would be appropriate to deal with the role and functions of the employers' organisations by studying them specifically in relation to their obligations to their constituents on matters which impinge directly on labour. The broader obligations of the organisations to society are discussed later as a part of our recommendations.

Obligation to Constituents

21.19 The functions of national organisations on the labour side are somewhat limited. In the industrial relations system, as it exists today, the powers and responsibilities are largely concentrated in the associations operating at the industry/area level or in individual employers. While in Sweden and Italy the national federations are negotiating bodies as well, in India they neither participate in any negotiation with unions nor do they deal with the industrial relations problems of their constituents. Barring exceptions, instances in which all-India organisations have espoused the cause of an individual employer/company are few.

21.20 The main obligations that are being discharged at present by national organisations in the labour field are to formulate policies for the guidance of delegations to international conferences and tripartite meetings and advisory bodies. Organising broad-based discussions on certain aspects of labour problems and occasional training courses and seminars have also been recently acquired functions. As such, the activities of the national organisations are almost exclusively directed to dealing with and influencing policy at the national and international levels, ascertaining and representing the views of their constituents, and ensuring that the decisions adopted are properly understood and implemented by the constituents. Collection of data to aid and support their stand and dissemination of information to members and the public are important aspects of their activities. In these tasks, regional committees set up by them are the main functionaries. These committees have in their turn constituted screening committees in some centres to examine proposals made by their constituents for filing appeals against the decisions of tribunals and labour courts. This is one of the obligations imposed on them by the Code of Discipline. While we take note of the setting up of these committees, we would like to record that there is dissatisfaction both among unions and Governments about the manner of working of these committees.

21.21 Industry-wise associations occupy a key position in the industrial relations system, as

they are better placed to appreciate the problems of the industry concerned and provide guidance to their constituents. The local/regional industrial associations are in a still better position to do this. Because of the ease with which they can contact their members and reach unions and *vice versa*, the role of these associations in industrial relations has been quite significant. The philosophy behind providing such machinery, supplementary to that which takes care of influencing Government policies in other matters, is that the function of these associations is as much to safeguard and promote the long-term benefits of the industry as to look to the short-term interests of individual employers. In undertaking these obligations effectively, the industrial associations have built up their own hierarchy. The central industrial organisations primarily undertake the function of representation at various bipartite or tripartite bodies at the industry level.

21.22 In the eastern and western regions, particularly in industries such as jute, tea, coal, engineering and cotton, the industrial associations have played an effective role in sponsoring standard practices and in giving guidance to members on all matters governing industrial relations. Direct negotiations between industrial associations and trade unions have not made headway, because collective bargaining at the industry level or on a national plane has not yet developed. There are instances, however, where an area/industry-wise understanding has been reached between an industrial association and the trade unions in the meetings of the industrial committee or even in conciliation. Industrial associations particularly those at the local/area level, maintain informal contacts with trade union organisations. Labour departments of such associations have resolved disputes between workers and managements of their constituents units.

21.23 To complete this part of the account, it would be useful to record the work done by some individual industry/central organisations, since it has lessons for the future. Apart from the conventional role that the IJMA has been performing, its contribution in training management personnel and in organising extensive training for junior supervisory staff has been noteworthy. The IJMA started its labour department in 1939 to study labour relations within the industry and encourage a uniform approach to the solution of the industry's labour problems. One of the main promotional activities of the Indian Engineering Association, the Engineering Association of India and the Indian Mining Association is to provide expert labour

advisory services to their constituents. The U.P. branch of the Indian Sugar Mills Association has got a separate labour department fully equipped with technical staff; the services of the staff are extended to the constituent units. The UPASI, the Indian Tea Association and the Indian Tea Planters' Association have developed on somewhat similar lines. In the western region, the Bombay Millowners' Association and the Ahmedabad Millowners' Association have built up certain traditions of industry-wise negotiations. Their role in collection and dissemination of statistical information relating to trade, commerce and labour has been commendable. For this purpose, they have gradually built up a full-fledged research and labour advisory service. These organisations have also been instrumental in the development of training institutions for Managers and Personnel/Welfare Officers.

21.24 We have noticed, during our observational visits, that in certain areas a tradition of industry/area-wise negotiations has evolved, and in some undertakings run by enlightened employers, collective bargaining has taken root. We have recognised elsewhere the important role which collective bargaining and arbitration can play in promoting industrial harmony, and in this context, the role of employers' organisations is clear. They should encourage collective bargaining and should also encourage voluntary arbitration and wean away reluctant employers from recourse to third party intervention. This can be achieved only when individual employers change their attitude. Our recommendation for legislative support for union recognition requires, in addition, an educative effort on the part of organisations among their members. It requires that employers' organisations should strengthen themselves by way of provision of adequate research facilities and equipping themselves with data for understanding the problems of the concerned industries. It is only thus that they can assist and advise companies in matters of negotiations.

21.25 Because of complexities introduced in dealing with industrial relations in the context of technological change, technicalities involved in interpretation of labour legislation and also sound understanding of industrial case law and practices developed in enlightened concerns, managerial functions have acquired new dimensions. The old pattern of employer-manager functions combined in one person is yielding place to a specialised managerial and personnel system. Some employers' associations have not only been inducting personnel management consciousness among their affiliates, but have also

built up their own cadres to assist managements in dealing with personnel problems. However, taking an overall view, there are no regular and scientific arrangements for training of supervisors and middle management personnel in the art of handling labour. This aspect of training should receive due attention from the employers' organisations. It is difficult for smaller units to have the full-time services of personnel officers; nor is it necessary for them to do so in view of their small size. This is a field where associations can assist them by making available their own officers and rendering guidance in matters of personnel policies.

21.26 From the view-point of labour management relations, employers' associations should, in our view, accept the following functions:

- (i) undertake promotion of collective bargaining at various levels;
- (ii) encourage observance and implementation by its members of bipartite and tripartite agreements in real spirit and form;
- (iii) expedite implementation of wage awards by members without undue delay and reservations;
- (iv) work towards elimination of unfair labour practices by employers;
- (v) encourage adoption by members of personnel policies conducive to productivity and industrial peace;
- (vi) promote rationalisation of management or organisation to improve productivity;
- (vii) arrange employers' education (a) in the concept of labour partnership in industry, (b) for ensuring identity of interests of labour and management and (c) for promoting harmony between the goals of industry and of the community; and
- (viii) work towards the collective welfare of its members through training, research and communication in the field of labour-management relations.

We do not propose statutory provisions to compel employers' associations to undertake the above functions, but hope that these functions would voluntarily be adopted and discharged by them.

Finances

21.27 Employers' organisations rely heavily on subscription from members. They have two rates of subscription—one for individual members

and the other for associations. EFI collects subscriptions from ordinary members at the rate of Rs. 50 per 100 workers employed subject to a minimum of Rs. 1,000 and maximum of Rs. 12,000 annually. Membership subscription from associate members is Rs. 170 per vote, each vote representing 1,000 to 2,000 employees covered. AIOE has fixed Rs. 750 per year for individual members and Rs. 1,000 for associations. AIMO charges Rs. 100 annually from individual members; district associations, company members, State associations, and chambers of commerce have to pay an annual subscription of Rs. 150.

21.28 Data are inadequate to assess the coverage, membership, and finances of these associations. For 163 employers' organisations which have registered themselves under the Trade Unions Act, 1926, the annual income was Rs. 76.97 lakhs and expenditure Rs. 74.83 lakhs in 1964-65, the latest year for which data are available. Membership fee accounted for 58.3 per cent of the income on an average and donations for 3.9 per cent; the rest accrued by sale of periodicals and books, etc., interest on investment, and miscellaneous items. Maintenance of offices and establishment accounted for about 34.4 per cent of the expenditure. Income of the organisations in relation to the role and functions which they have to discharge appears to have been adequate. In any case, there is enough flexibility in these matters. Lack of finance has not come in the way of expanding the activities of the apex organisations and associations at the area/industry level.

Communications

21.29 For the efficient and effective functioning of employers' organisations, an essential requirement is the existence of active communication, from the association to its constituents and *vice versa*. It is through such communication that the association can represent the views of its members and facilitate implementation of the commitments it makes. As at present, the procedure seems to be to exchange views through annual and special meetings, occasional discussions and through seminars devoted to specific subjects, in all of which the constituents are expected to participate. Federations also issue instructions, circulars, research papers, annual reports and directives, where necessary, to their constituents. Even with these arrangements, difficulties have arisen when the constituents are fairly dispersed. In the evidence before us, some employers have pointed out that there is scope for improvement in the arrangements for exchange of views between the central organisa-

tions and their constituents on a continuing basis. We have heard statements from industry/local organisations that the central organisations have sometimes made commitments at the tripartite committees on issues of vital economic consequence without adequate prior deliberations. Such grievances could be exaggerated. With the best of intentions, it will be difficult for apex organisations to satisfy all members, each having its own peculiar problems. Communication between an employers' organisation and organisations of workers to discuss common problems is rarer still. This does not mean that problems do not exist; rather there is reluctance on the part of both to get together.

21.30 The inadequacy of the present system of communication is perhaps reflected in non-implementation and non-acceptance of obligations under certain agreements accepted by the organisations. In the midst of this general complaint, it is worth mentioning that some employers' organisations like the IJMA, the Indian Sugar Mills' Association, the Bombay Millowners' Association, the Ahmedabad Millowners' Association and the United Planters' Association of Southern India (UPASI) have worked out arrangements which give adequate satisfaction to their respective constituents in this regard. Apart from the conviction that they have about the usefulness of constant and continuing exchange of views, easy accessibility to members is the main reason for the success achieved by these associations.

21.31 We have been told that the system of voting and representation adopted by the Central federations tends to favour the bigger industrialists and employers, and this has created difficulties in proper and effective representation of medium-sized units which form the backbone of the country's industrial structure. Inadequate consultation with such units is reported to be the cause of ineffective implementation of their obligations by employers. We have found during the course of our inquiry that such grievances can be more psychological than real. It does not mean that if prior consultation had taken place, the obligations could have been less onerous on employers. Difficulties in implementing tripartite conclusions/decisions have sometimes arisen at the establishment/plant level because of difference in interpretation of such conclusions/decisions or due to the special circumstances prevailing at the unit level. In the implementation of agreements, persuasion is the only instrument which the employers' organisations can adopt. It is obvious that in such matters other sanctions cannot work. The causes for non-implementation of agreements are many

and varied; ineffective and inadequate communication is only one of them. What has been said about national organisations is equally valid in case of industry/area-wise associations. Employers' organisations should build up their internal consultation system in such a manner that all matters, which have far-reaching impact on members, are scrutinised by the constituents prior to any decisions that might be taken at the national level.

Social Responsibilities

21.32 The role played by the employers in the country's development needs no elaboration. Consistent with their interests, they have contributed to the national progress. However, the community gets directly concerned with employers' organisations only when it fails to get goods of approved quality at reasonable prices. Service and courtesy to customers are really an indication of good employer practices. Employers' organisations should see that their members do not exploit the community through combines, trusts or monopoly operations. These observations have a special relevance in the context of other developments in the economy. The surpluses that are generated in an industry are a social product; their distribution has to be according to the contribution made by labour and capital, keeping in view that the community has an equal claim on the increases in production and productivity.

21.33 Employers' organisations have a stake in the success of the national plans for economic development. In this context, important aspects of social responsibilities of employers are in the following fields:

- (i) Promotion of national integration: Employers' organisations can help to achieve national integration by paying due regard to the sentiments of the local people where a project is located. But this has to be within the overall national interest;
- (ii) Eliciting responsive cooperation from the unions in improving levels of production and productivity: This does not require elaboration in view of the more detailed discussion elsewhere;
- (iii) Maintaining high standards of quality and competitive prices in the international market: Difficulties of foreign exchange are well known; these have hit employers in their expansion plans. What is suggested, therefore, falls within employers' enlightened self-interest;

(iv) Helping civic authorities and seeking their cooperation in matters connected with improvement of the area in which the establishment is located: Where an establishment is set up in an already settled town, this function acquires a special significance. By the very setting up of a unit, particularly if the size is large, civic amenities get taxed. It is true that the employer in turn is taxed on that score, but the duty of the employer should not end there. He has to see that by establishing his unit he does not make the life of persons in the area more difficult. The advantages that accrue through an industrial establishment are looked upon by the people as a matter of right; not so the inconveniences;

(v) Bridging the gap in regional disparities in the economic development of the country: This is indeed a Governmental function, but the employers' organisations can certainly help; and generally,

(vi) pursuing of policies that are conducive to the development of industry and the economy and to the fulfilment of priorities of planned development from time to time.

International Affiliations

21.34 The International Organisation of Employers (IOE) was established in 1920 to reinforce, at the international level, the activities of the larger national employers' organisations aimed at preserving and developing an economic and social system based on free private enterprise. One of the important tasks of the IOE is to assist employers' delegations at the tripartite meetings of the ILO. A member of the general secretariat of the IOE has acted as secretary to the employers' group at almost every ILO meeting held since the ILO was established. The IOE also helps its member organisations to exchange mutual experience and facilitates the study of common problems and keeps them informed of labour and social problems the world over. The members of the IOE belonging to our country have often pleaded the cause of developing nations and emphasised the need for channelising the investible resources of the institutions affiliated to IOE into countries starving for want of capital. The contacts in the IOE have helped members from our country in reaching collaboration arrangements which have been in vogue in India, particularly since Independence.

CHAPTER 22

STATE AND INDUSTRIAL RELATIONS

The concern of the State in labour matters emanates as much from its obligations to safeguard the interests of workers and employers as to ensure to the community the availability of their joint product/service at a reasonable price. The extent of its involvement in the process is determined by the level of social and economic advancement, while the mode of intervention gets patterned in conformity with the political system obtaining in the country and the social and cultural traditions of its people. The role of the State in regulating labour conditions will be different in a democratic set-up from that in a society which has a different philosophy for the governance of its people. In the former the approach of the State will be consistent with what the will of the people demands; in the latter, the extent to which such will is allowed to prevail will be different. The degree of State intervention is also determined by the stage of economic development. In a developed economy, work stoppages to settle claims may not have as serious consequences as in a developing economy. Likewise, a free market economy may leave the parties free to settle their relations through strikes and lock-outs. But in other systems, varying degrees of State participation will be required in the building-up of industrial relations. In all countries, however, the State has assumed powers to regulate labour relations. In some, it has taken the form of laying down bare rules for observance by employers and workers; in others, the rules cover a wider area of relationship and there is equally greater supervision over the enforcement of these rules. To illustrate the extent and nature of State intervention, we cite below some international practices.

International Practices

22.1 In the USA, the State has confined itself to enacting legislation for ensuring the workers' right to organise and bargain collectively, and has constituted an independent authority to administer and interpret legal provisions and decide on complaints regarding unfair labour practices. Intervention of the State in industrial disputes is limited to actual or threatened work stoppages which could imperil the national economy, health or safety. But even within this area of State intervention, a wide latitude is given to the parties for settling

their differences. In regard to disputes which have an economic bearing, the Government does not envisage any direct interference in the process of collective bargaining, beyond issuing statements of its economic policy from time to time.

22.2 In the U.K., the industrial relations system has been marked by the primacy of free collective bargaining between the parties. Disputes relating to jurisdiction are mainly an internal matter for the British Trade Union Congress. The Donovan Commission has recently recommended that disputes relating to union recognition should be dealt with by the Industrial Relations Commission. The Government has refrained from defining unfair labour practices and from prescribing rules for promotion of collective bargaining. The collective bargaining agreements, before they are enforced, have to go through the National Board for Prices and Incomes set up by Government. A further change seems to be in the offing as may be inferred from the following observations in the U.K. Government's White Paper, "In Place of Strife":

"But from the very beginning of this debate there was an alternative view; namely, that while the periodical "re-adjustment" of bargaining power between the two sides was an essential part of the Government's role, it was not in itself sufficient. The State also had to act at times to contain the disruptive consequences of the struggle for those not immediately affected—especially if non-intervention was likely to result in widespread damage to the interests of the community at large. Linked with this argument to an increasing extent was a related one: that Governments should intervene still further if it could be shown that certain important economic or social objectives were not sufficiently furthered or were frustrated by collective bargaining.

".....In short the doctrine of non-intervention is not, and never has been, consistently preached. The need for State intervention and involvement, in association with both sides of industry, is now admitted by almost everyone. The

question that remains is, what form should it take at the present time?"¹

22.3 The Australian system has had a long tradition of State regulation. The Government intervenes through the Commonwealth Conciliation and Arbitration Commission for the settlement of 'interest' disputes and through the Industrial Court to settle differences about interpretation. But even within the Australian structure, it has been claimed that there is fair scope for collective bargaining. Parties can approach the above-mentioned authorities direct. Once the Commission is seized of a dispute and the Government feels that the decision of the Commission can have repercussions on the community, all it can do is to place its case before the Commission and hope for the best. However, experience has shown that not many such occasions have arisen.

22.4 In Japan, the right to collective bargaining is guaranteed under the Constitution and the State has enacted legislation to promote collective bargaining. Direct State intervention is permissible in strikes which might jeopardise the national economy and public life. The Prime Minister can restrain such a strike for fifty days through court injunction obtained with the consent of the Central Labour Relations Commission, which is to try settling the dispute within this fifty-day cooling-off period by methods other than compulsory arbitration. The rights of unions are prescribed according to the type of employment in which they are to function. In particular, differential provisions are made in regard to the right to strike and the right to bargain. In other industrially advanced democratic systems also, direct State intervention in industrial disputes is generally the exception rather than the rule. Intervention by judicial authorities for settling the disputes over rights, however, does prevail. Creation of new rights by and large is left to the parties concerned.

22.5 In the USSR, three important factors regulate the industrial relations system. The first is the formation of a socialist society which has replaced private ownership of basic means of production by public ownership. The building up of a workers' State, according to this proposition, makes the interests of labour and management non-antagonistic; occasion for active conflict in industrial relations is thus eliminated. Secondly, the operation of a centrally

planned and controlled economy introduces its own constraints on labour and management. Recently, however, increasing powers are being given to local trade unions and individual enterprises to take decisions on matters of employment, wages and productivity. Lastly, the influence of a single political party in running the Government and in organising unions makes it necessary for the unions to have to perform a double role. They have to help in carrying out party policy and look after production interests, and at the same time, assume the traditional role of unions in furthering the interests of labour.

22.6 In three developing countries in Asia *viz.*, Burma and Malaysia, and for a long time in the Philippines, the concern of the State in industrial relations has been more marked. Besides laying down rules and procedures for the settlement of disputes, the State has provided arbitration machinery. In the last resort, Government has reserved to itself the right of making a reference to such machinery in cases where the public interest so demands, or where a joint request is made by the parties.

Role of the State

22.7 In the sphere of industrial relations, the State has to watch and understand the attitudes of unions and employers in regulating their mutual relations in so far as they concern collective bargaining and the consequent direct action which either party may resort to for the realisation of its claims. This understanding is necessary to chalk out the course the State should adopt, which in turn is determined by the short-term and long-term welfare goals it sets for itself. The State's anxiety about work stoppages arises because of two factors: (i) the impact on the community by way of inconveniences inflicted by interruption in supply of essential goods/services, and (ii) the social cost to the parties themselves in the form of loss of wages/production. It has, therefore, a special interest in the methods chosen by the parties for regulation of their mutual relations. For instance, adoption of collective bargaining will require well organised unions and employers' associations. The State, when it moves towards this goal, takes upon itself the task of formulation of such rules and procedures as may be conducive to improving the organisational strength of the parties as it cannot allow either to remain weak. In the process, it will have to define its own relationship with

¹In place of Strife—A Policy for Industrial Relations (January, 1969) pp 6-7, London, Her Majesty's Stationery Office, Cmnd 388. There seems to be some rethinking within Government on the approach as set out in the White Paper.

trade unions and employers' organisations. There is also an added consideration *i.e.*, the frustrations caused to either side as a result of direct action may lead to situations in which the well recognised obligation of the State to enforce orderly social conduct can attract State intervention. This is a universally recognised function of the State, irrespective of its ideology.

22.8 On many occasions, the State has to frame substantive work rules. This function acquires special significance in developing countries, particularly in those characterised by labour surpluses. It is here that the demands of a developing economy on the one hand and considerations of social justice on the other are to be reconciled in the best interests of the community. We have already referred, elsewhere, to the State's concern for achieving a reasonable growth rate for the economy, while simultaneously weaving into the process considerations of equitable distribution. These constraints fall heavier on a democratic Government which has the added obligation of ensuring fundamental individual freedoms to its citizens. The State, therefore, concerns itself not only with the content of work rules, but also with the framing of rules relating to industrial discipline, training, employment, and adoption of modern technology often substituting machinery for men. Thus, industrial relations affect not merely the interests of the two participants—labour and management—but also the social and economic goals to which the State addresses itself. To regulate these relations in socially desirable channels is a function which the State is in the best position to perform. Such regulation has to be within limits.

22.9 Besides economic interests, the State, irrespective of its political ideology, strives to propagate a social system through the content of its industrial relations policy. Conferment of a particular social status on unions and employers' organisations, influencing the pattern of distribution of the industrial output, profit sharing by workers, and workers' participation in industry are all directed to implement a social goal. The instruments used by the State for the purpose could involve direct intervention or be merely educative, depending upon the circumstances.

22.10 As a corollary to its role in maintaining peace, the State at times has to provide for an arbitration machinery to settle industrial disputes. This can be best performed either by creating conditions in which arbitration would

succeed in preference to strife or by compelling the parties to accept direct intervention of the State, in the interest of public good. In either case, better results are achieved where the existence of the third party is not overtly felt. The creation of the independent authorities which we have proposed is in consonance with this principle.

Practice in India

22.11 State intervention in India has assumed a more direct form. The State has enacted procedural as also substantive laws to regulate industrial relations. We have referred to them in the different chapters. Without going into detail, we propose to examine here the basis of the authority of the State in regulating industrial disputes and the form it has assumed in the country. In the distant past, State intervention in labour matters was for protecting the commercial interests of the British rulers. Later, pressures from the public to guard the interests of workers in the face of difficulties created by the operation of the economic system prevailed. More recently, and particularly since Independence, State intervention in labour matters has been necessitated by the larger need for regulation of the economy with the focus on rapid overall growth. Apart from planned development, the requirements of the Welfare State envisaged in our Constitution have been another important reason for State intervention.

22.12 Apart from the different roles played by the State as mentioned earlier, there are others which have a special significance in our context. The first is that of the State as an employer, which has two aspects, *i.e.*, direct employment of labour by the State and employment in industrial corporations constituted by the State. Handling of industrial relations in the case of its own employees, to whom all legislation framed for industry is applicable, falls in this category. This function of the State as an employer has been there over a very long period; it has been there even prior to Independence. To this was added another when, as a matter of policy, it was decided to operate a mixed economy wherein industries were to be run by both private entrepreneurs and the State. The role of the State in these matters has been watched with great interest in recent years. The policy statements in this regard show that as an employer the State binds itself to the rules which it frames for private employers. Where standards of good employment are disparate, the State seeks to set standards with a view to influencing the employers in the private sector. While this is

the policy, in practice, it so happens that there is a fair amount of interaction between what the employers do for their employees in the two sectors. And this inter-action is influenced by the new consciousness among the workers and ease of communication within the working class.

22.13 The second and an equally significant role which the State has to play in our context is the outcome of its Federal Constitution and the fact that "labour" is a subject in the Concurrent List for the purpose of legislation. It has been a tradition in the country for long that the Central Government assumes the responsibility of enacting legislation on many aspects affecting labour, whereas the State Governments look after implementation, though they can legislate on their own also. In either case, a considerable measure of consultation has been the rule; and yet there have been cases of disparities in conditions of work because of differences or inadequacies in administrative arrangements to implement the legislation. As a result, cases have been reported where industries which do not involve heavy capital investment favour operating in States where implementation of labour legislation is relatively less onerous on the employer. And this may create problems of inter-State coordination which the Central Government has to sort out. In the years to come, when the Central and State Governments may have different political ideologies, this question is likely to assume an added significance.

22.14 It is obvious, therefore, that the State cannot be a silent spectator in the development of healthy labour practices. It has to play a role which the parties to a dispute find acceptable. In what follows, we propose to assess the efficacy of the institutional arrangements developed in India for evolving and implementing labour policies and see how the shortcomings in these arrangements could be minimised. We also propose to review the Centre/State relationship in the field of labour and evolve recommendations to put the same on a sounder footing. The concept of a common labour code and its role in this context will also be examined.

Tripartite Consultations

22.15 Industrial relations in India have been shaped largely by principles and policies evolved through tripartite consultative machinery at the

industry and national levels. The process of consultation was itself the outcome of a realisation of the futility of directing the relations between employers and workers without their participation. To sum up the role of the tripartite bodies, we need only quote from the Third Plan:

"Labour policy in India has been evolving in response to the specific needs of the situation in relation to industry and the working class and has to suit the requirements of a planned economy. A body of principles and practices has grown up as a product of joint consultation in which representatives of Government, the working class and employers have been participating at various levels. The legislative and other measures adopted by Government in this field represent the consensus of opinion of the parties vitally concerned and thus acquire the strength and character of a national policy, operating on a voluntary basis. Joint committees have been set up to assist in the formulation of policies as well as their implementation."¹

In view of the importance of the role of the tripartite bodies, we trace briefly their evolution, assess their working and examine how they can be made more effective.

The Indian Labour Conference and the Standing Labour Committee

22.16 Constitution: The need for tripartite consultation on labour matters on the pattern set by the International Labour Organisation (ILO) was recommended by the Whitley Commission. It envisaged a statutory organisation "which should be sufficiently large to ensure the adequate representation of the various interests involved but it (the organisation) should not be too large to prevent members from making individual contributions to the discussions".² This recommendation did not come up for implementation during the first ten years after it was made. And when in 1942, the plenary Labour Conference (later named as the Indian Labour Conference—ILC) and the Standing Labour Advisory Committee (which subsequently dropped the word 'Advisory' from its title—SLC) were instituted, they were not made statutory. Initially the ILC consisted of 44 members, whereas the SLC was about half the size of the ILC. The pattern

¹Third Five Year Plan, p. 250.

²Report of the Royal Commission on Labour in India, 1931, p. 467.

of representation was governed by that obtaining in the International Labour Conference.¹ It ensured (i) equality of representation between the Government and non-Government representatives, (ii) parity between employers and workers, (iii) nomination of representatives of organised employer and labour being left to the concerned organisations, and (iv) representation of certain interests (unorganised employers and unorganised workers), where necessary, on an *ad hoc* basis through nomination by Government. The delegates are free to bring one official and one non-official adviser with them. These advisers do not participate in the discussions except when required by their principals to do so and permitted by the Chairman. No qualifications are prescribed to entitle a central organisation for representation at these forums, though a convention has grown over the years that a central organisation having a minimum membership of 100,000 spread all over the country and over a large number of industries should be entitled to representation in proportion to its strength.

22.17 The composition of the two bodies has undergone a series of changes in the course of their long existence. Representation to the unorganised sector was given up in 1952-53 in response to the demands of other organisations represented at the ILC/SLC. The major Reorganisation of States in 1956 introduced another change, but only in the composition of the Government group. Parity between Government and non-Government representation was disturbed at the SLC due to this change and at the ILC as a result of representation given to the employing Ministries at the Centre since 1959. In more recent years, the need has been felt for enlarging the employers' wing to accommodate public sector corporations. Central organisations of workers not included in the tripartite have been demanding suitable representation for some time. We refer to this aspect later. These disparities in representation have not caused difficulties in tripartite deliberations so far, since no voting is involved in reaching conclusions, though a provision exists in the rules drawn up for the ILC/SLC for taking decisions by a two-third majority. It is the consensus emerging in the discussions which matters for providing a basis for action by the constituents of the tripartite.

22.18 **Functions:** The ILC was instituted to advise the Government of India on matters

brought to its notice by the Government. In the earlier phase of the tripartite, the SLC used to deliberate on its own or over matters sent to it by the ILC and the latter made the final recommendations. In due course, both the ILC and the SLC have become deliberative bodies, the former being more representative. The objectives set before these two tripartite bodies at the time of their inception in 1942 were

- “(i) promotion of uniformity in labour legislation;
- (ii) laying down of a procedure for the settlement of industrial disputes; and
- (iii) discussion of all matters of all-India importance as between employers and employees”.

The purposes indicated in the ILO Recommendation No. 113 (1960) on tripartite consultation and cooperation are more general in nature to suit the varying national conditions. These are: promotion of 'mutual understanding and good relations between public authorities and employers' and workers' organisations as well as between these organisations with a view to developing the economy as a whole or individual branches thereof, improving conditions of work and raising standards of living.' In addition, such consultation and cooperation was expected to ensure that employers' and workers' organisations were consulted by the public authorities in the formulation and implementation of laws affecting their interests and in the establishment and working of suitable national bodies. In India, the scope of the ILC-SLC is confined to labour matters only, though other consultative forums on which representatives of employers and workers find a place along with those of the Government and other social groups have been constituted for advising Government in wider aspects of social, economic and industrial policies. In the State sphere also, similar arrangements exist for consultation on labour matters. The State Labour Advisory Boards, as these tripartite bodies are rightly called, function more or less in the same manner.

22.19 The agenda for the ILC/SLC meetings is settled by the Labour Ministry after taking into consideration suggestions sent to it by

¹A tripartite system, parallel to ours, is not found elsewhere except in Pakistan, Ceylon, Malaysia and Burma where it originated from the Indian experience. Tripartite advisory bodies in countries such as Netherlands, France and Canada are functioning in the wider social and economic sphere; Some of these bodies have on them other social groups, besides labour and management. Experts are invariably represented on these committees.

member organisations. The demand that the conference should frame its own agenda has not been accepted by Government; nor the other one that there should be an independent secretariat for the ILC/SLC. The ILC/SLC work with minimum procedural rules to facilitate free and fuller discussions among the members. The ILC was expected to meet once a year; the SLC met as and when necessary.

22.20 It may be mentioned here that the flexibility and informality of rules and procedures which characterise the Indian tripartite consultative system is largely in keeping with what was later recommended by the ILO Committee on Consultation and Cooperation for formulation of the ILO Recommendation No. 113. The following guidelines were recommended, *inter alia*, in this connection: (i) use of flexible procedures; (ii) calling meetings only when necessary with adequate notice of meeting and agenda; (iii) reference of certain items to working parties if necessary; (iv) dispensing with voting procedures in arriving at conclusions to facilitate consultation; (v) maintaining records of discussions in appropriate details and circulation of conclusions reached to all participants; (vi) documentation for reference; (vii) provision of an effective secretariat and a small and representative steering group in case of a more formal consultative machinery.

Contribution of ILC/SLC

22.21 **Achievements:** The contribution of the ILC/SLC can be assessed in terms of the objectives set before them and other functions performed by them in the process of achieving these objectives. The ILC/SLC have facilitated enactment of central legislation on various subjects to be made applicable to all the States of the Indian Union in order to promote uniformity in labour legislation which was an important objective to be served by these tripartite bodies. Tripartite deliberations helped to reach a consensus, *inter alia*, on statutory minimum wage fixation (1944), introduction of a health insurance scheme (1945), and a provident fund scheme (1950), leading to the passing of three important central labour laws, namely, the Minimum Wages Act, 1948, the Employees' State Insurance Act, 1948, and the Employees' Provident Fund Act, 1952. The tripartite deliberations during 1942-46 on the revision of the Trade Disputes Act, 1929 helped the Union Government in enacting the Industrial Disputes Act, 1947, which laid down a comprehensive disputes settlement procedure to be applicable to all States. However, a few States e.g., Maharashtra and Gujarat (formerly Bombay), Madhya Pradesh, Uttar Pradesh and Rajasthan

enacted their own legislation which was operative within the State boundaries along with the Central legislation. This duality of labour administration could not be mitigated by the ILC due to obvious limitations set on it by the inclusion of 'labour' in the 'Concurrent List' of the Constitution.

22.22 The second objective, namely, formulation of a dispute settlement procedure, was of special significance to the Government, since the ILC/SLC were instituted during the Second World War, when the Government's prime interest was peaceful settlement of industrial disputes. As mentioned above, the tripartite deliberations facilitated the formulation of a comprehensive procedure for disputes settlement under the Industrial Disputes Act, 1947. Both the inception of the Labour Appellate Tribunal in 1950 and its abolition in 1956 were in the light of the tripartite deliberations at the ILC/SLC. The popular criticism against third party intervention came up for pointed discussion more than once in the tripartite, but the consensus continued to be in favour of adjudication.

22.23 The third objective of discussion on all matters of national importance has been well served by the ILC/SLC. The range of subjects discussed at these forums bears testimony to this. Various social, economic and administrative matters concerning labour policy are brought before this forum. In fact, on many occasions, these discussions acquired so much significance that the items on the agenda could not even be taken up. Since the Government started taking initiative for planning, and labour is a part of over-all planning, many plan proposals have come up for debate before the ILC. The persons consulted by the Planning Commission for labour policies and programmes are again those who take a leading part in the tripartite. On occasions, the SLC, under a different label and with some outsiders added, was made the agency to advise on plans for labour.

22.24 **Shortcomings:** In stating these achievements, we recognise that there are also debit entries to the ILC/SLC ledger. Their contribution to some labour matters has suffered, because certain far reaching decisions were taken by them apparently without adequate internal consultation within the groups forming the tripartite. The recommendation on the 'need-based minimum' could be cited as an instance of insufficient discussion within Government as a group. The distance between the spokesmen of employers' and workers' organisations at these forums on the one hand and

their members on the other and even the lack of control of the central organisations over their affiliates could illustrate the failure on the part of the other constituents of the tripartite. It is admitted by the employers' and workers' representatives that they can do very little to make their unwilling constituents accept obligations.

22.25 There is also a measure of dissatisfaction over the nature of consensus arrived at in these bodies. Increasing absence of unanimity in tripartite conclusions in recent years has been a cause for concern. The workers' organisations have criticised the procedure in reaching consensus as an exercise in semantics, leaving the basic contradictions unresolved. The employers have similarly held the view that the usefulness of tripartite bodies will be enhanced if official conclusions are based not merely on the views summed up by the Chairman, but on the points emphasised by all the parties.

Industrial Committees

22.26 The decision to constitute industrial committees was the outcome of tripartite deliberations at the ILC in 1944 over demarcation of general subjects discussed at the ILC and their relevance to different industries. A Labour Welfare Committee for some industries was proposed, but ultimately it was decided to set up tripartite industrial committees on the pattern of the ILO Committees to consider the special problems of the industries concerned. The first industrial committee was constituted in 1947 for the plantation industry, composed of representatives of Central and State Governments besides equal representatives of workers and employers. Industrial committees have so far been set up for plantations, cotton textiles, jute, coal mining, mines other than coal, cement, tanneries and leather goods manufactories, iron and steel, building and construction industry, chemical industries, road transport, engineering industries, metal trades, electricity, gas and power, and banking. These industrial committees do not meet regularly; meetings are convened as and when required. The composition of these committees is considered afresh each time a session is called.

22.27 In a way, discussions in industrial committees have a better focus. Problems of an industry are specific and there is scope for adequate debate and for reaching practicable conclusions. Some of the generalities which have characterised the debates in the ILC/SLC are fortunately absent. The record of the industrial committees which have met frequently

has been definitely encouraging, if judged in the light of collective agreements reached in the committees and their implementation. The unfortunate part has been that the committees meet too infrequently. A large number of those mentioned in the last paragraph have been constituted more recently. The more active among them are the committees for (i) plantations, (ii) coal, (iii) jute textiles, (iv) cement, and (v) iron and steel.

Analysis of Evidence

22.28 Tripartite meetings provide a useful forum of communication between the parties represented on them. They help in narrowing down differences among the three groups in reaching consensus over matters of common interest, in providing a forum for communication among the parties and in sharing the responsibility of Government in maintaining industrial harmony. The State Governments and employers' organisations endorse these views. The majority of the employers' organisations feel that such bodies will have a useful role, particularly with the formation of State Governments of different political shades. They add further that tripartite consultations could be more effective if each group represented at the tripartite had a better system of internal communication. According to them, part of the utility of such consultations is lost if they are used to pressurise one group or the other on matters which prove of disadvantage to the other. It happens that at times even the economy cannot sustain such pressurised agreements. Some public sector corporations have complained that the 'norms' settled in these meetings are agreed to in a casual manner. This view is to an extent supported by some of our Study Groups. Workers' representatives have pointed out difficulties in the implementation of tripartite conclusions. Several have even gone to the extent of stating that these conclusions have had no impact on workers' life. They have further suggested that discussions in the ILC/SLC will not acquire seriousness of purpose, unless a special secretariat is set up to look after the implementation of tripartite recommendations and to collect and publish relevant information bearing on the concerned subject. To restore the faith of workers in the decisions of the tripartite, they have suggested that the recommendations should be given the force of law or at least treated as conventions which should be well publicised and accepted outside these bodies. This demand from workers has emerged out of the assurance given by the Government to employers' and workers' organisations at the inception of these bodies that the

Central Government would consider every suggestion made by the tripartite bodies, and that out of the decisions specifically taken by the ILC/SLC, unanimous conclusions and agreed recommendations should be binding on the parties.

Recommendations

22.29 Since third party intervention will continue for several years, the ILC/SLC, along with other tripartite consultative bodies, have an important role to play. Tripartite consultation has its value for setting uniform 'norms' to guide industrial relations. The ILC/SLC industrial committees which have been set up in recognition of this fact must remain advisory in character. The conclusions/recommendations reached by them should be treated as deserving every consideration for implementation. To give to all tripartite recommendations a statutory force will have serious difficulties, apart from marring the spirit of tripartite deliberations.

22.30 While the Government's desire to operate through a tripartite consensus is logical, in order to make the process of reaching consensus more consultative, the Government should restrict its influence on tripartite deliberations where it is likely to be considered as over-persuasive. It will certainly have valid reason, as Government, for reserving to itself decisions on strategic matters. Similarly, the workers' and employers' representatives have to continue their cautious attitude in reaching agreements. In this context, we suggest that tripartite decisions could be taken in two stages. There should be a preliminary but detailed discussion on any subject brought to the forum. The conclusions recorded at this preliminary discussion should be widely publicised and free comments on them encouraged. On the basis of these comments, the tripartite, in the second round of discussions, should frame its recommendations. What applies to the International Labour Conference can well have a parallel here.

22.31 It would be fair to concede that over the last 15 years, agreements in the more active industrial committees have reached even greater benefits to workers than the decisions of the ILC. It is also true that discussions at the ILC/SLC are influenced more by what happens in traditional industries and that too of a limited range. On the basis of this assessment of the achievements of the ILC/SLC and indus-

trial committees, we suggest that the industrial committees should meet more often to examine specific issues connected with the concerned industries. Such general decisions as are taken in the ILC/SLC should be tested for their applicability in industrial committees and difficulties in implementation brought back to the general forum.

22.32 The present arrangement by which over hundred representatives gather for two days at a time for discussion of labour problems, whether in the ILC or SLC, does not seem to be conducive to reaching conclusions,¹ particularly when a major portion of the time is spent on a general discussion. The discussions should last longer and should be supported by a good deal of spade work in the Committees of the Conference. Specifically, the SLC should meet more often, and the ILC less frequently but for longer duration. Meetings should be called only when there are adequate agenda items to be discussed. A general discussion over economic issues has its place. Some time should be specially reserved for the purpose. But, such general debate should not be allowed to overshadow the main items.

22.33 It has been alleged that the tripartite has become less representative, particularly in regard to the labour representation on it. This inadequacy was sought to be met by giving special representation to groups which normally did not form part of the tripartite, but were brought in for discussion of specific issues. Even otherwise, the federations having the basic qualifications for entry into the tripartite are increasing in number. Labour representation on these bodies has to be thought out afresh. We go on the assumption that trade unions in the country have to be unified. On this assumption, giving representation to a large number of unions having different ideologies is likely to come in the way of attempts at unification. Representation at the ILC does give prestige to a federation and this prestige in effect may keep the federation away from reconciling its views with other federations represented in the tripartite. If a conscious attempt has to be made on all sides for a united trade union movement, the first step in the process would be a reduction in the number of federations. No one has suggested that the labour wing of the tripartite has not effectively brought to the forum the live problems of labour in the country as a whole. Reduction in the number of federations to be represented in the labour wing of the tripartite may raise eyebrows, but

¹Whiteley Commission's Recommendations, para 22.16 above.

LABOUR AND THE CONSTITUTION

will not undermine the efficacy of conclusions. It can be achieved by progressively raising the minimum membership required to give representation to a federation at the ILC/SLC, say every three years. The membership of each of the federations can be scrutinised at the end of every three years in a manner acceptable to the federations and the representation renewed/cancelled as permitted by the minimum membership conditions. As a first step, we suggest that representation at the tripartite should be restricted to those central organisations only which have a membership of at least 10 per cent of the unionised labour force in the country. There should be a review every three years to accord representation to organisations on this basis, but with the object of weeding out weaker federations to promote organisational solidarity.

22.34 The employers' representation at the tripartite forums too will have to be modified accordingly to maintain parity. Two of the three central organisations of employers represented at the ILC/SLC have already confederated for certain purposes into the Council of Indian Employers though they are still separately represented at the ILC/SLC. If the remaining organisation also gets affiliated to the Council, the latter can be represented at the ILC/SLC as the sole spokesman of employers. Alternatively, a similar method as proposed by us for representation of labour can be adopted for employers' representation as well.

22.35 The method of representation as suggested above will require a more elaborate communication system within the organisations representing the two sides at the ILC/SLC. That alone will help them to be increasingly representative of workers and employers and improve the effectiveness of the tripartite forums.

22.36 The work of the ILC/SLC, particularly because of the desire of employers and workers to be associated with supervising implementation, will acquire a complexity. To deal with it as a part of normal administration in the Labour Ministry has its disadvantages. There is at present a separate cell in the Labour Ministry for the purpose, but doubts have been expressed about its effectiveness in coordinating the information required for these forums. We recommend that a fairly senior officer of the Labour Ministry should be designated as Secretary to the Conference. He should have adequate staff support; his functions will be to project and meet the informational needs of the ILC/SLC and industrial committees as well as to coordinate the information available.

Labour—A Concurrent Subject:

22.37 We now discuss the position emerging out of the inclusion of 'labour' in the 'Concurrent List' in our Constitution and the consequences thereof both in the framing of labour policy and in its administration. In the process, we propose to discover the basis, if any, for a common labour code. In the years since Independence, various legislative measures have been enacted both by the Centre and the States. In cases where the beneficiaries are distinct and the benefits are new, no difficulties can arise. The State legislation merely supplements the Central Acts. However, if for the same class of beneficiaries, neighbouring States provide different benefits, avoidable difficulties can arise.

22.38 The current dichotomy between laying down policy and its administration has not been without difficulties. Equally serious has been the States' desire to have new legislation. On occasions, there have been debates over the responsibilities of administering specific pieces of legislation as between the Centre and the States, as also over defining the 'appropriate Government' for certain industries under the I.D. Act. For a long time since Independence, questions of this type were sorted out in the Labour Ministers' Conference or in the tripartite. There have been instances when, on the advice of the Central Government, a State had stayed its proposed action in the field of labour legislation. In some other States, in the light of criticism or advice emerging out of the ILC/SLC, the State law is made more acceptable in the All-India forum. Similar amity has prevailed in the matter of administration. This situation is likely to be affected by political developments leading to the formation of governments at the Centre and in the States by different and even opposing political parties. Recently, when the Centre proposed to accept responsibility in a particular instance in the matter of industrial relations in certain industries, the States showed resistance. Though this fact was a reiteration of a stand taken by the States some fifteen years ago, in the current situation, such differences acquire a new meaning.

22.39 If this is going to be the pattern for the future, the tripartite will have its limitations in promoting uniformity as explained in the previous section. What then is the way out? This was the point of our special inquiry during the course of seeking evidence. We sought help from the parties appearing before us on

the specific question whether they favoured a common labour code. In seeking a response on this issue, we started from the premise that since labour legislation had emerged over a period, the concepts/definitions and standards, as indeed the basic philosophy in some of the pieces of legislation, would have necessarily differed. Difficulties in administration consequent on it were to be considered as natural. In the new context, there is a possibility that such differences will be greater, bringing in their own administrative implications. In recognition of these difficulties, the response to the question on 'Common Labour Code' was affirmative wherever it was sought, though some discordant strains were also heard. Some even raised the basic question of labour being in the 'Concurrent List'. While the overwhelming argument was in favour of *status quo*, a very small section preferred to see it transferred to the 'Union List' and a still smaller section to the 'State List'. In this matter, we are of the opinion that labour should continue to be on the 'Concurrent List'. This brings us back to the question of uniformity in definitions and standards.

The Common Labour Code

22.40 Our Study Group on Labour Legislation examined the whole gamut of labour legislation in the country and the possibility of introducing a measure of uniformity in definitions and standards. In February 1968, when the interim report of the Group was presented to us with its tentative findings that the code was possible, we suggested to the Group that it should frame a draft code for our consideration, on the basis of the observations in its Interim Report, reproduced below:

"There are on the statute book about 108 enactments, both Central and State. Inevitably the necessity to legislate with speed, both in the Centre and State, has led to prolixity and repetitiveness in legislation. However, out of this mosaic pattern of Indian legislation, uniform standards must be evolved and incorporated into an all-India Code without detriment, either to the national interest or the interests of the working class, and at the same time safeguarding the gains made by labour and also standardising terms and conditions of service in the interest of production and economic growth.

"Any social law to be effective should not only be broad based and pervasive but should

be simple and direct so that it could be understood and respected and, therefore, accepted by the masses it seeks to govern. Its implementation should be easy so that the benefits could flow speedily and the access to the law should be inexpensive so that to the person denied or aggrieved the law is a reality as well as a true instrument of relief."

22.41 The Study Group, after some detailed work, helped us with a draft of the code along with its Final Report. As the term 'code' itself suggests, it means integration of different laws into a comprehensive statute having a common set of basic definitions and substantive rights and responsibilities to apply uniformly to all labour employed in the country. The objectives expected to be achieved by this unified labour code are: (i) a single set of definitions of the basic terms such as workman, employer, industry and wages and other significant terms; (ii) uniformity in the application of procedures and in the accrual of benefits to labour; and (iii) reduction in the multiplicity of administrative authorities and procedures now operating with little co-ordination, resulting at times in duplication of effort. We circulated the draft code to State Governments and central organisations of employers and workers and also invited public comments on it. The code, as drafted, has evoked considerable interest in many quarters, though its content has attracted an equal measure of criticism.

Summary of Evidence

22.42 The employers think that the framers of the code have gone beyond suggesting uniformity in those matters where such uniformity is desirable and feasible. The Study Group has brought in new laws or expanded the scope of existing legislation in the guise of evolving uniform standards. According to them, "the Group would have better served all the interests concerned if after analysing the existing Acts it had recommended realistic definitions and standards of service, appropriate division of area between the Centre and State, and uniform sanctions for breaches". Having said this and pointed out difficulties created by the application of different laws covering the same benefits in the same unit, they have made a suggestion that not more than one Act dealing with working and service conditions should apply to workers in the same work-place. The employers have further suggested the areas where codification is possible *viz.*, in laws relating to social security and settlement of industrial

disputes. They have added that the Study Group has laboured to evolve the code to bring about uniformity in labour legislation and identity of outlook as between Centre and State and that though this is a laudable objective, one cannot ignore the current debate on Centre-State relations. Unless the wider constitutional and other issues are first resolved, a mere acceptance of an all-India labour code, whatever its form, cannot lead to meaningful results.

22.43 Workers feel that with so much advance made in enacting Central legislation on many important subjects such as trade union registration, settlement of disputes, working conditions, minimum wages, social security, and bonus, it will be a futile exercise to re-write the law into a consistent piece. But apart from this futility, labour apprehends that in some cases the attempt to introduce uniformity through the code will adversely affect the privileges it has acquired. Though the Study Group made it its basic tenet to safeguard the existing benefits of labour, according to the workers, in translating the same into the code, this principle has been compromised to secure uniformity. Labour is organised in varying degrees in different States, and where as a result of State legislation it has acquired better conditions than envisaged under the Central Act, the operation of the code will disturb workers' privileges. Workers feel that it would be more desirable to cover the aspects not so far legislated upon, such as trade union recognition, gratuity and the like under a Central legislation and make it applicable throughout the country.

22.44 The reaction of the Governments to the code has also been mixed. The general view seems to be that though definitions and standards differ, for good reasons, too much of difference would be inimical to the interests of all concerned, including labour administration. At the same time, acceptance of a code would mean putting an important aspect of relations between man and man in a strait-jacket. What the code should do, according to them, is to prepare a model which both the Central and State Governments should keep in mind in enacting new pieces legislation or even in amending the existing ones. Many State Governments and the Union Labour Ministry would favour a *via media* which could mean a partial acceptance of the idea of the code, ensuring norms on certain crucial matters, and minimum benefits and common procedures on basic issues affecting labour. Another feeling largely shared

about the code among different sections is its special plea for uniformity. On this point it is felt that definitions under different enactments are framed to suit the objectives behind specific Acts. To have uniform definitions for all laws will defeat this purpose. While supervisory and managerial classes drawing a prescribed maximum salary are covered under the Bonus Act, the same if covered under the Industrial Disputes Act, will lead to serious problems of discipline. While it is true that these different definitions make the laws less comprehensible to labour particularly and create administrative complications, it will prove to be impracticable to lay down uniform definitions to govern multifarious substantive benefits presently extended to labour under different enactments. The purpose behind different definitions is sometimes to cover less privileged labour under a particular enactment, which otherwise is likely to be refused even the bare minimum protection sought to be granted under that law. Extension of such a law to all labour may mean freezing the benefits at a level lower than what certain sectors might already be getting or bringing law into disrespect by large scale non enforcement. The Minimum Wages Act, 1948 may be cited as an example in this regard.

22.45 On the other hand, too ambitious an attempt to frame a common set of definitions may lead to an unrealistic extension of certain benefits to sections of labour hitherto not covered on grounds of economic impracticability or administrative difficulties. While a factory lay-out, conducive to workers' health and safety as prescribed under the Factories Act, 1948, may be enforced on small factories having a prescribed minimum labour force, the same may not find it economical to provide benefits envisaged in the Employees' State Insurance Act, 1948. Extension of these benefits to the more dispersed and unorganised labour is likely to prove all the more impracticable. An attempt towards bringing extensive uniformity in definitions will either deprive certain sections of labour some minimum protection and benefits they are already getting or will seek to confer certain additional benefits on them which will go beyond the capacity of their employers. But while recognising the dangers of a uniform set of definitions for all labour laws, there is general agreement that such uniformity which or is in keeping with the objectives of certain statutory provisions or which does not drastically add to the scope of certain benefits will be desirable on consideration of simplicity of understanding and convenience of administration.

22.46 A practical drawback experienced in administering some of the statutory provisions under separate enactments is an avoidable multiplicity of certain procedures and authorities, generally causing delays and inconveniences to administrators as well as to beneficiaries, and in certain cases it means avoidable costs to all concerned. Filling of a large number of forms and their processing by authorities under numerous laws are commonly recognised hardships. While a simple stringing together of all laws into one may not really offer a solution because of certain inevitable details relating to the huge compass of the present labour legislation, an integration of laws relating to subjects having much in common can be a practicable solution.

22.47 On the subject of the code we refer to the view at the other extreme as expressed before us. Many employers who run shops or commercial establishments mentioned to us their difficulty in equipping themselves to meet the requirements of various labour laws. The solution, they suggested, was a separate but complete Act to govern shops and commercial establishments in place of the present Shops and Commercial Establishments Act, a State law. The comprehensive Act for the purpose, according to them, should cover the present legislation on shops and commercial establishments, some elements of the Standing Orders Act, 1946, the Industrial Disputes Act, 1947, and provisions for social security. A similar view was put forward by several small establishments concerned with manufacturing, plantations, mines, etc. We do not countenance this suggestion since it would mean differ-

ential legislation, merely on grounds of the nature of the work being different, in spheres where it does not seem to have justification.

22.48 Considering the variety of subjects, procedural as well as substantive, presently covered under labour legislation, we do not think it will be practicable to formulate a single Common Labour Code having uniform definitions all through and applying to all categories of industrial labour employed all over the country without any distinction. Having accepted the position that 'Labour' should continue in the Concurrent List, adjustments to suit local conditions in different States will have to be allowed which in some cases may not necessarily conform to the letter of a common code.

22.49 In order to bring about a feasible degree of simplification, and uniformity in definitions, we consider it should be possible to integrate those enactments which cover subjects having a common objective. For instance, the present Industrial Employment (Standing Orders) Act, 1946, the Industrial Disputes Act, 1947, and the Trade Unions, Act, 1926, can be combined into a single law. There can be a single law on Social Security integrating the present Workmen's Compensation Act, 1923, Employees' State Insurance Act, 1948, Provident Fund Act, 1952 and Maternity Benefits Act, 1961. Laws on working conditions could be brought together, but in doing so, the differences in the place of work should be duly taken into account. These together will mean a desirable simplification of the existing framework of labour laws.

CHAPTER 23

INDUSTRIAL RELATIONS—I

State intervention in the settlement of industrial disputes started with the Trade Disputes Act, 1929. The Act vested Government with powers which could be used whenever it considered fit to intervene in industrial disputes. It provided for only *ad hoc* conciliation boards and courts of enquiry. The amending Act of 1938¹ authorised the Central and Provincial Governments to appoint conciliation officers for mediating in or promoting the settlement of disputes. The Act, however, was not used extensively, as the Government policy at that time continued to be one of *laissez faire* and selective intervention at the most. Where Government intervened, the procedure consisted of appointing an authority which would investigate into the dispute and make suggestions to the parties for settlement or allow the public to react on its merits on the basis of an independent assessment.

Provincial Legislation

23.1 While this was the position in the country as a whole, a more purposeful intervention in industrial disputes was attempted in one of the industrially advanced Provinces—the Bombay Presidency. The Bombay Trade Disputes (Conciliation) Act, 1934², introduced for the first time a standing machinery to enable the State to promote industrial peace. A permanent cadre of conciliators was envisaged for settling matters which fell within their jurisdiction. The scope of the Act was limited to selected industries. The experience of the working of the Act, though in a limited sphere, led to the enactment of the Bombay Industrial Disputes Act, 1938 (BID Act). The important features of this new Act were the provisions for (a) compulsory recognition of unions by the employer, (b) giving the right to workers to get their case represented either through a representative union, or where no representative union in the industry/centre or in the unit existed through elected representatives of workers or through the Government Labour Officer, (c) certification of standing orders which would

define with sufficient precision the conditions of employment and make them known to workmen, (d) the setting up of an Industrial Court, with original as well as appellate jurisdiction, to which parties could go for arbitration in case their attempts to settle matters between themselves or through conciliation did not bear fruit, and (e) prohibition of strike/lock-out under certain conditions. This law was made applicable only to some industries in the Province. Shortly thereafter, the Government of India promulgated the Defence of India Rules to meet the exigencies created by the Second World War. Rule 81A gave powers to the appropriate Governments to intervene in industrial disputes, appoint industrial tribunals, and enforce the award of the tribunals on both sides. The BID Act was amended during the war years to provide for compulsory adjudication in unresolved disputes.

23.2 The BID Act was replaced by a more comprehensive legislation, *viz.*, the Bombay Industrial Relations Act, 1946 (BIR Act), but with the basic structure of the BID Act unchanged. At about the same time, the Government of India placed on the statute book the Industrial Employment (Standing Orders) Act, 1946, which provided for the framing and certification of Standing Orders covering various aspects of service conditions including the classification of employees, procedures for disciplinary actions and the like. In a way, this piece of legislation filled a void that existed in the Central industrial relations legislation.

The Industrial Disputes Act, 1947

23.3 The emergency war legislation (Rule 81A of the Defence of India Rules) was kept in operation pending the enactment of the Industrial Disputes Act, 1947 (the ID Act), which replaced the Trade Disputes Act, 1929, from April 1, 1947. With subsequent amendments, the I.D. Act still continues to be the main instrument for Government's intervention in labour disputes.

¹This was partly due to the recommendation of the Whitely Commission and partly the outcome of the experience gained in the working of the Bombay Trade Disputes (Conciliation) Act, 1934, (Ref. Para 23.1).

²'Labour' has been all along a subject on which both the Centre and the Provinces/Presidencies (now States) have enjoyed powers to legislate since the Government of India Act, 1919.

23.4 The I.D. Act provides for settlement of industrial disputes through conciliation and adjudication. The Act empowers the appropriate Government to appoint conciliation officers and/or constitute Boards of Conciliation to mediate in, and promote settlement of, industrial disputes. It also empowers the appropriate Government to refer disputes for adjudication by an industrial tribunal. The Act makes a distinction between disputes arising in public utility services and those in other industries and provides for compulsory conciliation and adjudication to resolve the former. Besides, the appropriate Government could constitute a Court of Enquiry to enquire into matters pertaining to an industrial dispute. Restrictions are placed on strike/lock-out in public utility services, and during the pendency of conciliation and adjudication proceedings. The procedures and machinery provided under the I.D. Act have been modified from time to time in the light of the actual working of these provisions, the decisions of the judiciary and the influence of the bipartite and tripartite agreements.

23.5 The period 1947-50 witnessed some important developments having a bearing on industrial relations, apart from a basic change in the attitudes of employers and workers. The Central Government was made the appropriate Government for disputes in Banking and Insurance, as these industries extended over more than one State/Province. The Trade Unions Act, 1926 was amended to provide for compulsory recognition of unions.¹ The Labour Appellate Tribunal was set up. The work of the tripartite bodies associated with the Labour Ministry started expanding. Comprehensive legislation was drawn up in the form of a bill for putting industrial relations on a sounder footing.

Plan Policies

23.6 The First Plan stressed the need for industrial peace for economic progress. While it wanted the State to arm itself with powers for intervention in labour disputes, the endeavour had to be to encourage mutual settlement, collective bargaining and voluntary arbitration to the utmost extent, and thereby to reduce to the minimum, occasions for its intervention in industrial disputes and exercise of the special powers². The Indian Labour Conference which met as these recommendations were formulated, favoured the retention of powers by Govern-

ment to refer matters to industrial tribunals rather than sole reliance on collective bargaining. The I.D. Act was amended in 1953 to provide for compensation in case of lay-off and retrenchment. The working of the Labour Appellate Tribunal (LAT) came up for criticism in tripartite meetings and a decision was taken in pursuance of the strong feelings expressed in these meetings, particularly by the labour representatives, that the LAT should be abolished.

23.7 The Second Plan envisaged a marked shift in the industrial relations policy consequent on the acceptance of the socialist pattern of society as the goal of planning. It emphasised mutual negotiations as the effective mode of settling disputes. Among the other recommendations in the Plan were demarcation of functions between works committees and unions, and increased association of labour with management. The I.D. Act was amended in 1956. The LAT was abolished through this amendment and a three-tier system of original tribunals—viz., labour courts, industrial tribunals and national tribunals—was brought in force. While the labour court would deal with certain matters regarding the propriety and legality of an order passed by the employer under the standing orders, and discharge and dismissal of workmen including reinstatement, the industrial tribunal adjudicates on matters like wages, allowances, hours of work, leave and holidays and other conditions of service. The national tribunal, to which matters similar to those adjudicated upon by a tribunal are referred, is appointed by the Central Government to decide disputes which involve questions of national importance and those which affect industrial establishments situated in more than one State.

23.8 The 15th Session of the Indian Labour Conference took note of these developments and the Second Plan recommendations and sought to evolve steps for their implementation. The Code of Discipline³ was drawn up and arrangements were made to educate workers through a scheme accepted by the tripartite. Complaints about non-implementation of agreements, settlements and awards were in the meanwhile disturbing the industrial scene. On the administrative side, provision was made to examine such complaints and place the conclusions thereof before a tripartite Evaluation and Implementation Committee. The foundations were thus laid for a policy of giving to

¹This provision was, however, not enforced (See para 20.72).

²First Five Year Plan p. 573.

³See Appendix (p. A 28)

the parties themselves a greater share in ensuring better enforcement of agreements, settlements and awards.

23.9 The Third Plan did not suggest any major change in policy. It emphasised the economic and social aspects of industrial peace and elaborated the concept that workers and management were partners in a joint endeavour to achieve common ends. The voluntary arrangements agreed to in the Second Plan were strengthened by the Industrial Truce Resolution, 1962, adopted in the wake of the Chinese aggression. The I.D. Act was amended in 1965 with a view to giving an individual worker the right to raise a dispute connected with his discharge, dismissal, retrenchment or termination of service, even if the cause of the individual workman was not espoused by any union or group of workmen.

23.10 To sum up, the existing arrangements for the prevention and settlement of industrial disputes consist of (a) statutory procedures and (b) voluntary arrangements. The former are covered by the Industrial Disputes Act, 1947 and certain similar State enactments. In essential details, the machinery provided for under the various enactments consists of works/joint committee, conciliation, voluntary arbitration, and adjudication by tribunals or industrial courts. Voluntary arrangements provide *inter alia* for recognition of unions, where no statutory provisions for it exist, the framing of a grievance procedure, reference of disputes to voluntary arbitration, setting up of joint management councils, implementation of agreements, settlements and awards and the setting up of industry-wise wage boards.

Industrial Relations Machinery

23.11 As has been mentioned, the present machinery for the settlement of industrial disputes comprises: (i) conciliation, (ii) arbitration and (iii) adjudication machinery—tribunals, industrial courts, etc. We propose to discuss in what follows the salient features of some of these existing arrangements for the settlement of industrial disputes and assess their working during the last twenty years with a view to evolving recommendations for the future. The topics we have chosen for discussion are (i) collective agreements; (ii) conciliation; (iii) voluntary arbitration; and (iv) adjudication. The relative merits and demerits of adjudication and collective bargaining as also issues connected with the right to strike/lock-out form part of the discussion.

Collective Agreements

23.12 Except for the industrial relations legislation in some States where arrangements for recognition of unions exist, there is no statutory recognition of unions for the country as a whole. Neither are there provisions which require employers and workers to bargain in 'good faith'. It is, therefore, no surprise that collective agreements have not made much headway in the country so far. Nonetheless, there have been more of such agreements than is popularly believed.

23.13 Some historical factors have also come in the way of collective agreements having a greater share in maintaining industrial harmony. The Whitley Commission found that the only attempt made to set up machinery for regulating the relations between a group of employers and their work-people was at Ahmedabad. Though the assessment of the Whitley Commission was made soon after the Trade Unions Act, 1926 was enforced, the situation did not change significantly in the period 1931 to 1947. Since Independence, however, trade unions have been growing and agreements with employers have become more common. The changing attitude of employers and the emergence of a new generation of employers and workers have also helped. Legal measures, in spite of their limitations, have lent as much support to collective agreements as joint consultations in bipartite and tripartite meetings at the national and industry levels. Even so, a sample study made by the Employers' Federation of India for the years 1956-1960 reveals that the number of disputes settled by collective agreements during the period in question varied between 32 per cent and 49 per cent in the units studied. Broadly, the agreements have been of three types: (i) agreements which have been drawn up after direct negotiations between the parties and are purely voluntary in character for purpose of their implementation; (ii) agreements which combine the elements of voluntariness and compulsion i.e., those negotiated by the parties but registered before a conciliator as settlements; and (iii) agreements which acquire legal status because of successful discussion between the parties when the matters in dispute were under reference to industrial tribunals/courts and could be considered *sub judice*, the agreements reached being recorded by the tribunals/courts as consent awards.

23.14 Most of the collective agreements have been at the plant level, though in important textile centres like Bombay and Ahmedabad, industry level agreements have been common. These have a legal sanction under the State

Acts and have to be distinguished from others where no statutory sanction prevails. Such agreements are also to be found in the plantation industry in the South and in Assam, and in the coal industry. Apart from these, in new industries like chemicals, petroleum, oil refining and distribution, aluminium, manufacture of electrical and other equipment, and automobile repairing, arrangements for settlement of disputes through voluntary agreements have become common in recent years. In ports and docks, collective agreements have been the rule at individual centres. On certain matters affecting all ports, all-India agreements have been reached. In the banking industry, after a series of awards, the employers and unions are in recent years coming closer to reach collective agreements. In the Life Insurance Corporation of India, except for the employers' decision to introduce automation which has upset industrial harmony in some centres, there has been a fair measure of discussion across the table by the parties for settling differences. On the whole, the record of reaching collective agreements has not been unsatisfactory, though its extension to a wider area is certainly desirable.

Conciliation

23.15 The aim of conciliation under the I.D. Act and under similar State Acts is to bring about a settlement in disputes through third party intervention. The conciliation machinery can take note of a dispute or apprehended dispute either on its own or when approached by either party. Under the I.D. Act, conciliation is compulsory in all disputes in public utility services and optional in other industrial establishments. Over the years, the optional provisions appear to be acquiring compulsory status in non-public utilities also. With a view to expediting conciliation proceedings, time-limits have been prescribed—14 days in the case of conciliation officers and two months in the case of a board of conciliation. A settlement arrived at in the course of conciliation is binding for such period as may be agreed upon between the parties or for a period of six months and will continue to be binding until revoked by either party. The Act prohibits a strike/lock-out during the pendency of conciliation proceedings before a Board and for seven days after the conclusion of such proceedings. While the conciliation officer is given the powers of a civil court under the Code of Civil Procedure, 1908 only for the purposes of compelling the production of docu-

ments, a Conciliation Board, like a Labour Court or an Industrial Tribunal, is in addition given the powers of a civil court to enforce attendance of persons, examine them on oath and call witnesses.

23.16 The performance of the conciliation machinery as indicated by statistics does not appear to be unsatisfactory. During the years 1959—66, out of the total disputes handled by the Central Industrial Relations Machinery each year, the percentage of settlements has varied between 57 and 83. The remaining disputes, it is reported, were settled mutually, referred to voluntary arbitration or arbitration under the I.D. Act or to adjudication, or were not pursued by the parties. While such has been the performance of the Central Industrial Relations Machinery, the success achieved in the States seems to be varied. In some it is impressive; in others disappointing. During the period 1965—67, the percentage of settlements reached in Bihar ranged from 51.0 to 86.0; in Orissa from 27.5 to 35.8 and in Assam from 65.5 to 92.3. In U.P., Punjab and Delhi, in the year 1966, the percentage of disputes settled during conciliation was 60, whereas in Rajasthan it was 40. In the southern region, conciliation is reported to be more successful in Kerala, where the percentage of disputes settled ranged around 80.¹ Though statistics are not available for Maharashtra and Gujarat, the opinion evidence in these States shows that the machinery on the whole has given a fair measure of satisfaction. It suggests that in many cases the success attributed to conciliation is due merely to the legal requirement to register the agreement. Also, a section of employers' and workers' organisations feels that many settlements reached in conciliation are over minor issues.

23.17 As against this mixed reaction to the working of the conciliation machinery, both employers and workers have expressed dissatisfaction over certain specific aspects of its functioning, such as the delays involved, the casual attitude of one or the other party to the procedure and lack of adequate background in the officer himself for understanding major issues.

23.18 Delays in conciliation are attributed partly to excessive work load on officers and partly to procedural defects. The evidence shows that delays occur in conciliation often for reasons which are beyond the control of the officer. Initially the parties supply scanty

¹Reports of the Study Groups for Industrial Relations—Eastern, Northern and Southern Regions.

information and adjournments are sought to collect additional information. On occasions, proceedings are adjourned at the instance of one or the other party or even both, to enable them to settle the matter. Since conciliation involves a good deal of persuasion and is a process of give and take helped by a third party, such adjournments become inevitable and have to be allowed. There are several cases, however, where a party seeks adjournment and the other acquiesces in it informally. And this causes some difficulty in sticking to the time-limit set for conciliation. While on the basis of the statistical information we have, it is difficult to establish the extent of such delays, it would be unfair to criticise the machinery on this account.

23.19 We feel, however, that the attitude of the parties to conciliation is extremely important for the success or failure of the officers' efforts. Conciliation is looked upon very often by the parties as merely a hurdle to be crossed for reaching the next stage. There is, therefore, a casualness about it in the parties and a habitual display of such casualness conditions the conciliator also into that attitude. The representatives sent by the parties to appear before him are generally officers who do not have the power to take decisions or make commitments; they merely carry the suggestions to the concerned authorities on either side. This dampens the spirit of a conciliator. We have been told by employers' and workers' organisations alike that the conciliation machinery is weakened because of its falling into this type of disuse in recent years. Such disuse has hindered the officers in acquiring a breadth of interest and depth of understanding in the disputes before them.

23.20 Reverting to the other aspect of delays in conciliation, it is difficult to devise a yardstick for measuring the work-load of an officer and to prescribe work norms for him. Work norms suggested to the Commission, such as 25 disputes of a general nature and 50 individual disputes to be completed in a month as proposed by one State, and 300 to 400 disputes per annum as suggested by one of our Working Groups, if applied to the number of cases dealt with at present in conciliation, would in fact mean increasing the strength of the personnel many-fold; and this may not be a practicable proposition.

23.21 Among the other suggestions for improving the effectiveness of conciliation officers are: (i) prescribing proper qualifications for a conciliation officer and improving his quality

by proper selection and training; (ii) enhancing his status appropriately for dealing with persons who appear before him; (iii) giving additional powers to the conciliator; and (iv) keeping him above political interference. While (i) is a general point which runs throughout the administration, (ii) is a matter for a body like the Pay Commission the appointment of which we have recommended for Central Government employees.¹ No direct evidence of the effect of (iii) and (iv) on the officers' efficiency is available and yet it would be prudent to recognise opinion evidence in this regard and give satisfaction to parties on these points.

23.22 We are in favour of a more basic re-arrangement of conciliation work which will bring about a qualitative change in the set-up. We recommend that the conciliation machinery, in order to be free from other influences—and we reiterate that such influences have not been proved before us—should be part of the Industrial Relations Commission which we are recommending. This will introduce important structural, functional and procedural changes in the working of the machinery as it exists today. The independent character of the Commission will inspire greater confidence in the conciliation officers. This will also, in due course, improve the attitude of the parties towards the working of the conciliation machinery. We expect the parties will be more willing to extend their co-operation to the conciliation machinery as now proposed and working independently of the normal labour administration. Apart from this basic change in the set-up of the conciliation machinery, there is need for certain other measures to enable the officers of the machinery to function effectively. Among these are (i) proper selection of personnel, (ii) adequate pre-job training and (iii) periodic in-service training through refresher courses, seminars and conferences and for most of these, there is a good measure of support in the evidence.

Voluntary Arbitration

23.23 Voluntary arbitration as a method of resolving industrial conflicts came into prominence with the advocacy by Mahatma Gandhi of its application to the settlement of disputes in the textile industry in Ahmedabad. The BID Act and the BIR Act recognised voluntary arbitration along with the machinery set up by the State for composing differences between employers and workers. The policies recommended in the Plans specifically mention voluntary arbitration. The I.D. Act was amended to make a provision (Section 10-A) for joint

¹See Para 26.32.

reference of industrial disputes to voluntary arbitration. But apart from the statutory arrangement for recourse to voluntary arbitration, considerable emphasis is placed on this mode of settling disputes in official pronouncements.

23.24 In spite of all these Governmental efforts, resistance to the idea continues. The Code of Discipline (1958) reiterated the faith of parties in voluntary arbitration and enjoined on employers and workers to resort to it on failure of other methods of resolving differences. In view of the continued reluctance of the parties, more particularly of the employers, the matter came up for discussion at various tripartite forums; but barring stray efforts, the situation of indifference to the idea continued throughout the period 1951—61. The Indian Labour Conference in August, 1962 reiterated the need for a wider acceptance of voluntary arbitration. But, as against the emphasis in the Third Plan which considered that voluntary arbitration should be the normal practice in preference to recourse to adjudication, the Conference felt "whenever conciliation fails arbitration will be the next normal step except in cases where the employer feels that for some reasons¹ he would prefer adjudication". A proviso, similar to the one which nullified in effect the operation of the need-based minimum², was added to this resolution of the Conference also in the following words:

"The reasons for refusal to agree to arbitration must be fully explained by the parties concerned in each case and the matter brought up for consideration by the implementation machinery concerned."

The Industrial Truce Resolution, November 1962, while re-emphasising voluntary arbitration, specified certain items which were amenable to this way of settling disputes. These were complaints pertaining to dismissal, discharge, victimisation and retrenchment of individual workmen not settled mutually.

23.25 To make voluntary arbitration more acceptable to the parties and to coordinate efforts for its promotion, Government has recently set up a National Arbitration Promotion Board (NAPB) with a tripartite composition. The Board will review the position, examine the factors inhibiting wider acceptance of this procedure and suggest measures to make it

more popular. The NAPB is also to evolve principles, norms and procedure for the guidance of arbitrators and the parties. It would look into the causes of delay and expedite arbitration proceedings, wherever necessary, and also specify from time to time the type of disputes which would normally be settled by arbitration in the light of tripartite decisions. While we wish that the NAPB will achieve its objectives, we are constrained to observe that voluntary arbitration has not taken root in spite of the influential advocacy for it in different policy making forums. Factors which have contributed to the slow progress of arbitration, as mentioned in the evidence before us, *inter alia*, are: (i) easy availability of adjudication in case of failure of negotiations; (ii) dearth of suitable arbitrators who command the confidence of both parties; (iii) absence of recognised unions which could bind the workers to common agreements; (iv) legal obstacles; (v) the fact that in law no appeal was competent against an arbitrator's award; (vi) absence of a simplified procedure to be followed in voluntary arbitration; and (vii) cost to the parties, particularly workers.

23.26 With little progress made in collective bargaining, which pre-supposes the existence of a recognised union representing all the employees and a responsive employer, who together build up over a period an attitude of mutual trust and an acceptance of *bona fides* on the two sides, it is perhaps not a matter for surprise that voluntary arbitration has so far had little success in India. We feel that with the growth of collective bargaining and the general acceptance of recognition of representative unions and improved management attitudes, the ground will be cleared, at least to some extent, for wider acceptance of voluntary arbitration. The National Arbitration Promotion Board may then have a better chance of success in the task of promoting the idea. The NAPB should pay special attention to preparing and building up suitable panels of arbitrators.

Adjudication

23.27 The ultimate legal remedy for the settlement of an unresolved dispute is its reference to adjudication by the appropriate Government. The Industrial Disputes Act, 1947, currently empowers the appropriate Government to constitute a labour court, industrial

¹The reasons as envisaged by the Conference were creation of new rights having wide repercussions or those involving large financial stakes.

²See Para 16.28.

tribunal or national tribunal to adjudicate in a dispute. Association of assessors with a tribunal is permissible for expert advice.

23.28 Matters to be referred to a labour court under the I.D. Act are broadly: the propriety and legality of an order of the employer, application and interpretation of the Standing Orders, the legality or otherwise of a strike or a lock-out, and discharge/dismissal including reinstatement, as listed in the Second Schedule to the Act. Labour courts set up under State legislation also deal with similar issues. Legal practitioners are permitted to appear before the labour courts or tribunals with the consent of the other party and with the permission of the court/tribunal. In the latter case, according to experience so far, the consent has become a mere formality. Unlike the BIR Act, the I.D. Act does not provide for appeal against an order of the labour court. In certain respects, a labour court/industrial tribunal has the power of a civil court under the Code of Civil Procedure, 1908. Any matter listed in the Second or Third Schedule of the I.D. Act can be referred to an industrial tribunal/national tribunal, the authority for constituting the latter being the Central Government. The Industrial Court under State legislation has, apart from adjudication functions, the power to entertain appeals against the decisions of the Registrar/Labour Commissioner/Labour Court/Wage Board constituted under the respective Acts.

23.29 It cannot be denied that during the last twenty years the adjudication machinery has exercised considerable influence on several aspects of conditions of work and labour-management relations. Adjudication has been one of the instruments for improvement of wages and working conditions and for securing allowances for maintaining real wages, for standardisation of wages, bonus and introducing uniformity in benefits and amenities. It has also helped to avert many work stoppages by providing an acceptable alternative to direct action and to protect and promote the interests of the weaker sections of the working class, who were not well organised or were unable to bargain on an equal footing with the employer. As against these advantages, certain procedural defects and indeed fundamental criticism have been brought to our notice. On the procedural plane we were told that adjudication is dilatory, expensive, and even discriminatory as the power of reference vests with the appropriate Government. Most of the analysis which has been made in detail with reference to conciliation applies to adjudication as well. On fundamentals, the objections are that the system of

adjudication has failed to achieve industrial peace, that it has inhibited the growth of unions and has prevented voluntary settlement of industrial disputes and growth of collective bargaining. We are of the view that while there are certain procedural deficiencies in the present system which need to be remedied, there is some substance also in each of the fundamental objections mentioned above against the system. At the same time, we cannot help feeling that the disadvantages are overstated. Adjudication was not conceived to prevent all work stoppages; the fact that Government may not refer a dispute to adjudication means that it should be settled, if need be, by direct action. Trade unions have certainly been growing during the period the adjudication system has been in vogue, and where conditions were favourable, voluntary settlement of disputes and collective agreements have been adopted in the last twenty years.

23.30 The moot point is whether adjudication inhibits collective bargaining and is antithetical to it. It certainly represents the availability of a third party to settle disputes. But the system, as it has been applicable in our country, did not exclude bipartite agreements. The parties have not been eligible to have such third party intervention directly and hence it could not inculcate in all cases a tendency to avoid mutual agreements. The infrequency of mutual negotiations cannot therefore be all accounted for by the system of adjudication as it has developed. In fact, a major handicap has been the absence of a recognised bargaining agent. But these issues cannot be decided on the basis of empiricism, as we have no means of ascertaining what would have happened in the absence of adjudication. We have, therefore, to analyse its efficacy on a broader plane and in terms of its alternative *viz.*, collective bargaining.

23.31 The place of collective bargaining as a method of settlement of industrial disputes has been debated in India since long, almost since the days of the Whitley Commission. The best justification for collective bargaining is that it is a system based on bipartite agreements, and as such, superior to any arrangement involving third party intervention in matters which essentially concern employers and workers. This is recognised even in our system in principle, but in practice, there seems to be a preference for adjudication.

23.32 The evidence appears to favour the increasing adoption of collective bargaining to settle disputes, and a gradual replacement of

adjudication. The desire for a shift to collective bargaining has, however, been tempered by a concern in some quarters for avoidance of work-stoppages and of unwarranted disturbances in industrial peace; and in others, by the organisational weakness of labour which cannot yet meet the requirements of effective collective bargaining. There is thus a general preference for collective bargaining with a built-in provision for arbitration in the event of failure of collective bargaining. The idea of leaving a certain area of disputes *i.e.*, public utility services and cases where national interests are involved—where adjudication should be permitted enjoys a large measure of support. The majority view appears to favour the introduction of collective bargaining subject to the above safeguards, in the organised sector, while retaining third party intervention in sectors mentioned earlier and where workers are not organised and conditions of work and wages have yet to reach a satisfactory level.

23.33 The advocates of collective bargaining argue that the present system, although giving lip sympathy to collective bargaining, has only perpetuated adjudication; that adjudication, which was expected to be a temporary measure till such time as labour came of age and could bargain with employers on an equal footing, has failed to fulfil the expectations; and that it has, by the very logic of its functioning, inhibited the growth of trade unions and made them litigious. The only way, it is argued, is a wholesale rejection of reliance on a third party for settlement of disputes and acceptance of collective bargaining with all its implications, including the right to strike/lockout. In suggesting this, it is conceded that collective bargaining in the initial stages may give rise to industrial strife and work-stoppages on a somewhat larger scale than at present, but there is confidence that this is bound to be a temporary phase and the situation will stabilise after an initial period of uncertainty.

23.34 Equally strong arguments have been urged in favour of continuing adjudication. It is stated that while adjudication has its defects, it has by and large succeeded in bringing about some measure of industrial peace in the country; that industrial relations would have been worse, and work-stoppages longer and indeed, what is more important, conditions of work would have been less attractive than what they are today, if things had been left to be settled by collective bargaining. Those who argue on these lines feel that the best course in the present situation is to carry on with the existing procedures, trying at the same

time to remove the obvious defects in the system through suitable improvements/modifications to make it more acceptable. Four specific points made in this connection are: (i) the circumstances which necessitated the provision of compulsory adjudication when the industrial disputes law was enacted in 1947, still continue; (ii) the parties, particularly unions, are still unprepared and incapable, because of organisational and other weaknesses, to shoulder full responsibilities of collective bargaining; (iii) immediate withdrawal of State intervention through adjudication will lead to chaos in the industrial field, which the country can ill afford; and (iv) there is always the third party to the dispute, *viz.*, the community; and the State, as representing the community, must have the right to intervene and compel the parties to submit to the decision of an adjudicator. For reasons stated in an earlier paragraph, empirical data can be no guide to settle this controversy.

23.35 The arguments in favour of either system cannot be settled on a theoretical plane nor on the basis of foreign experience. With reference to the latter, it could be said that the system adopted in any country will depend on a complex of circumstances which cannot be easily classified. The figures (Table below) of mandays lost due to work stoppages per 1,000 persons employed in mining, manufacturing, construction and transport industries for two five-year periods, in three countries which have a political democracy functioning and also a similar system for settlement of industrial disputes, seem to point to the same fact.

TABLE 23.1 : *Mandays lost due to work-stoppages per 1,000 persons employed*

Country	1955—59	1960—64
(1)	(2)	(3)
Sweden	21	6
United Kingdom	346	242
U.S.A.	1366	722

The variations are, indeed, striking. For Australia, comparable figures for the two periods are 406 and 350 respectively. One cannot on this basis accept collective bargaining, because the Swedish data are more favourable than the Australian; nor can one accept adjudication, because Australia makes a better showing than the U.S.A.

23.36 In finding a way out, we recognise that adjudication as it has developed in India has tended to prolong disputes; allegations of political pressures, though often without foundation, have been there. Discretion, though used by the appropriate Government in a fair manner, may appear to the workers/employers affected to have been unfairly used. On the other hand, collective bargaining as it has developed in the West may not be quite suitable for India; it cannot appropriately co-exist with the concept of a planned economy where certain specified production targets have to be fulfilled. Though we are not convinced that collective bargaining is antithetical to consumer interests even in a sheltered market, we envisage that in a democratic system pressure on Government to intervene or not to intervene in a dispute may be powerful. It may hardly be able to resist such pressures and the best way to meet them will be to evolve a regulatory procedure in which the State can be seen in the public eye to absolve itself of possible charges of political intervention. The requirements of national policy make it imperative that State regulation will have to co-exist with collective bargaining. At the same time, there are dangers in maintaining *status quo*. There is a case for shift in emphasis and this shift will have to be in the direction of an increasingly greater scope for, and reliance on, collective bargaining. But, any sudden change replacing adjudication by a system of collective bargaining would neither be called for nor practicable. The process has to be gradual. A beginning has to be made in the move towards collective bargaining by declaring that it will acquire primacy in the procedure for settling industrial disputes.

23.37 It follows that conditions have to be created for the success of this proposed change-over. An important pre-requisite of it is the grant of union recognition. We have to evolve satisfactory arrangements for union recognition by statute as also to create conditions in which such arrangements have a chance to succeed. Apart from this, we have to indicate the place which strike/lock-out will have in the scheme we propose. Collective bargaining cannot exist without the right to strike/lock-out. We discuss these two aspects but in the reverse order.

Strike/Lock-out

23.38 Conceptually, the right to strike/lock-out is recognised in all democratic societies; reasonable restraint on the use of this right is also recognised. The degree of freedom

granted for its exercise varies according to the social, economic and political variants in the system. For safeguarding public interest, the resort to strike/lock-out and, in some cases, the duration of either are subject to rules and regulations either voluntarily agreed to by the parties or statutorily imposed. This has been the criterion underlying the earlier legislation for regulating industrial relations in the country. In our current context, the connected issues have to be viewed against the requirements of a planned economy.

23.39 Under the Industrial Disputes Act, 1947, a distinction is made between a strike/lock-out in public utilities and in other employments. Industries such as Railways, Posts and Telegraphs, those which supply power, light or water and any system of public conservancy or sanitation are defined as public utility services under the Act, and in respect of certain others enumerated in the First Schedule to the I.D. Act, the appropriate Government is given the discretion to declare them as public utility services. The Industrial Disputes Act, 1947, makes a strike (or lock-out) in the public utility service illegal if it takes place (i) without giving to the employer a notice of strike within six weeks before striking; (ii) within fourteen days of giving such notice; (iii) before the expiry of the date of strike specified in any strike notice, and (iv) during pendency of conciliation proceedings—and seven days after the conclusion of such proceedings. In industries in general, a strike or lock-out is prohibited during the pendency of conciliation, arbitration or adjudication proceedings. Besides, the appropriate Government is empowered to issue an order prohibiting the continuance of any strike or lock-out in respect of any dispute when a reference is made to a Court/Board/Tribunal.

23.40. These provisions by themselves do not seem to have succeeded in curtailing work-stoppages; indeed they were not meant to prevent all stoppages. Annexure I gives data on work-stoppages due to industrial disputes since 1946. Labour has also devised new forms of agitation such as go-slow, work-to-rule etc., which fall beyond the purview of statutory provisions relating to strikes. A suggestion has been made to us to circumscribe all such forms of agitation by suitably widening the definition of strikes. We do not consider that legal restrictions alone will be of any help in reducing strikes or containing the new forms of labour protest. Unless the Government is prepared to take effective action against illegal strikes, and Government may not find it

expedient to do so in several cases, a mere classification of concerted action on the part of workers/employers as illegal will only bring the law into disrepute. If, on the other hand, Government is to enforce penalties for an illegal strike/lock-out, it is necessary to make the definition as simple as possible. New forms of labour protests should be treated as misconduct punishable under the service rules or under the standing orders.

23.41 We would like to refer here to a form of industrial unrest, namely, 'gherao' which came to be increasingly resorted to in one part of the country in recent years. Our Study Group on Industrial Relations (Eastern Region) which examined this problem came to a majority conclusion, one member dissenting, that 'gheraos', apart from their adverse effects on industry and economy of the country, strike at the very root of trade unionism. We endorse this view and deprecate resort to *gheraos* which invariably tend to inflict physical duress on the person(s) affected and endanger not only industrial harmony but also create problems of law and order. If such means are to be adopted by labour for realisation of its claims, trade unions may come into disrepute. It is the duty of all union leaders therefore to condemn this form of labour protest as harmful to the interests of the working class itself. *Gheraos* cannot be treated as a form of industrial protest since they involve physical coercion rather than economic pressure. In the long run, they may affect national interest.

23.42 The general view regarding strike/lock-out as revealed in the evidence before us is that the right to direct action should be allowed following the failure of all the procedures available for settlement of disputes, except in the case of specified industries/services wherein a stoppage of work may endanger public interest or affect the nation's economy or threaten the security of the State. Even those who are opposed to any State interference in industrial disputes concede this point.

23.43 The democratic ideals of the State prevent it from abridging individual freedom, but its socialist objectives justify the Government's regulation of such freedom to harmonise it in a reasonable measure with the interests of the society. What seems called for, therefore, is a reconciliation of these two points of view. While we are not in favour of a ban on the right to strike/lock-out, we are also not in favour of an unrestricted right to direct action. In our view, the right to strike is a democratic

right which cannot be taken away from the working class in a constitutional set-up like ours. Even from the practical point of view, we will not favour such a step. Taking away the right of the workers to strike, may only force the discontent to go underground and lead to other forms of protest which may be equally injurious to good labour-management relations. At the same time, there are certain essential industries/services wherein a cessation of work may cause harm to the community, the economy or the security of the nation itself and as such, even this right may justifiably be abridged or restricted, provided, of course, a specific procedure is laid down for remedies and redressal of grievances. Therefore, in such industries, the right to strike may be curtailed but with the simultaneous provision of an effective alternative like arbitration or adjudication to settle disputes. We do not wish to enumerate the industries/services that should be classified as 'essential'; the listing of 'essential' industries should be left to the Parliament to decide.¹

23.44 It has been brought to our notice that there are instances wherein the leadership of a union has called for a strike without consulting the membership and sometimes even when members were known to be against the strike. No statistical evidence is available to show how widespread this situation is. It can be remedied only by providing for a compulsory strike ballot before a call for direct action is given. One cannot also be certain that once a dispute has gone on to the stage of a strike notice, the leadership will not be in a position to influence the bulk of their members to vote in favour of it. We are inclined to think that our situation in regard to the effects that flow from cessation of work and consequent losses, direct and indirect, warrants the imposition of certain restrictions on recognised unions before launching a strike. We, therefore, suggest that every strike should be preceded by a strike ballot, open to all members of the union concerned and that the strike decision must be supported by 2/3rd of members present and voting. The notice of strike should contain a clause to show that such ballot has been taken and the requirement about the needed majority has been satisfied.

23.45 In this connection, we would attach importance to the issue of a prior notice of strike/lock-out. At present, the law provides for such a notice in case of public utility services only. We would recommend its extension to all industries/services.

¹The observations in this paragraph are the subject matter of a Minute of Dissent by Shri Vasayada, Shri Ramanjuam and Shri Malviya.

23.46 The present provisions in the I.D. Act about other restrictions on strike/lock-out and their regulation seem to meet the situation subject to some modifications that may be called for in the light of our other recommendations.

Recognition of Unions

23.47 We attach considerable importance to the matter of recognition of unions. Industrial democracy implies that the majority union should have the right to sole representation i.e., the right to speak and act for all workers and to enter into agreements with the employer. That the need for a provision for union recognition has been realised is evident from the provision in the BID Act and its successor the BIR Act and certain other State Acts (Madhya Pradesh and Rajasthan), the amendment incorporated (but not enforced) in the Trade Unions Act, and the Code of Discipline.

23.48 Since we will have occasion to refer to the scheme of recognition outlined in the BIR Act later, we propose to mention it in some detail. The BIR Act, 1946 provides for the classification of registered trade unions as (i) Representative Unions (having a membership of not less than 15 per cent employees in any industry in a local area); (ii) Qualified Unions (5 per cent membership in any industry in a local area); and (iii) Primary Unions (15 per cent of employees in an undertaking). Among the unions in a 'local area', the order in which the unions will get representation will be the same as indicated above. Unions in each category enjoy certain privileges, as indeed they have obligations. The Act further stipulates that in case no union has the recognised status, workers can either elect their own representatives or allow the Government Labour Officer to speak on their behalf to the employer. Legislation in Madhya Pradesh and Rajasthan has corresponding provisions for recognition. In Bihar, a tripartite committee decides how recognition should be granted to a union.

23.49 The need for a provision for recognition of unions was stressed in the Second Plan.¹ Because of the desire to go slow on legislation, recognition was provided for on a voluntary basis in the Code of Discipline. According to the criteria in the Code, a union claiming recognition should have been functioning at least for a period of one year as a registered union and should have the specified membership. In case more than one union is functioning in an establishment, the membership

of all eligible unions is verified by the Chief Labour Commissioner (Central) if the establishment falls under the Central sphere, or the State Implementation Officer/the State Labour Commissioner in other cases, in accordance with the procedure evolved at the tripartite Standing Labour Committee. Once a union is recognised under the Code, it is entitled to enjoy this status for at least two years from the date of recognition. A union which does not observe the Code can be de-recognised.

23.50 We have thus, over the last ten years, the experience of securing recognition for a union both on a statutory and on a voluntary basis. It shows that the former has distinct advantages. On this point there is a fair measure of support in the evidence before us. It would be desirable to make union recognition compulsory under a Central law, in all undertakings employing 100 or more workers, or where the capital invested is above a stipulated size. A trade union seeking recognition as a bargaining agent from an individual employer should have a membership of at least 30 per cent of the workers in the establishment. If it is for an industry in a local area, the minimum membership should be 25 per cent. Where more unions than one contend for recognition, the union having a larger following should be recognised.

23.51 Serious differences exist, however, on the manner in which the following of a union is to be determined: whether it should be by (a) verification of the fee-paying membership of the unions, or (b) election by secret ballot. The issue has long been debated in Central and State Legislatures, tripartite forums and public platforms, but without reaching unanimity. In the evidence before us, we find support in every interest—Governments, employers, workers and independent observers—to one or the other procedure evenly balanced. Advocates of one method or the other did not seem to recognise the 'whip' of their central organisations. That is also the reason why the issue has acquired more importance.

23.52 Those in favour of verification of membership base their preference on the premise that (i) it is the support of fee paying, stable membership of a registered trade union that alone should entitle it to the representative status, and (ii) a regular check by a competent authority can satisfactorily determine whether or not the membership claims are genuine. Regular paying membership ensures financial

¹Second Five Year Plan, p. 573.

viability of a union and enables it to discharge effectively its other responsibilities. They concede that membership could be open to inflation and even manipulation, but contend that the remedy should be to introduce a greater measure of vigilance in verification arrangements, if necessary by entrusting them to an independent authority. They oppose secret ballot on the ground that it would introduce topical political issues about which a union may not be directly concerned as a union and create an election atmosphere, with some leaders making promises which they will never fulfill. Workers in our country, according to this view, are not yet used to making a rational choice of what is good and creative when confronted with demagogic slogans and rousing of emotional sentiments which can be whipped up over any industrial or non-industrial issue. Moreover, regular payment of union dues, on which verification relies, is itself an open vote of workers in favour of a union which submits to verification. Supporters of this line of thought question the appropriateness of the analogy of political choice through adult franchise, because there can be no 'Government and opposition' in the running of industry. Also secret ballot, in this view, will give a severe blow to the trade union movement itself. In the absence of any qualification prescribed for eligible voters, there can be no incentive for workers to join a union.

23.53 The supporters of secret ballot, on the other hand, base their case primarily on the ground that it is the most democratic way of expressing a choice. Membership verification as a basis for selection of the representative union is considered unsatisfactory as it is at best an indirect method. When membership records and accounts of subscriptions received are often in an unsatisfactory state, and there are admittedly many questionable ways of boosting membership claims, the task of verification, according to this view, becomes complex. There is the added disadvantage of delay built into the procedure itself. Sampling method, however, effective in other aspects of human activity, should not be used in the sensitive area of union recognition. Processes similar to those used in choosing the Government of a country are well recognised by workers; the basis of representation in industrial democracy need be no different from that of any other institution. In this view, the Indian worker is now grown up to know what is good for him and to make a rational choice. If he can be discerning in the choice of political leaders, it would not be right to deny him the responsibility of choosing representatives who will give

him economic satisfaction. The fear of wild promises and rousing of passions swaying the worker can be exaggerated. Such false promises cannot be expected to win ballots all the time.

23.54 The Council of Indian Employers has suggested an alternative which provides for verification as also election by secret ballot in certain circumstances. According to this proposal, the membership of the contending unions has to be verified by the concerned authority and the majority union which should have at least 30 per cent membership is to be given recognition. In case, however, two or more unions have 30 per cent or more membership, and the difference between the membership of any two of them is less than 10 per cent, a secret ballot of all workers in the establishment should be arranged to determine the most representative union.

23.55 But whether it is verification or secret ballot, the trend of the evidence is unmistakably in favour of an independent authority to deal with various matters relating to recognition. Such an authority alone would be able to inspire confidence among the unions/parties and eliminate suspicions of favouritism in this vital area. Although State Governments, public sector employers and some others have suggested the continuation of the present arrangement, viz., verification through government machinery, they do not seem to object to the setting up of an independent agency for this purpose. Several study groups including the Study Group on Labour Legislation and the Industrial Relations Study Groups and a number of employers and trade union organisations have expressed a strong preference for the setting up of an independent authority to deal with these matters. As regards the basis for recognition, however, the Eastern and Western Region (Industrial Relations) Study Groups have favoured secret ballot by all workers while the Southern Region Group has favoured verification of membership. The Northern Region Study Group and the Study Group on Labour Legislation did not express themselves in favour of either, but left the choice of method to the authority concerned. Several Industry Study Groups have shown preference for secret ballot.

23.56 Much of the opposition to membership verification today is the outcome of fears of manipulation and interference by the administrative authority, fears which are not always unfounded. It is reasonable to expect that verification will become more acceptable, if entrusted to an independent quasi-judicial authority. Similarly, election by secret ballot

may find favour with those who now oppose it, when an independent authority conducts it, strictly according to accepted regulations. The best course, therefore, seems to be to leave the choice of method, in any particular case, to the discretion of an independent authority. We suggest that this task should be entrusted to the Industrial Relations Commission(s) proposed by us. The Commission will have the power to decide the representative character of unions either by examination of membership records, or if it considers necessary, by holding an election through secret ballot open to all employees.¹ We are confident that this proposal would be welcomed by all parties. The Commission would deal with the recognition work in its various aspects: (i) determining the level of recognition—whether plant industry, centre-cum-industry—to decide the majority union, (ii) certifying the majority union as the recognised union for collective bargaining, (iii) generally dealing with other related matters. The union thus recognised will retain its status for a period of two years and also thereafter till its status is effectively challenged.

Rights of Recognised and Other Unions

23.57 A union recognised as the representative union under any procedure, should be statutorily given, besides the right of sole representation of the workers in any collective bargaining, certain exclusive rights and facilities to enable it to effectively discharge its functions. Among these are the rights:

- (i) to raise issues and enter into collective agreements with employers on general questions concerning the terms of employment and conditions of service of workers in an establishment or, in the case of a representative union, in an industry in a local area;
- (ii) to collect membership fees/subscriptions payable by members to the union within the premises of the undertaking; or demand check-off facility;
- (iii) to put up or cause to be put up a notice board on the premises of the undertaking in which its members are employed, and affix or cause to be affixed thereon, notices relating to meetings, statements of accounts of its income and expenditure and other announcements which are not abusive, indecent, inflammatory or subversive of discipline;

- (iv) to hold discussions with the representatives of employees who are the members of the union at a suitable place or places within the premises of office/factory/establishment as mutually agreed upon;
- (v) to meet and discuss with an employer or any person appointed by him for the purpose, the grievances of its members employed in the undertaking;
- (vi) to inspect, by prior arrangement, in an undertaking, any place where any member of the union is employed;
- (vii) to nominate its representatives on the grievance committee constituted under the grievance procedure in an establishment;
- (viii) to nominate its representatives on statutory or non-statutory bipartite committees, e.g., works committees, production committees, welfare committees, canteen committees, and house allotment committees.

On most of these points there is a fair measure of unanimity in the evidence before us.

23.58 We consider that industries, in which workers are organised on an industry/area basis and in which collective bargaining has developed at the industry/area level, should maintain and encourage this practice of recognising unions at the industry/area level. Such recognition may give rise to certain problems in regard to the circumstances in which it should be granted and in regard to the rights and functions of plant-wise unions vis-a-vis the industry/area unions, particularly when the majority union at the plant level has no affiliation with the recognised industry/area union. It has been brought to our notice that employers of units in which the industry-level recognised union has no following, find themselves in a difficult situation when confronted by the demands of the plant union, which they cannot ignore. This situation can only be set right by a proper demarcation of the rights and functions of the industry/area recognised unions and plant-wise unions, and by ensuring that recognition at the industry/area level is conferred subject to certain well defined conditions. We consider that industry-wise recognition is desirable, wherever possible. We are, therefore, not in favour of recognition being granted to plant unions in an area/industry wherein a union has been recognised for an industry/area as a whole.

¹Shri Vasavada, Shri Ramanujam and Shri Malviya do not agree. Their views are in the Minute of Dissent.

23.59 We now come to the related question of the rights to be given to the minority (unrecognised) unions. The view taken by the Indian Labour Conference in 1964 was that minority unions should enjoy the right to represent individual grievances relating to discharge, dismissal and other conditions of service of their members. It was argued by some that the grant of this right might to a certain extent, reduce the strength of the majority union. When the majority union is recognised as the sole bargaining agent on behalf of all the employees in the undertaking, the question of some employees being represented by a minority union should not arise in so far as general demands/issues are concerned. However, in regard to certain matters of individual rights and grievances and their representation, the opinion has been in favour of giving some rights, though of a very limited nature, to the minority unions. We recommend that the minority unions should be allowed only the right to represent the cases of dismissal and discharge of their members before the labour court.

Our Approach

23.60 While we discuss the arrangements for the settlement of industrial disputes when they arise, we must emphasise that real industrial harmony is possible only when conditions are created for avoidance/prevention of disputes. While no procedure, however carefully worked out, can entirely eliminate industrial disputes and conflict, frequent discussions between the employer and the representatives of workers will be of considerable assistance in reducing the areas of conflict. The system of industrial relations as it has developed since Independence has kept avoidance of conflict/disputes as one of its two basic objectives, the other being expeditious settlement of disputes when they do arise. The role of Government in pursuit of the former objective cannot be gainsaid. Emphasis has been laid on the creation of the necessary atmosphere for the development of labour management cooperation through the adoption of a suitable institutional framework for joint consultation, redress of grievances and the like. It is perhaps true that these procedures which will be discussed in the next chapter in detail were not as effective as expected and this objective could only be partly realised. This is due as much to the absence of certain important factors, such as the existence of a united trade union movement and the provision for recognition of unions as to the emphasis laid on compulsory adjudica-

tion for the settlement of disputes. Whatever be the nature or causes of disputes, most of them can be amicably settled, given the goodwill and desire to come to a settlement on the part of the employers and the employees. It is in this context that we emphasise the adoption of procedures which will promote effective bipartite consultations and collective bargaining between the parties.

Industrial Relations Commission

23.61 We have referred earlier to certain weaknesses in the working of the existing industrial relations machinery viz., the delays involved, the expenditure, the largely ad hoc nature of the machinery, and the discretion vested in the Government in the matter of reference of disputes. There have also been allegations of political pressures and interference. While many of the allegations may not be true, we cannot be oblivious to the fact that in some cases the decisions of Government, though fair, have not appeared to be so to the aggrieved parties. And this aspect cannot be entirely ignored in framing our recommendations. The evidence before us is strongly in support of reforming the industrial relations machinery, so as to make it more effective and more acceptable. What is called for, therefore, is a formal arrangement which is independent in character, expeditious in its functioning and which is equipped to build up the necessary expertise. We consider that it would not be enough to secure some of these improvements through suitable modifications in the existing machinery. A more basic change is called for, and this can be ensured only through the replacement of the present ad hoc machinery, by a permanent machinery, which will be entirely independent of the administration. We, therefore, recommend the setting up of an Industrial Relations Commission (IRC) at the national and State levels, for settling interest disputes, broadly covering matters listed in the Third Schedule to the I.D. Act.¹

23.62 The IRC would combine in itself both the conciliation and adjudication functions. We believe that there is a definite advantage in having the conciliation machinery working within the IRC, since both will be concerned with 'interest' disputes, though at different stages. An interchange of knowledge, information and expertise can thus be ensured. We have also recommended in an earlier section that all matters concerning recognition of a union as a representative union for purposes of collective bargaining should be

¹For procedure for settlement of disputes in small units or units in which workers are not organised, see para 30.47.

entrusted to an independent authority. We consider that it would be advantageous to entrust this function also to the proposed IRC. It would obviate the need for creating another independent body. In addition to the IRC, we also suggest the setting up of Labour Courts which would be entrusted with the judicial functions of interpretation and enforcement of all labour laws, awards, and agreements.

23.63 The set up of the proposed machinery will broadly be on the following lines:

(A) *The Industrial Relations Commission (IRC):*

- (i) There should be a National Industrial Relations Commission appointed by the Central Government for industries for which that Government is the appropriate authority. The National IRC would deal with such disputes which involve questions of national importance or which are likely to affect or interest establishments situated in more than one State, i.e., disputes which are at present dealt with by National Tribunals.
- (ii) There should be an Industrial Relations Commission in each State for settlement of disputes for which the State Government is the appropriate authority;
- (iii) The National/State IRC will have three main functions: (a) adjudication in industrial disputes, (b) conciliation and (c) certification of unions as representative unions.
- (iv) The strength of the National/State Commission should be decided taking into account the possible load on it and the need for expeditious disposal of cases; its membership should not exceed seven.
- (v) The Commission should be constituted with a person having prescribed judicial qualifications and experience as its President and equal number of judicial and non-judicial members; the non-judicial members need not have qualifications to hold judicial posts, but should be otherwise eminent in the field of industry, labour or management;
- (vi) Judicial Members of the National Industrial Relations Commission, including its President, should be appointed from among persons who are eligible for appointment as Judges of a High Court;
- (vii) The terms and conditions of service and the age of superannuation of the judicial members of the National/State IRC should be similar to those of the judges of the High Courts.
- (viii) The President of the National Industrial Relations Commission will be appointed by the Union Government in consultation with a committee consisting of the Chief Justice of India, the Chairman of the Union Public Service Commission (UPSC) and the senior-most Chief Justice in the High Courts;
- (ix) The other members of the National Industrial Relations Commission will be appointed by the Union Government in consultation with the Chief Justice of India, the Chairman of the UPSC and the President of the National Industrial Relations Commission;
- (x) In regard to the State Industrial Relations Commission, the President of a State IRC will be appointed by the State Government in consultation with the Chief Justice of India, the Chief Justice of the State and the Chairman of the State Public Service Commission;
- (xi) The other members of a State Industrial Relations Commission will be appointed by the State Government in consultation with the Chief Justice of the State High Court, the Chairman of the State Public Service Commission and the President of the State Industrial Relations Commission;
- (xii) The Conciliation Wing of the Commission will consist of conciliation officers with the prescribed qualifications and status. In the cadre of conciliators, there will be persons with or without judicial qualifications. Those who have judicial qualifications would be eligible for appointment as judicial members of the Commission after they acquire the necessary experience and expertise. Others could aspire for membership in the non-judicial wing;
- (xiii) The Commission may provide arbitrators from amongst its members/officers, in case parties agree to avail of such services;
- (xiv) The Commission may permit its members to serve as Chairmen of the Central/State Wage Boards/Committees if chosen by the Government for such appointment;

- (xv) The functions relating to certification of unions as representative unions will vest with a separate wing of the National/State IRC. The National IRC may, where it considers necessary, get the following of the contending unions determined by the State IRCs.

23.64 The procedure for the settlement of disputes would be as follows:

- (i) After negotiations have failed and before notice of strike/lock-out is served, the parties may agree to voluntary arbitration and the Commission will help the parties in choosing an arbitrator mutually acceptable to them.
- (ii) After negotiations have failed and notice of strike/lock-out has been served, either party may approach the Commission for naming a conciliator within the Commission to help them in arriving at a settlement during the period covered by the said notice.
- (iii) In essential industries/services, when collective bargaining fails and when the parties to the dispute do not agree to arbitration, either party shall notify the IRC, with a copy to the appropriate Government, of the failure of such negotiations, whereupon the IRC shall adjudicate upon the dispute and its award shall be final and binding upon the parties.
- (iv)¹ In the case of "Others" (non-essential industries/services), following the failure of negotiations and refusal by the parties to avail of voluntary arbitration, the IRC, after the receipt of notice of direct action (but during the notice period), may offer to the parties its good offices for settlement. After the expiry of the notice period, if no settlement is reached, the parties will be free to resort to direct action. If direct action continues for 30 days, it will be incumbent on the IRC to intervene and arrange for settlement of the dispute.¹
- (v)¹ When a strike or lock-out commences, the appropriate Government may move the Commission to call for the termination of the strike/lock-out on the ground that its continuance may affect the security of the State, national economy or public order, and if after hearing the Government and the parties concerned

the Commission is so satisfied, it may for reasons to be recorded call on the parties to terminate the strike/lock-out and file their statements before it. Thereupon the Commission shall adjudicate on the dispute.¹

- (vi) (a) If a State IRC is seized of any dispute and it appears to the Central Government that the decision on the said dispute is likely to have an impact on similar industrial undertakings in other States, it will be open to the Central Government to move the National IRC to take the said dispute on its file. When such an application is made, the National IRC shall hear the parties concerned, and if it comes to the conclusion that it is necessary to take the case on its file, it shall call for the papers in relation to the said dispute from the State IRC and shall proceed to deal with and decide the dispute.
- (b) Similarly if a State IRC is seized of any dispute and it appears to the National IRC that the decision on the dispute is likely to have an impact on similar industrial undertakings in other States, and if after hearing the parties the National IRC comes to the conclusion that it is necessary to take the case on its file, it will be open to the National IRC to call for the papers in relation to the said dispute from the State IRC and decide the dispute on merits.
- (vii) When a State IRC is possessed of any dispute, and during the hearing it comes to the conclusion that the decision on the said dispute will have an impact on similar industrial undertakings in other States and that it is desirable that the dispute should be tried by the National IRC, it may, after hearing the parties concerned, transmit the case to the National IRC which will thereupon try the said dispute.
- (viii) Where a dispute is brought before the National IRC, and the Commission after hearing the parties comes to the conclusion that it may be desirable or expedient that the said dispute should be dealt with by the appropriate State IRC it may remit the case to the said State IRC for disposal and on receiving the record of the said dispute, the State IRC shall proceed to deal with it.

¹Shri Vasavada, Shri Ramanujam and Shri Malviya do not agree for reasons explained in their Minute of Dissent.

- (ix) If the Commission substantially grants the demands in support of which the strike was called and comes to the conclusion that the said strike was justified because of the refusal of the employer to grant the said demands, the Commission while making its award may direct the employer to pay the employees their wages during the strike period.
- (x) In case a strike becomes necessary as a result of the changes sought to be introduced by the employer in the terms and conditions of employment of his employees and the Commission comes to the conclusion that the change(s) was/were not justified and the strike was justified, the employees will be entitled to wages for the period of strike.
- (xi) If the demands in support of which the strike was called are not granted by the Commission and it holds that the strike was unjustified, wages for the period of the strike will not be granted.
- (xii) If the Commission holds that demands which led to the lock-out were justified and the lock-out was not justified, the Commission in granting the demands may order that the employees should be paid their wages during the period of the lock-out.
- (xiii) If the Commission holds that the demands were not justified and the lock-out was justified the employees will not be entitled to claim wages for the period of the lock-out.
- (xiv) If during the pendency of the strike or thereafter, the employer dismisses or discharges an employee because he has taken part in such strike, it would amount to unfair labour practice¹ and on proof of such practice, the employee will be entitled to reinstatement with back wages.
- (xv) All collective agreements should be registered with the IRC.
- (xvi) An award made by the IRC in respect of a dispute raised by the recognised union should be binding on all workers in the establishment(s) and the employer(s).

(B) Labour Courts

23.65 In addition to the Industrial Relations Commission, we also suggest the setting up of standing Labour Courts which would be entrusted with judicial functions of interpretation and enforcement of all labour laws, awards and agreements. These courts will deal broadly with disputes relating to matters mentioned in the Second Schedule to the I.D. Act, in respect of the industrial relations issues brought to them.

- (i) There will be a labour court in each State constituted of judicial members only. The strength and location of such courts will be decided by the appropriate Government;
- (ii) Members of the labour court will be appointed by Government on the recommendations of the High Court. Generally, the Government should be able to choose from a panel given by the High Court in the order in which the names are recommended;
- (iii) Labour courts will deal with disputes relating to rights and obligations, interpretation and implementation of awards of either the National or State IRC and claims arising out of rights and obligations under the relevant provisions of laws or agreements, as well as disputes in regard to unfair labour practices and the like.
- (iv) Labour courts will thus be the courts where all disputes specified in clause (iii) will be tried and their decisions implemented. Proceedings instituted by parties asking for the enforcement of rights falling under the aforesaid categories will be entertained by labour courts which will act in their execution jurisdiction in that behalf. Appropriate powers enabling them to execute such claims should be conferred on them.
- (v) Appeals over the decisions of the labour court in certain clearly defined matters, may lie with the High Court within whose area/jurisdiction the court is located;

Unfair Labour Practices

23.66 Provision of legal protection to unions is a corollary to the promotion of healthy industrial relations and recognition of unions as

¹see para 24.66.

the sole representatives of workers. It is, therefore, important to write into the law provisions to prohibit and penalise unfair labour practices, on the part of both the employer and the recognised union. An attempt was made to define these practices both in the Trade Unions (Amendment) Act, 1947 (not enforced) and in the Industrial Relations Bill, 1950. The Code of Discipline (1958) contained a reference to unfair labour practices to be avoided by unions and managements. In February, 1968, the Government of Maharashtra set up a Committee on 'Unfair Labour Practices' to define activities which should be treated as unfair labour practices on the part of employers and workers and their organisations and to suggest action to be taken. In its unanimous report presented to the Maharashtra Government in July, 1969, the Committee listed various acts of omission and commission which constitute unfair labour practices. The lists are at Annexure II. These could form a suitable basis for the enumeration of unfair labour practices.

23.67 We recommend that the law should enumerate various unfair labour practices on the part of employers and on the part of workers' unions; and provide for suitable penalties for committing such practices. Complaints relating to unfair labour practices will be dealt with by the labour courts. They shall have the power to impose suitable punishments/

penalties which may extend to de-recognition in case of unions and heavy fine in case of an employer found guilty of such practices.

23.68 Having made these recommendations, we think it is necessary to emphasise the fact that the main consideration which has influenced our decision in making these recommendations is that the setting up of the Industrial Relations Commission with two wings will, in the long run, make negotiations between the parties more earnest and serious and thus introduce a new era of successful collective bargaining: We recognise that in the initial stages of the working of this scheme, mutual negotiations may not always succeed; but we hope that where this happens, sustained effort by the Commission's conciliation wing will materially assist the parties in reaching satisfactory solutions to their problems amicably. If this process continues for some time, the number of industrial disputes which will go before the Commission for its adjudication will gradually decrease and that is the end which we have in mind. We have made these several recommendations in the confident hope that the end would be achieved if the scheme which we have recommended is accepted by the Government. These recommendations constitute one integral scheme and, for their success, must be given effect to as a whole.

Work-Stoppages

Data on work-stoppages and mandays lost are available for the country as a whole over a long period. We present below the data for the period since 1946 (Tables I to IV). In analysing the statistics, we have to keep in mind the limitations the data suffer from. Because of incomplete reporting and differences in geographical coverage, they are not strictly comparable over the years. The aggregate picture of the number of work-stoppages and the number of workers involved and mandays lost does not convey the magnitude of the impact of work stoppages on production and on the community. There are certain key sectors of the economy and essential services like railways, defence establishments, ports and docks, other

forms of transport, and banking, where work-stoppages of even a short duration can have far-reaching consequences. Further, these data do not include mandays lost due to political strikes, *bandhs* and other non-industrial action. Again, in interpreting these data and assessing on that basis the success or otherwise of industrial relations policy, one should not miss the general limitations of a mere statistical approach to human problems; and problems created by work-stoppages are indeed such. There is also the fact that stoppages become unavoidable on occasions, but the essence of policy is to minimise such occasions. It is in this context that any analysis of time loss due to strikes/lock-outs has to be viewed.

TABLE I: *The number of disputes, the number of workers involved, and the number of mandays lost since 1946.*

Year	No. of disputes	No. of workers involved ('000)	No. of mandays lost ('000)
1	2	3	4
1946	1,629	1,926	12,718
1947	1,811	1,841	16,563
1948	1,259	1,069	7,837
1949	920	685	6,601
1950	814	720	12,807
1951	1,071	691	3,819
1952	963	809	3,337
1953	772	467	3,383
1954	840	477	3,373
1955	1,166	528	5,698
1956	1,203	715	6,992
1957	1,630	889	6,429
1958	1,524	929	7,798
1959	1,531	694	5,633
1960	1,583	986	6,537
1961	1,357	512	4,919
1962	1,491	705	6,121
1963	1,471	563	3,269

	1	2	3	4
1964		2,151	1,003	7,725
1965		1,835	991	6,470
1966		2,556	1,410	13,846
1967		2,815	1,490	17,148
1968(P)		2,477	1,252	13,834

(P): Provisional.

N.B. (i) These statistics on industrial disputes as published in the Indian Labour Year Book/Indian Labour Statistics cover strikes/lock-outs which involve 10 or more workers directly or indirectly, but exclude political strikes or sympathetic demonstrations and closures for reasons like shortage of raw material, break-down in machinery or supply of power or financial reasons.

(ii) The above statistics cover all sectors of economic activity and relate to Part A States, Ajmer and Delhi only upto 1956. The coverage of the statistics changed radically thereafter due to reorganisation of States.

Source: Indian Labour Statistics.

TABLE 2: Mandays lost by States ('000)

States	1957	1961	1966	1967
1	2	3	4	5
1. Andhra Pradesh	233	201	562	92
2. Assam	116	72	72	209
3. Bihar	962	159	258	1,233
4. Gujarat . . . . .	..	52	139	309
5. Kerala	1,004	395	2,296	2,318
6. Madhya Pradesh	164	216	172	347
7. Madras	720	176	678	1,091
8. Maharashtra	880 ¹	580	3,693	2,202
9. Mysore	365	81	523	254
10. Orissa	274	237	18	126
11. Punjab ²	6	7	315	271
12. Rajasthan	32	51	50	63
13. Uttar Pradesh	239	517	995	1,526
14. West Bengal	1,341	2,144	3,813	5,925

N.B. 1. The figures relate to composite Bombay—Maharashtra and Gujarat.

2. The figures relate to the composite Punjab upto 31-10-1966 and to the reorganised State of Punjab from 1-11-1966. They also includes those disputes which were continuing on 31-10-1966 although the establishment concerned came under Haryana on reorganisation.

Source: Indian Labour Statistics.

TABLE 3: *Time loss per one thousand workers in the main sectors of the economy*

Year	Manufacturing			Plantations			Mining		
	No. of mandays lost (in '000)	Estimated employment (in '000)	Mandays lost per 1000 workers	No. of mandays lost (in '000)	Estimated employment (in '000)	Mandays lost ¹ per 1000 workers	No. of mandays lost (in '000)	Estimated employment (in '000)	Mandays lost per 1000 workers
1	2	3	4	5	6	7	8	9	10
1957	3923	3323	1181	514	1274	403	1023	655	1562
1961	3796	3716	1022	210	1210	174	357	671	532
1964	5893	4391	1342	435	N.A.	N.A.	421	687	613
1965	4756	4505	1056	306	1166 (P)	262(P)	640	691	926
1966	9150	4484	2041	2303	N.A.	N.A.	437	699 (R)	625(R)
1967	12401	4523(P)	2742	330	N.A.	N.A.	1633	671	2434

N.B. P : Provisional. R : Revised. N.A. : Not available.

¹Figures for mandays lost related to all plantations, while estimated employment relates to tea, coffee, and rubber only.

Source : Indian Labour Statistics.

TABLE 4: *Distribution of Number of Disputes by Causes*

Year	Wage & Allowances	Bonus	Personnel & Retrenchment	Leave & Hours of work	Others	Total cases
1	2	3	4	5	6	7
1947	32.0	10.9	19.5	5.2	32.4	1,794
1951	29.4	6.8	29.3	8.2	26.3	1,026
1956	28.3	8.8	39.7	5.7	17.5	1,103
1957	29.6	13.6	30.9	5.0	20.9	1,556
1961	30.4	6.9	29.3	3.0	30.4	1,314
1964	34.9	7.9	27.4	2.0	27.8	2,122
1965	33.5	9.9	27.3	2.5	26.8	1,825
1966	35.8	13.2	25.3	2.4	23.3	2,536
1967	39.9	10.9	23.6	1.0	24.6	2,760

Source : Indian Labour Statistics.

Unfair Labour Practices¹

I—On The Part Of The Employers

(1) To interfere with, restrain or coerce employees in the exercise of their right to organise, form, join or assist a trade union and to engage in concerted activities for the purpose of mutual aid or protection, that is to say—

- (a) threatening employees with discharge or dismissal, if they join a union;
- (b) threatening a lock-out or closure, if a union should be organised;
- (c) granting wage increase at crucial periods of union organisation with a view to undermining the efforts of organisation.

(2) To dominate, interfere with, or contribute support—financial or otherwise—to any union, that is to say:

- (a) an employer taking an active interest in organising a union of his employees; and
- (b) an employer showing partiality or granting favour to one of several unions attempting to organise or to its members.

NOTE—This will not affect rights and facilities, if any, (arising out of the fact of recognition) of recognised unions.

(3) To establish employer-sponsored unions.

(4) To encourage or discourage membership in any union by discriminating against any employee, that is to say:

- (a) discharging or punishing an employee because he urged other employees to join or organise a union;
- (b) refusing to reinstate an employee because he took part in a lawful strike;
- (c) changing seniority rating because of union activities;
- (d) refusing to promote employees to higher posts on account of their union activities;

(e) giving unmerited promotions to certain employees, with a view to sow discord amongst the other employees or to undermine the strength of their union;

(f) discharging office-bearers or active union members, on account of their union activities.

(5) To discharge or discriminate against any employee for filing charges or testifying against an employer in any enquiry or proceedings relating to any industrial disputes.

(6) To refuse to bargain collectively in good faith with the union certified as a collective bargaining agent.

(7) To coerce employees through administrative measures, with a view to secure their agreements to "voluntary" retirements.

II—On the Part of the Trade Unions

(1) For the union to advise or actively support or to instigate an irregular strike or to participate in such strike.

NOTE—'An irregular strike' means an illegal strike and includes a strike declared by a trade union in violation of its rules or in contravention of its conditions of recognition or in breach of the terms of a subsisting agreement, settlement or award.

(2) To coerce workers in the exercise of their right to self-organisation or to join unions or refrain from joining any union, that is to say:

- (a) for a union or its members to picket in such a manner that non-striking workers are physically debarred from entering the work-place;
- (b) to indulge in acts of force or violence or to hold out threats of intimidation in connection with a strike against non-striking workers or against managerial staff.

¹Government of Maharashtra, Report of the Committee on Unfair Labour Practices, July 1969.

(3) To refuse to bargain collectively in good faith with the employer.

(4) To indulge in coercive activities against certification of a bargaining representative.

(5) To stage, encourage or instigate such forms of coercive actions as wilful "go slow" or squatting on the work premises after working hours or "gherao" of any of the members of the managerial staff.

(6) To stage demonstrations at the residence of the employers or the managerial staff members.

III—General Unfair Labour Practices

(1) To discharge or dismiss employees:—

- (a) by way of victimisation;
- (b) not in good faith but in the colourable exercise of the employer's rights;
- (c) by falsely implicating an employee in a criminal case on false evidence or on concocted evidence;
- (d) for patently false reasons;
- (e) on untrue or trumped up allegations of absence without leave;
- (f) in utter disregard of the principles of natural justice in the conduct of domestic enquiry or with undue haste;

(g) for misconduct of a minor or technical character, without having any regard to the nature of the particular misconduct or the past record of the service of the employees, so as to amount to shockingly disproportionate punishment;

(h) to avoid payment of statutory dues.

(2) To abolish the work being done by the employees and to give such work to contractors as a measure of breaking a strike.

(3) To transfer an employee malafide from one place to another under the guise of following management policy.

(4) To insist upon individual employees, who were on legal strike, to sign a good conduct-bond as a pre-condition to allowing them to resume work.

(5) To show favouritism or partiality to one set of workers, regardless of merit.

(6) To employ employees as "badlis", casuals or temporaries and to continue them as such for years, with the object of depriving them of the status and privileges of permanent workers.

(7) To encroach upon contractual, statutory, or legal rights of the other party, by either party.

NOTE:—The word "employee" used in the List No. III above does not include an employee whose duties are essentially managerial.

INDUSTRIAL RELATIONS—II

In the approach we have evolved for achieving industrial harmony, we have emphasised the need for creating conditions where disputes become redundant. Suggestions essentially connected with the prevention of disputes and the promotion of good labour management relations may now be dealt with. We group them under (A) Joint Consultation, (B) Code of Discipline, (C) Grievance Procedure and (D) Disciplinary Procedures.

JOINT CONSULTATION

24.1 The urge on the part of workers to know more about their place of work in all its relevant aspects and be associated with its activities is not new. It shows itself in different forms in different communities. The forms themselves have assumed appropriate names according to the content which has varied from mere voluntary sharing of information by management with the workers to formal participation by the latter in running the enterprise. Not all these have been experimented in the country nor are those which have been tried out accepted as so successful that workers have made a demand for it on the employer or the employer on his own has formally invited workers for such cooperation. It cannot be denied, however, that each one has shown its utility, albeit limited. In India, the experiment has mainly taken two forms: (i) the statutory works committees/joint committees and (ii) joint management councils, accepted voluntarily by central organisations of employers and workers in 1958 and operated in some units. It is only these that we propose to deal with.

(i) Works Committees/Joint Committees

24.2 Section 3(1)(2) of the I.D. Act provides for the setting up of a works committee consisting of representatives of management and employees, in every undertaking employing 100 or more workmen, "to promote measures for securing and preserving amity and good relations between the employer and the workmen and to that end, to comment upon matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matters". The representatives of the workmen, whose number shall not be less than the number of representatives of the employer, are to be chosen from among

the workmen engaged in the establishment and in consultation with their registered trade union, if any. Under the Bombay Act, joint committees can be set up, but only in units which have recognised unions. On this practice of consultation, therefore, we have experience of both arrangements (i) where the union may or may not be consulted in the setting up of a committee and (ii) where the recognised union is fully in the picture.

24.3 The usefulness of works committees as a channel for joint consultation and the need for strengthening and promoting this institution was stressed in the labour policy statements in the successive Plans. The legal requirement and the encouragement given by the Government led to the setting up of works committees in a number of undertakings; the pace of progress was, however, slow and uneven in different parts of the country. The number of works committees set up was 1,142 in 1951. It rose to 2,574 in 1959-60 (out of 4,730 required to be set up) and 3,133 in 1965-66 (out of 5,091 required to be set up). But mere numbers, though important, do not count. The general feeling among knowledgeable people in the country is that the committees have not proved effective. This is borne out by several research studies, though some have come to the conclusion that where there is enough understanding on both sides about the need for such consultations, the committees have achieved a measure of success. Where the committees have not succeeded, all assessments have pointed out that the failure is due partly to the fact that the committees are statutory, and thus an imposition on the employer, but mainly because the parties concerned do not evince sufficient interest in them. According to us, this diagnosis is but partial and so are the remedies suggested. Policy statements on this basis have thus not helped in vitalising the works committees. For instance, the debate has continued for some time on the premise that vagueness in the legal definition of the scope and functions of the committees was largely responsible for their failure. To remedy this defect, the Indian Labour Conference drew up in 1959 an illustrative list of items which works committees would normally deal with and a list of items which would be beyond their scope. The former included consultation on (i) conditions of work such as ventilation, lighting, temperature and sanitation including latrines

and urinals, (ii) amenities such as drinking water, canteens, dining rooms, rest rooms, medical and health services, (iii) safety and accident prevention, occupational diseases and protective equipment, (iv) adjustment of festival and national holidays, (v) administration of welfare and fine funds, (vi) educational and recreational activities, (vii) promotion of thrift and savings, and (viii) implementation and review of decisions arrived at in meetings of works committees. The items specifically excluded were: discussion on (i) wages and allowance, (ii) bonus and profit-sharing bonus, (iii) rationalisation and matters connected with the fixation of work load, (iv) matters connected with fixation of a standard labour force, (v) programmes of planning and development, (vi) matters connected with retrenchment and lay-off, (vii) victimisation for trade union activities, (viii) provident fund, gratuity schemes and other retirement benefits, (ix) quantum of leave and national and festival holidays, (x) incentive schemes, and (xi) housing and transport services. This clarification of the scope and functions of the works committees helped. But, as with all remedies where the basic weakness is not properly sorted out, it could not work for long and the more fundamental issue of trade union acceptance of works committees soon came to the surface.

24.4 In the evidence before us, State Governments have expressed the view that the advisory nature of the recommendations, vagueness regarding their exact scope and functions, inter-union rivalries, union opposition, and reluctance of employers to utilise such media have rendered works committees ineffective. The employers' associations have attributed the failure of works committees to factors like inter-union rivalries, union antipathy, and the attitude of members (workers' wing) in trying to raise in the committee discussion on extraneous issues. According to the unions, conflict between union jurisdiction and the jurisdiction of the works committees and the unhelpful attitude of the employers have generally led to their failure.

24.5 We consider that the effectiveness of these committees will depend on the following factors:—

- (a) a more responsive attitude on the part of management;
- (b) adequate support from unions;
- (c) proper appreciation of the scope and functions of the works committees;

- (d) whole-hearted implementation of the recommendations of the works committees; and
- (e) proper coordination of the functions of the multiple bipartite institutions at the plant level now in vogue.

24.6 Even at the risk of repeating the obvious, we mention a vital point which requires to be recognised. It is the creation of an atmosphere of trust on both sides. Unions should feel that management is not side-tracking the effective union through a works committee. Management should equally realise that some of their known prerogatives are meant to be parted with. Basic to the success of such unit level committees is union recognition. Where a recognised union exists, as under the BIR Act, and it has accepted the responsibility of the arrangement, joint committees have a better showing. We take this as a pointer to our recommendations.

24.7 We have recommended elsewhere compulsory recognition of unions in establishments employing 100 or more workers and in units above a stipulated capital investment¹ The same stipulation about size should apply to formation of works committees under new arrangement. The main change that we recommend—and in our view it is a fundamental one—is in regard to representation of the workers' side on the works committee. The recognised union should be given the right to nominate all worker members on this body. With union recognition obligatory, this would eliminate the most important cause of conflict and antipathy between unions and works committees. Other hurdles such as (a) apathy of the management; (b) vagueness regarding the exact scope of its functions; (c) inadequate implementation of unanimous conclusions, will all fall in their proper place. Taking the suggestions of the ILC regarding the scope and functions of works committees, already referred to, as a guide, division of functions between the recognised union and the works committee should be a matter of agreement between the employer and the recognised union.

(ii) Joint Management Councils

24.8 The Joint Management Councils (JMC) owe their origin to the following observations made in the Government's Industrial Policy Resolution (April 1956): "In a socialist democracy, labour is a partner in the common task of development and should participate in it with enthusiasm..... There should be joint consultation, and workers and technicians

¹See Para 23.50

should, wherever possible, be associated progressively in management. Enterprises in the public sector have to set an example in this respect."¹

24.9 The Second Plan sought to translate the spirit of this part of the Government Resolution in the statement on labour policy. In doing so, it showed a measure of caution as much as it indicated the criteria against which the success of the experiment should be assessed.² When the Second Plan was published, the working of arrangements similar to the JMCs within the country was almost unknown. International experience which could be relied upon was also inadequate. For studying such experience as was available, a Study Team on 'Workers' Participation in Management' was deputed to some European countries. The report of the team underlined a non-statutory approach, and that too, on an experimental basis, to implement the recommendations in the Plan but warned against the dangers of copying from the more advanced industrial communities. The 15th Session of the ILC, in accepting this recommendation of the team, appointed a tripartite committee to work out details of the suggested experimental scheme. The present scheme of JMCs is based on the draft prepared by this Committee, as subsequently modified by two tripartite national seminars on the subject held in 1958 and 1960.³ The main objectives in the establishment of JMCs were to promote cordial relations between management and workers, build up understanding and trust between them, effect substantial increase in productivity, secure better welfare and other facilities for workers, and train them to understand and share the responsibilities of management. A requirement, which was considered basic to the establishment of the JMC, was emphasised in the first of these seminars (1958) in the following words:

"The seminar was convinced that Joint Councils will thrive only in an atmosphere of mutual confidence and goodwill. It took note of the gradual improvement in the attitude of employers and trade unions towards each other and felt that there was a need for continuous educative work both on the side of labour and management."

24.10 The essential features of the scheme for JMC are: (i) the Council is entitled to be consulted on certain specified matters; (ii) in some others, the management is expected to share information with the Council; and (iii) in a set of functions, administrative responsibilities have to be given to it. These areas are listed in Annexure I. In drawing up this list, it was made clear that if the parties to the JMC agreement so desired, the items in the list could be altered and transferred from one group to the other. In fact, much more was left to the parties to settle than is popularly recognised. This wide scope has not been utilised fully by the JMCs. In the light of the freedom given to the JMCs themselves, we feel that the criticism in several quarters against the tripartite recommendations that it put the scheme in a "strait-jacket" does not seem to be valid. For reasons well known, all matters such as wages, bonus and allowances which are subjects for collective bargaining were excluded from the scope of the JMC. Arrangements were also made by the Government of India to draw up a panel of names from the employers' and workers' organisations at various centres. The panel was maintained for advising the JMCs if they ran into difficulties and needed advice. By and large, therefore, we recognise that adequate precautions were taken for the JMCs to evolve into a potent force for improving the prospects of industrial harmony.

24.11 The Third Plan, in its approach to the problem of industrial relations, elaborated this policy of associating labour more and more with management and accepted the progressive extension of the scheme of JMCs as a major programme. It recommended the setting up of JMCs in all industrial undertakings found suitable for the purpose so that, in due course of time, the scheme might become a normal feature of the industrial system.

24.12 Against these policy statements, considerable promotional effort was needed for the success of the scheme. This promotional effort has been as much the responsibility of Governments, Central and State as of the central organisations of employers and workers. The Government of India on its part set up a tripartite committee on labour-management cooperation to advise on all matters connected with

¹Second Five Year Plan, p. 49.

²*Ibid.*, p. 577.

³The first of these seminars was attended by representatives of labour and management from units which had agreed to introduce the JMC. The seminar worked out the various steps for giving a right start to the JMCs. The second seminar reviewed the experience of the working of the JMCs and reiterated their usefulness.

the implementation of the Scheme. A special cell was also set up in the Department of Labour and Employment. Most State Governments have designated special officers to promote the Scheme. So far, JMCs have been set up in about 150 undertakings—both in the public and in the private sectors. Attempts to promote wider acceptance of the idea of JMCs appear to have met with little success over the years, though evaluation reports show that where the Councils are taken seriously by both parties and attempts made to work towards the purpose for which they are set up, the JMCs have shown results.

24.13 There does not appear to be much support for the institution of JMCs in their present form. Even where the Councils exist, they are reported to be ineffective and their functioning unsatisfactory in many cases. The reasons are not far to seek. Although representatives of central organisations of employers and workers supported the scheme at national conferences and committees, they have shown inadequate interest in making their affiliates enthusiastic about it. Progressive employers who already have a system of consultation with their workers, through a recognised union and/or works committees, find the JMC in its present form superfluous; managements are generally averse to having a multiplicity of joint bodies and so are unions. In undertakings in which industrial relations are not cordial, and even arrangements like works committee, grievance procedure, and union recognition, are absent, JMCs cannot be expected to function satisfactorily.

24.14 Many employers have objected to the title of the scheme, *viz.*, 'Workers' Participation in Management' and they have not showed willingness to waive their prejudice even after seeing the details of the scheme which merely envisages more consultations with workers and seeking their cooperation. The official title for the Scheme is Labour-Management Cooperation. On the side of workers also, there is often a desire to go outside the framework within which the councils are expected to function. There is an insistence on a discussion of matters which the employers' side finds itself incompetent to settle/discuss. While these and many other reasons have been given for lack of interest in the JMCs, the fact remains that the JMCs have not been a resounding success at any place either from the point of

view of employers or labour. If they had been, one or the other party would have worked for popularising it further.

24.15 In regard to the future of the JMCs, our view is that when the system of union recognition becomes an accepted practice, both managements and unions will themselves gravitate towards greater cooperation, in areas they consider to be of mutual advantage and set up a JMC. In the meanwhile, wherever the management and the recognised trade union so desire, they can by agreement enhance the powers and scope of the works committee to ensure a greater degree of consultation/cooperation amalgamating, to the extent desired, the functions of the two. In any case, multiplicity of bipartite consultative arrangements at the plant level serves no purpose.¹

CODE OF DISCIPLINE

24.16 The discipline to observe the 'rules of the game' is an attitude of mind and requires, apart from legislative sanctions, persuasion on a moral plane. Attempts by public authorities to appeal to finer sentiments and to arouse responsive attitudes are not unknown. In our context, certain developments in the years before the Second Five Year Plan, such as inadequacy of Governmental machinery for implementation, instances of non-observance of awards on the side of some employers, and indiscipline among workers, all contributed to the following statement in the Second Plan:

"While the observance of stricter discipline, both on the part of labour and management, is a matter which cannot be imposed by legislation it has to be achieved by organisations of employers and workers by evolving suitable sanctions on their own—some steps, legislative or otherwise in case of rank indiscipline require to be thought of".²

24.17 The Government which was formed in 1957 shifted the emphasis from legislation to voluntary arrangements. There was clearly a need for bringing home to the parties—Government, employers and workers—an awareness of their obligations under labour laws, as also to create in them an attitude of willing acceptance of their responsibilities and a readiness to discharge them. It was in this context that the question of discipline in industry was discussed in the Indian Labour Conferences

¹Subject to Minute of Dissent by Shri Vasavada, Shri Ramanujam and Shri Malviya.

²Second Five Year Plan, p. 578.

and the Code of Discipline the Code¹ laying down the rights and obligations on all sides came to be formally announced in June, 1958. It has been accepted since by all industries in the private sector, except the banking and the newspaper industries. The Code has also been accepted by all companies and corporations in the public sector except the ports and docks, defence undertakings and railways, in all of which difficulties arose because of the provision in the Code allowing recognition of one union only.

24.18 The Code enjoins on parties to refrain from taking unilateral action in connection with any industrial matter, to utilise the existing machinery for settlement of disputes with the utmost expedition, and to abjure strikes and lock-outs without notice and without exploring all avenues of settlement. It also discourages recourse to litigation and recommends that disputes not mutually settled should be resolved through voluntary arbitration. The employers are required to recognise the majority union in an establishment or industry and set up a mutually agreed grievance procedure. The workers are not to resort to go-slow, coercion and intimidation, etc. Unfair labour practices are to be given up, whether on the part of employers or workers. Both employers and unions are required to take appropriate action against their officers and members found indulging in action against the spirit of the Code. The message of the Code gradually spread to organisations other than those represented at the Indian Labour Conference. To some extent, the official pronouncements about the Code also helped. Thus, in the early years, it was considered worth giving the Code a serious trial. Its working came up for discussion in every tripartite forum as also in the Annual Reports of the Ministry of Labour and Employment. It soon became an instrument to which credit/discredit was given for industrial peace/conflict and was perhaps conveniently used by employers and workers to point out the shortcomings of the other side.

24.19 To measure the success or otherwise of the Code merely with reference to industrial peace, as has been attempted in certain circles, appears to be inappropriate. Peace or conflict is a complex of various factors. To state only one of them would not be enough in judging the operation of the Code in its proper perspective. To eulogise the Code for favourable trends in industrial relations or to

condemn it as unworkable when the labour situation is difficult, is unwarranted. Factors like mutual consultation at different levels, development of sanctions—though limited in their operation—against members/affiliates within the central organisations, occasional recognition granted to unions, and even less occasional withdrawal of cases in the law courts which irked one side or the other, were exercising a wholesome influence on industrial peace. At the same time, inflationary price trends, the state of unemployment and other irritations in the economic system, as indeed the unfavourable attitude of some employers' and workers' organisations, had an adverse effect on industrial harmony, particularly in the last few years. These latter, according to the evidence before us, indicate a measure of failure of all parties to adhere to the spirit of the Code.

24.20 It cannot be denied that in the early years, the Code focussed the attention of the parties prominently on their obligations under the various labour laws and enjoined on them a stricter observance of these and other obligations associated with work in an industrial environment. The fact that the parties got together and openly accepted the need for stricter adherence to certain basic propositions was in itself an achievement. When breaches were enquired into and openly discussed in tripartite committees or reported upon publicly, the very process of discussions produced a restraining and sobering effect on the parties, and instances of gross violations of laws and repudiation of responsibilities declined. However, with the passage of time, the attitude to the Code changed and no special attention is now being paid to it. The question therefore is whether the Code should be revived.

24.21 The evidence before us suggests that the Code has had a limited success as also a limited use. The Code began acquiring rust and the parties were none too eager to take it off; they developed an attitude of indifference. Among the factors mentioned as responsible for this are: (i) the absence of a genuine desire for and limited support to, self imposed voluntary restraints on the part of employers' and workers' organisations, (ii) the worsening economic situation which eroded the real wage of workers, (iii) the inability of some employers to implement their obligations, (iv) a disarray among labour representatives due to rivalries, (v) conflict between the Code and the Law, and above all (vi) the state of

¹For details of the Code of Discipline in Industry, see Appendix IV.

discipline in the body politic. As regards the future of the Code, the evidence is overwhelmingly in favour of giving a legal form to its important provisions regarding recognition of unions, grievance procedure, unfair labour practices, and the like. Our conclusion, therefore, is while that part of the Code which enjoins stricter observance of obligations and responsibilities under the various labour laws may be left to the normal process of implementation and enforcement by the labour administration machinery, some others need to be formalised under law. These are:

- (1) Recognition of a union as bargaining agents;
- (2) Setting up of a grievance machinery in an undertaking;
- (3) Prohibition of strike/lock-out without notice;
- (4) Penalties for unfair labour practices; and
- (5) Provision of voluntary arbitration.

24.22 With the removal of these provisions from the Code to give them a legal form, the Code will have no useful function to perform.

GRIEVANCE PROCEDURE

24.23 Prompt redressal of individual grievances is essential for sustaining good labour-management relations, and promoting efficiency at the plant level. Absence of machinery for it leads to small grievances developing into collective disputes. The type of grievances we have in mind are those arising out of complaints affecting one or more individual workers in respect of their conditions of work and not disputes over matters of general applicability to all. Till the enactment of the Industrial Employment (Standing Orders) Act, 1946,¹ the settlement of day-to-day grievances of workers did not receive much attention in our legislative framework. The Act has, however, limited applicability; it applies only to those establishments employing hundred or more workers and does not provide for bipartite discussion or for prompt redressal of grievances. Welfare officers appointed under the Factories Act, 1948 are generally given the task of dealing with individual complaints of workers. Individual disputes relating to discharge, dismissal and retrenchment can now be taken

up for relief under the Industrial Disputes Act, 1947, after the amendment to it in 1965.

24.24 But whatever be the legal provision, bipartite arrangements for redressal of grievances do exist over wide areas of organised employment, though in unorganised sectors, lack of procedure and even lack of fairness in dealing with grievances is still the rule. Even in some cases where the Act is applicable, its implementation is reported to be defective. Instances were brought to our notice where Standing Orders to be adopted in public sector units could not be settled because neither the employer nor the authorities had a clear idea as to who should certify them. Under the Factories Act, 1948, the State Governments have framed rules requiring labour welfare officers to ensure settlement of grievances, but this provision has not been helpful because of the dual role of these officers².

24.25 The Code of Discipline, among other things, lays down that the management and unions 'will establish, upon a mutually agreed basis, a grievance procedure which will ensure speedy and full investigation leading to settlement'. The guiding principles, which were evolved under the Code for this purpose, and the Model Grievance Procedure for adoption by the parties were settled in a tripartite committee in 1958. The principles and procedure are in conformity with practices followed in established units and cover items required by the law and even more. The proposed machinery has been made simple and expeditious within the constraints which all such procedures are subject to. Officers in the management hierarchy, to be approached by the workers at different steps in the procedure, have been specified. Here also, as in the case of efforts to promote the JMCs, full latitude is given to the parties to come together and modify the procedure on an agreed basis to suit the requirements of a particular unit.

24.26 The Model Grievance Procedure has successive time-bound steps, each leading to the next in case of lack of satisfaction. Under the procedure, an aggrieved employee would first present his grievance verbally to a designated officer who would give a reply within 48 hours. In case the worker is dissatisfied with the decision or fails to get an answer within the stipulated time, he would, personally or accompanied by his departmental representative,

¹The B. I. D. Act, had, and the B.I.R. Act has, inbuilt provisions for Standing Orders.

²See para 10.23.

present his grievance to the head of the department. If the departmental head fails to give a decision within three days or if his decision is unsatisfactory, the aggrieved worker can seek relief through the 'Grievance Committee' consisting of nominees of management and workers. This Committee would communicate its recommendations to the manager within seven days of the grievance reaching it. If the recommendation is not made within the stipulated time, reasons therefor would be recorded, and in case unanimous recommendations are not possible, the relevant papers would be placed before the manager for decision. The manager is expected to communicate his decision to the worker within three days. The worker would have a right to appeal to the higher authorities for revision of the manager's decision. All such appeals have to be decided within a week of the worker's petition. The worker, if he so desires, could take a union official with him for discussion with the appellate authority. In case of failure to settle the grievance even at this stage, the union and the management may refer it to voluntary arbitration within a week of receipt of the management's final decision.

24.27 All the steps in the above procedure may not be used if the complaint is against the designated officer at the lowest level or in the case of any grievance arising out of dismissal or discharge of a worker. In the former case, the worker may skip the first step and approach the next authority; in the latter, the appeal may be made to the dismissing authority or any higher authority designated by the management, within a week from the date of dismissal or discharge. Though the grievance machinery could be availed of by an aggrieved worker on receipt of an order causing the grievance, the worker's approach to the machinery *ipso facto* does not attract a stay in the implementation of the orders of management. In several industrial establishments, arrangements for a formal processing of workers' grievances exist, but they do not quite conform to the model described above. It is also not known to what extent the workers were consulted in framing the existing procedures. In all such cases, one has to see what works in a given establishment; whether the procedure in operation has all the elements of what could be considered the model is another matter.

24.28 In the evidence before us, there is unanimity on the need for a statutory backing for the formulation of an effective grievance procedure which should be simple, flexible, less cumbersome, and more or less on the lines of the

present Model Grievance Procedure. It should be time-bound and have a limited number of steps, say, approach to the supervisor, then to the departmental head, and thereafter a reference to the 'Grievance Committee' consisting of management and union representatives. It should be made applicable to only those units which employ more than 100 workers. Evidence also suggests that settlement of an individual grievance should be prompt and quick in giving relief to the worker, as it is natural that during the period of suspense before getting the decision, a worker cannot whole-heartedly devote his energies to work.

24.29 A grievance procedure, whether formal or informal, statutory or voluntary, has to ensure that it gives a sense of (i) satisfaction to the individual worker, (ii) reasonable exercise of authority to the manager and (iii) participation to unions. The introduction of unions in the procedure is necessary, because ultimately the union will be answerable to members. It is also important that any procedure, to be effective, should be simple and have a provision for at least one appeal.

24.30 In view of the varying size and nature of units, it may not be desirable to be too rigid about a standardised procedure. Some informality in the approach may be required in case of small units, say units employing less than 100 workers, because in them it is easier both for the management and workers to have close contacts and personal approach. It would, therefore, be more appropriate to confine introduction of a formal procedure to units employing 100 or more workers. The Industrial Employment (Standing Orders) Act, 1946 should have provisions defining a grievance and laying down a procedure for effecting its settlement.

24.31 A basic ingredient of the procedure should be that the total number of steps involved should be limited; not more than four are generally envisaged even in the largest units. A grievance procedure should normally provide for three steps:

- (a) approach to the immediate superior;
- (b) appeal to the departmental head/manager; and
- (c) appeal to the bipartite grievance committee representing management and the recognised union.

The constitution of the Committee should have a provision that in case a unanimous decision is not possible, the unsettled grievance may be referred to an arbitrator. At the earlier stages,

a worker should be free to be presented by a co-worker and later by an officer of the union if one exists.

DISCIPLINARY PROCEDURES

24.32 The right to 'hire and fire' has been urged before us by employers as a remedy for improving industrial discipline. The right to 'hire' belongs to them, but the other right has, in recent years, been circumscribed. The employers contend is that they should not be forced to take back a dismissed worker; they should have the option to pay compensation instead. Workers, on the other hand, have urged that in a labour surplus economy, they should not be placed in a position where their right to work can be bought off by the employer through compensation, howsoever handsome. They also apprehend that the privilege claimed will be used by the employer to get rid of active union workers.

24.33 At the level of the undertaking, the legal framework as laid down under the Industrial Employment (Standing Orders) Act, 1946 (Annexure II) and the Industrial Disputes Act, 1947 provides for (i) a procedure to be followed in investigating cases which lead to disciplinary action; and (ii) a substantive restraint which protects the union officials. The present controversy covers both the aspects. It is not necessary to discuss punishments upto suspension for a specified period and the procedure relating to them. In most of the establishments there are set and accepted procedures for this purpose. They have not been seriously challenged in the evidence nor are the traditions built around them. It is only when punishment for an alleged misconduct leads to discharge/dismissal that difficulties have arisen. We, therefore, limit our discussion to the connected issues.

24.34 The procedure followed in discharge/dismissal cases is: (i) the workman concerned is given an opportunity to explain the charges against him; (ii) the order given to him elaborately states the charges against him; (iii) the worker is given an opportunity to explain his conduct in an enquiry to be conducted by the employer; (iv) the enquiry officer is an appointee of the employer; he can be either an experienced subordinate in the establishment or an outsider; (v) the punishment order is finally approved by the employer/manager who, before making his decision, takes into consideration the gravity of the misconduct and the worker's previous record; and (vi) if the charges

are proved to be correct, the workman need not be paid wages during the suspension period.

24.35 Section 33 of the Industrial Disputes Act, 1947 in regard to matters connected with disputes requires maintenance of *status quo* by the employer and restrains him from discharging or punishing a worker by dismissal or otherwise, during pendency of conciliation or adjudication proceedings in an industrial dispute, save with the permission of the authority holding such proceedings. In matters unconnected with the dispute, the employers' freedom to act is not curtailed, except that he is required to pay one month's wages to a workman before discharge or dismissal and seek the approval of his action by the concerned authority. While Section 2(k) of the Industrial Disputes Act gives jurisdiction to labour courts and tribunals over such disputes, the controversy whether an individual dispute was an industrial dispute was set at rest by the incorporation of Section 2-A in the Industrial Disputes Act, which clearly includes individual disputes over discharge, dismissal or retrenchment within the meaning of the term 'industrial dispute' even if the case of the individual retrenched is not taken up by other workmen or a union.

24.36 Considerable volume of case law has been built around these provisions. To safeguard the interests of workmen against victimisation, the tribunals have gone into the reasons for discharge even when the procedure laid down under the Standing Orders was followed. Tribunals normally do not sit in appeal over management's decision, but where want of *bonafides*, victimisation or unfair labour practices, a basic error of facts or violation of a principle of natural justice, or a completely baseless or perverse finding on the material available, is established, tribunals have intervened to order reinstatement or award monetary compensation in lieu of reinstatement. Employers, for the sake of discipline, have insisted on compensation and workers on reinstatement.

24.37 According to a recent Supreme Court ruling, the tribunal does not have jurisdiction to substitute its own judgment for that of management. This decision has led to the Bill amending the Industrial Disputes Act, to remove the limitations on the tribunal's jurisdiction in such cases. The Bill, already passed by the Rajya Sabha, provides that labour courts/tribunals should have the power to set aside the order of discharge or dismissal and

direct reinstatement of the workmen or give such other relief including milder punishment in lieu of discharge or dismissal as considered proper by it.

24.38 Disciplinary procedure for misconduct leading to discharge/dismissal causes dissatisfaction among workers in a country where employment opportunities are inadequate. Attempts by the State to regulate the procedures are considered by employers as undue interference in the exercise of their right to 'hire and fire'. The present regulations in this regard, particularly the denial to the employer of a choice between reinstatement and payment of compensation, do not find favour with the employers as a group. The law, as it stands today, lays down specific procedures in regard to dismissal, so as to ensure that there is no victimisation and that punishment is awarded on the basis of a full enquiry and established facts. Evidence from employers shows that recourse to dismissal as a punishment has been declining. Where such punishment is meted out, courts generally have upheld the employer's decision. Reinstatements have been rare. On the consequence of reinstatement, and this is mostly a subjective assessment, views among employers are divergent; a small section believes that it does not have any serious repercussions as things settle down in a short time, but a large majority feels that it leads to indiscipline. Workers' representatives, although they accept the claim of employers about the extent of dismissals and their justness in the case of the more progressive elements among employers, have shown dissatisfaction on both counts taking the employer group as a whole. There is a general but grudging acceptance of the existing practice and procedures, although both employers and workers would like to see certain changes introduced to accommodate their respective views. The employers want the law to be changed so as to allow them the right to choose between reinstatement and compensation when *mala fides* are non-existent. They are exercised over the law, as currently interpreted, particularly in regard to (a) delay and dilatoriness of the proceedings, (b) reference to tribunals even in cases where the domestic enquiry has been in order, and (c) the attitude of tribunals in setting their face against compensation. They have pleaded for a procedure involving minimum third party intervention and have suggested: (i) formulation of more comprehensive model standing orders classifying major and minor misconducts and specifying punishment to suit each type; (ii) provision of a milder punishment in lieu

of dismissal; (iii) curtailment of tribunals' powers to sit in judgment over management's order; and (iv) payment of compensation rather than reinstatement for wrongful dismissal. Workers, on the other hand, oppose any such choice being granted, as in (iv), as they apprehend that this right will be used to cut at the root of union activity. They have also alleged the arbitrary nature of punishment; punishment for the same misconduct has ranged from four days suspension to dismissal, according to the person involved. Their basic dissatisfaction is, however, about the employer combining in himself the functions of a prosecutor and judge. The claim made by employers that this is not always so is accepted by unions only to a limited extent and that too in the case of progressive managements. Some of the suggested changes are: (i) standardisation of punishment for different types of misconduct, (ii) inclusion of a workers' representative in the domestic enquiry committee, (iii) having an arbitrator to give decision in a domestic enquiry, (iv) an adequate show-cause opportunity to a workman, (v) presence of a union official to represent the case of a workman in the enquiry proceedings, (vi) supply of the record of proceedings to the aggrieved workman, (vii) payment of a subsistence allowance during the suspension period, (viii) right of appeal to administrative tribunals set up for the purpose, and (ix) fixing a time limit for tribunal proceedings and giving unfettered powers to it to examine the case *de novo*, modify or cancel a punishment ordered by the employer. }

24.39 The general view seems to be in favour of the Bill presently before Parliament. According to it, the labour court/tribunal would be given appellate authority over the findings of a domestic enquiry. It gives to the aggrieved worker the right to appeal against the findings of the inquiry and empowers the court/tribunal to order reinstatement of a wrongfully dismissed/discharged workman or alter the content of the punishment in favour of the worker. It provides for a decision on the dispute by the labour court/tribunal on the basis of the material on record.

24.40 We, therefore, suggest that the Bill¹ as it stands should be enacted without delay. To minimise delays in adjudication proceedings and further delays in appeal, adoption of the procedure which obtains in the Small Causes Court and abolition of appeals to higher courts may be provided. To make the procedure more effective, the following provisions should be made.

¹The Industrial Disputes (Amendment) Bill 1966 (Bill No. XVIII of 1966).

- (a) In the domestic enquiry, the aggrieved worker should have the right to be represented by an executive of the recognised union or a workman of his choice;
- (b) Record of the domestic enquiry should be made in a language understood by the aggrieved employee or his union. A copy of the record should be supplied to him;
- (c) The domestic enquiry should be completed within a prescribed period which should be necessarily short;
- (d) Appeal against the employer's order of dismissal should be filed within a prescribed period; and
- (e) The worker should be entitled to a subsistence allowance during the period of suspension, as per agreement in the tripartite.

Functions of Joint Management Councils

1. The Council/Councils would be consulted by the management on matters like

- (i) administration of Standing Orders and their amendment, when needed;
- (ii) retrenchment;
- (iii) rationalisation; and
- (iv) closure, reduction in or cessation of operations.

2. The Council/Councils would also have the right to receive information, to discuss and to give suggestions on

- (i) general economic situation of the concern;
- (ii) the state of the market, production and sales programmes;
- (iii) organisation and general running of the undertaking;
- (iv) circumstances affecting the economic position of the undertaking;
- (v) methods of manufacture and work;
- (vi) the annual balance sheet and profit and loss statement and connected documents and explanation;

(vii) long term plan for expansion, re-deployment etc.; and

(viii) such other matters as may be agreed to.

3. The Council/Councils would be entrusted with administrative responsibility in respect of

- (i) administration of welfare measures;
- (ii) supervision of safety measures;
- (iii) operation of vocational training and apprenticeship schemes;
- (iv) preparation of schedules of working hours and breaks and of holidays;
- (v) payment of rewards for valuable suggestions received from the employees; and
- (vi) any other matter.

4. All matters, e.g., wages, bonus etc., which are subjects for collective bargaining are excluded from the scope of the Council/Councils. In short, creation of new rights as between employers and workers should be outside the jurisdiction of the Management Council. Individual grievances are also excluded from its/their scope.

ANNEXURE II
(Refer Para 24.33)

Statement showing number of Establishments required to frame Standing Orders and Establishments having certified Standing Orders (S. Os.)

Centre/State	1950		1957		1963		1965	
	No. of Estts. required to frame S. Os.	No. of Estts. having certified S. Os.	No. of Estts. required to frame S. Os.	No. of Estts. having certified S. Os.	No. of Estts. required to frame S. Os.	No. of Estts. having certified S. Os.	No. of Estts. required to frame S. Os.	No. of Estts. having certified S. Os.
1	2	3	4	5	6	7	8	9
Centre	1424	375 (26.3)	1729	1455 (84.2)	1817	1478 (81.3)	1905	1739* (91.3)
Andhra Pradesh			218	172 (78.9)	336	255 (75.9)	472	294 (62.3)
Assam	638†	561 (87.9)	954	781 (81.9)	1126	870 (77.3)	1154	889 (77.0)
Bihar	180‡	85 (47.3)	279	180 (64.5)	275	228 (82.9)	298	251 (84.2)
Gujarat	§	§	§	§	886¶	886¶ (100.0)	1086**	1086** (100.0)
Kerala	N.A.	N.A.	616	328 (50.8)	462	356 (77.1)	475	383 (80.6)
Madhya Pradesh	115	11 (9.6)	165	16 (9.7)	††	††	††	††
Madras	739	566 (76.5)	782	570 (72.9)	4703	3285 (68.7)	5508	4365 (79.2)
Maharashtra	550§	10§ (1.8)	1263§	376§ (29.8)	1040¶	1040¶ (100.0)	1123**	1123** (100.0)
Mysore	..	..	318	171 (53.8)	420	275 (65.5)	579	302 (52.2)
Orissa	22	7 (31.8)	51	15 (29.4)	84	51 (60.7)	101	55 (54.5)
Punjab@	130	16 (12.3)	141	64 (45.4)	247	131 (53.0)	335	182 (54.3)
Rajasthan	..	..	50	29 (58.0)	62	41 (66.1)	78	54 (69.2)

1	2	3	4	5	6	7	8	9
Uttar Pradesh	701††	413¶¶ (58.9)	684	620 (90.6)	1239	892 (72.0)	1319	1011 (76.6)
West Bengal	1131	872 (77.1)	1507	1060 (70.3)	1758	1345 (76.5)	1773	1400 (79.0)
Other States/Admns.	117	103 (88.0)	94	61 (64.9)	134	86 (68.7)	155	105 (67.7)
TOTAL	5753	3019 (52.5)	8881	5898 (67.5)	14669	11219 (76.5)	16361	13239 (80.9)

*The variation of one, as compared to last year's figures is due to B.B. Lt. Railway having been amalgamated with E. Railway.

†Included 149 Estts. employing less than 100 workers but covered by Act under Sec. 1(3).

‡Approximate.

§Included in Composite Bombay (Maharashtra).

¶The Model Standing Orders framed under the Bombay Industrial Employment (S.O.) Rules, 1959, were made mandatorily applicable to the industrial establishments in Gujarat and Maharashtra. By a notification issued in June, 1962, by the Govt. of Gujarat, the provisions of the Act were made applicable to every industrial establishment wherein 50 or more but less than one hundred workmen are employed on any day of the preceding 12 months.

**Same as above. However, 73 units with employment of 24,801 in Gujarat have their own S.Os. Out of these units, 53 units with employment of 19,334 have certified S.Os for all employees of the estts; while the other 20 units with employment of 5,467 have certified S.Os. for a group of employees only.

††The State Act is applicable; information about the Central Act is nil.

@Figures relate to composite Punjab.

‡‡Included 422 Estts. employing less than 100 workers but covered by the Act under Sec. 1(3).

¶¶This includes 56 Sugar Factories where S.Os were certified under the Act.

N.B. Figures in brackets show the percentages to No. of Estts. coming within the purview of the Act.

Source: The Indian Labour Year Books.

CHAPTER 25

LABOUR IN PUBLIC SECTOR

The public sector has come to occupy an important place in the economy of the country. The manufacturing units in this sector accounted for about a fifth of the total number of employees working in industries in 1967. We, therefore, consider it necessary to deal with this sector of employment separately. Within the public sector, it is possible to distinguish two types of undertakings: (i) undertakings run directly by the departments or executive agen-

cies of the Government, and (ii) undertakings run by statutory corporations and by Government companies registered in accordance with the provisions of the Companies Act, 1956. At the end of 1967-68, there were 83 Central undertakings belonging to the latter category, of which six were statutory corporations. Their distribution, according to the nature of undertaking and form of management, is shown in the table below:

TABLE 25.1: *Distribution of Central Undertakings, 1967—68.*

Nature of Undertaking	Government Companies	Statutory Corporations	Total
1	2	3	4
Industrial and Manufacturing	52	..	52
Public Utilities and Services	5	2	7
Promotional and Developmental	8	2	10
Commercial and Trading (including construction agencies and hotels)	10	1	11
Financial Institutions (including Life Insurance Corporations)	2	1	3
TOTAL	77	6	83

There is also a variety of patterns in the vast range of these enterprises. The list of projects which are covered under the title 'public sector projects' is at Annexure I.

25.1 Prior to Independence, Government's industrial activity which attracted some labour legislation or the other was confined mainly to sectors like railways (including their workshops), ports and docks, posts and telegraphs and their workshops, ordnance factories, printing presses and construction activities undertaken departmentally. The Government of those days had no intention of entering the industrial field as an employer or of setting up corporations to run industrial enterprises or even of financing industrial activities out of public funds. That field was mostly left to private entrepreneurs, the responsibility of the State being limited to providing the essential infrastructure. With the attainment of Independence, industrial development became one of

the major objectives of Government policy. The Industrial Policy Resolution, 1948 stated that "a mere re-distribution of existing wealth would make no essential difference to the people and would merely mean the distribution of poverty. A dynamic national policy must, therefore, be directed to a continuous increase in production by all possible means, side by side with measures to secure its equitable distribution." The Government felt that, for some time to come, the State could contribute more quickly to the increase of national wealth by expanding its activities wherever it was already operating and concentrating on new units of production in other fields rather than acquiring and running existing private units. To achieve these objectives, the Resolution laid down that "the manufacture of arms and ammunition, control of atomic energy, and the ownership and the management of railway transport should be the exclusive monopoly of the Central Government". In industries like coal, iron and

steel, aircraft manufacture, shipbuilding, manufacture of telephone, telegraph and wireless apparatus (excluding radio receiving sets), and mineral oils, the State and public authorities were to be responsible for further development except to the extent that the cooperation of private enterprise was needed. The rest of the industrial field was left open to private individuals and cooperative enterprise, although State participation was not ruled out. Even before this Resolution was adopted, several State Governments had formed statutory transport corporations under the Road Transport Corporation Act, 1948, subsequently replaced by the revised Act of 1950. The activities of such corporations were mainly restricted to passenger transport.¹ They have entered this field further since then, and now nearly all States have their transport undertakings. Another extension of public undertakings has been in respect of generation and distribution of power by State Governments and establishment of State Electricity Boards for the purpose.

25.2 The adoption of the Constitution and the process of planned development had their own impact on the policy of the State for entering wider fields of production; these together in a way buttressed the Industrial Policy Resolution, 1948. As a consequence, the First Plan included an outlay of Rs. 94 crores for industrial development in the public sector—Rs. 83 crores in respect of projects directly under the Central Government and the balance for the States. The major industrial project included in the Plan was for production of iron and steel, estimated to cost Rs. 80 crores over a period of six years from the date of commencement. The projected expenditure during the First Plan was Rs. 80 crores, of which half was to be provided by the Central Government and the remaining by participation of indigenous and external capital. Production of the fertiliser plant at Sindri was to be diversified. Among important projects included in the Plan were the expansion of the Chittaranjan Locomotive Works set up in January, 1950, the Integral Coach Factory at Perambur, the Machine Tools Factory in Bangalore and the Ship Building Yard at Visakhapatnam. Apart from these, units for manufacturing antibiotics and DDT were also a part of the Plan. The emphasis, however, was on manufacture of capital goods or intermediary goods which were of vital importance not only from the point of view of immediate needs, but also in terms of future economic deve-

lopment. Among the State Projects were the setting up of the newsprint factory in Madhya Pradesh and the expansion of the Mysore Iron and Steel Works. The organisations appropriate for the running of such enterprises also attracted the attention of the planners. The Plan pointed out, "The criteria of successful operations of private or public enterprises are basically the same. The public must get the services of requisite quality at minimum cost and the interest of the worker and the shareholder or the taxpayer must be adequately safeguarded. Indeed, standards of performance expected of public enterprises have to be more rigorous"². These were the beginnings of public sector enterprises in the country.

25.3 As the First Plan progressed, certain significant developments took place. The Government felt the need for an adequate financial and credit mechanism for promoting overall development. The creation of financial institutions for which public funds were provided, the conversion of the Imperial Bank of India into a public owned and publicly managed State Bank, enlarging the activities of the Reserve Bank for development of cooperative credit agencies and the nationalisation of life insurance were some of the steps taken by Government to provide a better base for the operation and direction of investments where they were required.

25.4 The second Industrial Policy Resolution came in April, 1956, on the eve of the publication of the Second Plan. It was based on the experience of the working of the earlier Resolution. The Resolution referred to the adoption by Parliament in 1954, of the socialist pattern of society as the national objective, as well as to the need for planned and rapid development, both of which required that all industries which were of strategic importance or of the nature of public utility services should be in the public sector. The industries were divided into three categories: (i) industries, the future development of which was to be the exclusive responsibility of the State, listed in Schedule A to the Resolution, (ii) industries which were to be progressively State-owned and in which the State was generally to take the initiative in establishing new undertakings, listed in Schedule B³, and (iii) industries not specifically included in either of the Schedules. With regard to industries in Schedule B, the private sector was also given the opportunity either to develop on its

¹First Five Year Plan, pp. 482-483.

²Ibid p. 429.

³The industries in Schedule A and B are listed in Annexure II.

own or with State participation. The industries not specifically named in either of the Schedules were left for development by private enterprise exclusively. The Resolution explained further that the intention was not to place the industries in water-tight compartments. An element of overlapping and dovetailing between industries in different Schedules was envisaged. The role which Government had in mind for labour was explained, after emphasising the need for improved working and living conditions. To quote: "In a socialist democracy, labour is the partner in the common task of development and should participate in it with enthusiasm"¹ Progressive association of workers and technicians with management also formed a part of the Resolution.

25.5 In terms of policy, therefore, growth and welfare considerations were combined in the Resolution. This combination reflected the dominant public mood at the time. As experience was gained during the Second Plan in the running of these units and finances for development became more difficult, public undertakings came to be looked upon as a source to which the State could look for funds. The welfare approach, which in its broad view covered within its beneficiaries the employees in the public sector as much as the general public (through appropriate pricing of its products) became somewhat modified. Considerations of a non-commercial type which could have been accorded primacy in the earlier years were, in this altered view, given a subordinate place. The public sector was expected to serve as an instrument for creating resources for development also.

25.6 This change in approach was reflected in the framing of the Third Plan; surpluses from public enterprises were expected to become one of the important sources of plan finance. Expansion of projects built up during the Second Plan and entering new lines of production was envisaged. The next landmark in the policy pronouncement for the public sector was the Prime Minister's address to the 'Round-table' Conference convened in June, 1966. While inaugurating the Conference, she said:

"There is no such thing as public sector technology and private sector technology. It is the same with project planning, costing, research, marketing and the rest. The public

sector must stand or fall, like the private sector, on the tests of efficiency, profit, service and technological advance. The only difference lies in the fact of social control and social purpose with regard to the public sector. The "philosophy" might be different. The operation is similar. She said:

"We advocate a public sector for three reasons: to gain control of the commanding heights of the economy; to promote critical development in terms of social gain or strategic value rather than primarily on considerations of profit; and to provide commercial surpluses with which to finance further economic development".

The Prime Minister then went on to point out the deficiencies in the working of the public sector, the over-staffing in the units, ineffective personnel policies, inability to generate adequate surpluses, lack of adequate forward planning and so on.

25.7 According to the Fourth Five Year Plan 1969-74 (Draft), Central investments in public sector projects in mining and manufacturing amounted to about Rs. 3,400 crores at the beginning of the Fourth Plan. During the Fourth Plan, another amount of Rs. 3,055 crores would be invested in industry and minerals in the public sector as against a proposed outlay of Rs. 2,150 crores in the private sector. These figures exclude public sector investments in transport, communication and power. On the whole, the growing ascendancy of the public sector in organised employments is obvious from these data. Productivity and profitability of these enterprises, according to the Draft, are a matter of urgent importance² The Plan, therefore, suggests 'the reorganisation of management of public enterprises to achieve the twin aims of a strong well-knit public sector and the autonomous operation of responsible units'.³ We have endeavoured to examine norms for guidance for public undertakings to develop appropriate conditions of work and healthy labour-management relations against this background. Because of the importance of the subject, we constituted a special study group to advise us, on problems connected with labour in the public sector. The suggestions made by the group will be referred to when occasion requires.

¹Second Five Year Plan, p. 49.

²Fourth Five Year Plan, 1969-74 Draft, p. 242.

³*Ibid*, p. 28.

25.8 The public sector has gradually expanded since 1951, and has played a vital role in our economy. Primarily it entered fields (a) which are basic for the growth process on the one hand and for prevention of monopolistic production on the other and (b) to which private enterprise could not have been attracted due to the magnitude of investment required, the needed technical know-how, the long period of gestation and above all the total output-pricing matrix limiting maximisation of profit or surplus. Without its development, however, little industrialisation would have been possible as no super-structure can be sustained without a strong base. Expansion of public sector has thus provided the ground for building up private industries, expanded their input and output markets, made their technological advance feasible and in a real sense contributed to their profit potential. Public sector financial institutions have given support to public, private and cooperative sectors alike. Not only has the establishment of financial institutions in the public sector made large-scale projects in public or private sector feasible, but it has been equally active, particularly in recent years, in enlarging resources for the cooperatives or small-scale enterprise as well as for agriculture. The nationalisation of banks which has recently been announced has the same purpose in view. Judging from this angle, the contribution of the public sector and the continuing importance of its expansion cannot be over-emphasised. The test of financial viability in a narrow accounting sense of the term or the rate of profit that is relevant for judging the performance of private enterprise is of secondary importance for the public sector for which economic viability or gain to the economy as a whole is much more relevant. In the long run, however, public sector projects must also be financially feasible and every effort should be made to minimise costs and earn surpluses. But their performance on this plane alone should not be used as an argument against their main utility as builders of the economy or of its infra-structure.

Issues Concerning Labour

25.9 We consider the problems of labour in the public sector with special reference to (i) recruitment policies for personnel from the top most to the lowest, (ii) promotion and other prospects which the employees have, (iii) the procedures for finalising standing orders, (iv) the present conditions of work and welfare, (v) inter-occupational differentials in wages and their effects on workers' morale and (vi) the state of industrial relations. In discussing

them, we recognise the variety of situations which have to be taken into account.

25.10 **Recruitment.**—The policy towards labour followed by the public sector undertakings largely depends on the attitudes of the top management personnel. Therefore, in considering recruitment policy it is necessary to begin from the very top. Over the years, various methods have been tried for selecting personnel for the senior-most positions in the public undertakings. The present procedure is to draw up a panel of officers, both from within governmental administration and outside, and out of this panel prepare a list to be screened by a Committee of senior Secretaries to Government who would then recommend names to the Appointments Committee of the Cabinet. The appointments thus made, it is argued, have resulted in a certain amount of preference for persons from the administrative services, the arrangement for selection being loaded in favour of persons belonging to these services. The need for making the selection more broad-based was conceded by the Secretaries of Ministries in charge of public undertakings in their evidence before us. The suggestion also found support from several other witnesses with experience of running the industries. However, as pointed out by the Secretaries, this does not mean that persons with administrative experience cannot *ipso facto* manage labour or run an undertaking. A fair mixture of both will be in the best interest of smooth functioning of the units. If the selection is to be broad-based it is but fair that the selection committees should have, in addition to Secretaries to Government, some persons with known industrial or business experience. The Chairman of the Union Public Service Commission should also be associated with the Committee. The criteria for making selections should be suitability and availability for a minimum period of five years. Persons on the verge of retirement should not be appointed since they are not likely to have enthusiasm and will have little stake in the prosperity of the establishment. The ultimate responsibility for the choice must necessarily remain with the Appointments Committee of the Cabinet.

25.11 We realise that the management of any industry requires, apart from general acquaintance with industrial/business principles, an intimate knowledge of the industry itself. Besides, the persons put in charge of the management of public sector undertakings must be genuinely inspired by the economic philosophy underlying the concept of the public sector and must be honestly committed to

the achievement of its goals. The top management in public sector undertakings must also be endowed with the sense of human approach, which is very different from the red-tape concept of efficient approach relevant for dealing with purely administrative matters in governmental functions. It is essential to remember that the industrial problems posed by public sector undertakings pertain mainly to human relations and in solving them the top management must be able to show sympathy, understanding and imagination. Attributes which may not be particularly relevant or material in the administrative set-up of governmental functions assume particular relevance and significance in the management of public sector undertakings. This aspect of the matter has to be borne in mind in selecting top men for the management of public sector undertakings.

25.12 The Industrial Management Pool built up in 1958 was, at that time, considered adequate to provide an answer. However, there seemed to have been recruitment of outsiders to posts intended for pool officers and, to an extent, it sapped the morale of the members of the Pool. The Administrative Reforms Commission has recommended the building up of cadres from within what they call 'sector corporations' i.e., integrated corporations in each major sector of industry run as a public enterprise. We have been told that though the idea of sector corporations has not been accepted by Government, they have recognised the validity of some of the recommendations made by that Commission in regard to personnel management. Some of the undertakings are already reported to have taken steps to build up such cadres.

25.13 At the next level of responsibility i.e., at the supervisory levels in the plants, the arrangements for recruitment have already been spelt out in the Central Government's directive to public undertakings.¹ We do not propose to go into these details. We, however, emphasise that efficiency can be the only criterion for recruitment at this level; the quality of personnel becomes a crucial factor and that is the reason why recruitment has to be on an all-India basis. We presume that where there is a choice between two candidates who are equally qualified, one who is a 'local' will get preference automatically. It is in the interest of the unit to show such preference. There can be no compromise on efficiency at the supervisory and technical level. A region in which an undertaking is located stands to gain if it recruits and draws the best

talent from wherever it is available. At the level of operatives, local claims acquire a greater measure of importance. We have dealt with this aspect elsewhere in the report.

25.14 **Promotions:** Adequate avenues of promotion acquire significance because, at present, a public undertaking is unable to promote a person for good work nor can it check promotion of a worker even if his performance is not satisfactory by known standards. It has to work within a pre-determined manning pattern with posts sanctioned at various levels. Rules and regulation in this regard are closely tied up with those meant for public employment and introduced in the early stages of work of these projects. Promotions, therefore, acquire disproportionate importance both on the side of the workers and management. Any method of selection, interviews or trade tests is opposed by workers on account of apprehension of bias and nepotism. Injection of higher skill, experience or fresh blood at intermediate levels through direct recruitment is resisted since it affects promotion prospects of existing workers and their seniority. Management, to be on the safe side, chooses, in practice if not on paper, the seniority principle as the path of least resistance. This tends to discount efficiency and skill and has an adverse effect on the overall performance and competitive strength of the enterprise.

25.15 Initially when a project is started, in the absence of any rule governing its operations, project authorities find it convenient to adopt rules framed by the Government for civil employees. Rules so drawn up are intended to be a stop-gap arrangement; but once a set of rules is there and new ones are sought to be introduced, the choice of rules by which a person should be governed no longer rests with management. Even if new rules have a large measure of acceptability within the plant, they are bound to affect certain individuals. The change-over becomes a sore point not only with the individual to whom the benefit is initially given, but to the whole category of workers to which he belongs. Also, the application of such Government procedures to an industrial unit creates its own difficulties because of heterogeneity of trades, skills and professions and lack of adequate opportunities for promotion within each trade. On this point, there has to be adequate understanding on the side of labour. In a unit where there is adequate harmony and the union has developed an objective attitude towards promotion problems, it should be possible for

¹Para 7.51

management to associate the union in deciding criteria of efficiency for promotions. Under such a promotion procedure, the criterion for promotion should be seniority at the lowest level, seniority-cum-merit at the middle level and merit at the higher levels. Since merit is one of the important criteria for promotion, it should also be recognised by granting additional increments (wherever promotion is not feasible) in suitable cases.

25.16 Standing Orders: The next point which attracted considerable attention in the early stages of these undertakings was the absence of standing orders. At one time this was a point of serious complaint on the side of workers. From the latest information available from the Labour Ministry, it would appear that this complaint has been, by and large, met. Except in one major establishment, standing orders have been framed by all. Another cause of dissatisfaction was the lack of an established grievance procedure. On this point also, judging from the reports available in the Ministry of Labour, the position now seems to be satisfactory. There are cases where managements have reported that formal acceptance by workers' organisations of the draft procedures prepared by them is yet to be obtained. The standing orders and grievance procedure together deal with the important question of discipline. From the management point of view, this is turning out to be one of the difficult areas in running public sector units in much the same way as in the private sector. Rules of discipline can be enforced in individual cases. But it is difficult to tackle cases of general indiscipline unless there is genuine respect for the top man. In some public enterprises, we observed that industrial relations were not satisfactory since the management personnel at the senior levels were not oriented to the job. Enforcement of discipline through sanctions can be an outmoded form in the new context and has to be replaced by voluntary allegiance to a team leader. What really counts is the building up of leadership on the shop floor.

25.17 Working Conditions: The public sector undertakings being new, workers do not have the same type of difficulties about working conditions as are experienced in the older plants in the traditional lines of manufacture. There are certainly hazards associated with work. It is common experience that construction workers are more liable to accidents than workers engaged in production. Where construction and production work go on simultaneously, the rate of accidents can be higher but, what we find disturbing is the evidence that in some public sec-

tor units, observance of safety provisions is inadequate. Depending on the nature of the industry and the place where the unit is located, there are bound to be differences in working hours, their spread-over, arrangements for holidays, canteens and other welfare activities. Uniformity need not be expected, nor is it necessary. Defects noticed in the course of investigations carried out recently by the Labour Ministry did not amount to major lapses nor were they such as could not have been attended to with initial vigilance on the part of authorities. Some of these could be due to procedural difficulties in securing sanctions from their principals in distant places or, for that matter, the fear of repercussions elsewhere. These conclusions are corroborated in the observation visits undertaken by some of us. We believe in strict enforcement of statutory provisions. This should be the responsibility of the manager, irrespective of the ownership of the unit.

25.18 Disparities as between production staff and clerical staff in the same unit in regard to some of these items have become a cause of complaint in certain units. These again are in the nature of initial privileges which a person acquired when the project was set up and which we referred to earlier. It is in the very nature of a project that non-production staff requires to be engaged even as the project gets built up. As it goes into production and acquires the status of a factory, obligations like the settlement of standing orders, setting up of grievance procedure and the like follow. Different sets of privileges thus emerge. We consider that this is more a case of establishing a proper rapport between different sections of employees as also between management and workers as a group. With the experience of the last 15 years, it should be possible for new units to avoid such difficulties in future by adopting procedures which have worked well in similar public sector establishments and which have in them potentialities of wider acceptance.

25.19 We take together the arrangements outside the establishment viz., housing, transport, education and medical facilities. The standard of these facilities is reasonably high in several undertakings. Revenue expenditure on welfare, as a percentage of the total wage bill in the units, data for which were examined by our Study Group, was high according to accepted standards. The actual commitment on welfare depends upon various factors including the major one, the remoteness of the undertaking from urban habitation. Several undertakings start providing welfare facilities such as schools,

hospitals and places for recreation in good measure, but some find their resources running short of growing needs, not only of those for whom they are directly responsible but of the neighbourhood which develops as a result of their location. Hardly any help is available in these matters from State Governments. In the new political context, they cannot provide, in the area where a public undertaking is located, facilities of a standard different from what is available to the rest of the population in the State merely because the area happens to be favoured for location of a public undertaking. And, as in all cases of shortage, administering satisfactory distribution becomes difficult and causes individual or group discontent. This is a responsibility for which the undertakings can rarely have adequate resources even within the ambit of their primary economic task.

25.20 The Report of the Administration Reforms Commission on Public Undertakings has pointed out that the capital outlay on township and ancillary facilities for these undertakings has been estimated to be of the order of Rs. 300 crores i.e., nearly a tenth of the total investment on them. Besides, there are recurring subsidies on the upkeep and maintenance of townships. Investment on townships is generally a huge sum which affects the profitability of the undertaking. In order that assessment of the profitability of a public undertaking is not distorted, we recommend that investment on townships should not be a charge on the undertaking but should come out of a separate fund. Two more connected issues also require our attention. Where construction and production go on simultaneously, slums have become inevitable and for a new employee who joins the production line, rents in the surrounding area are almost prohibitive. The management of industrial units, whether owned by a public sector corporation or by a private entrepreneur, will have to find a way out of this difficulty. A measure of dissatisfaction over the manner of allotment of houses/tenements built by the undertaking and over the difference in facilities enjoyed by different levels of staff also exists in several units. The former can be removed by laying down principles for allotment worked out in cooperation with workers, but the latter is a larger issue concerning the growing aspirations of workers to which a reference has already been made in an earlier chapter.

25.21 **Wage Differentials.**—An area where comparison between the public and the private sectors is becoming common, in spite of the policy of settlement of wage structure industry-wise, is remuneration for work; differentials for

different levels of responsibility also come in for comment. All these are direct labour costs and very often suggestions have been made for a closer analysis of the relative structure of costs. For public undertakings, this analysis is not complicated. The major industries over which its operations mainly extend viz., iron and steel, machine building, electrical machinery, engineering and fertilizers and chemicals, have wage costs ranging roughly from 6 to 7 per cent in the chemical industries to about 15 per cent in engineering. Material costs are reported to fluctuate between 35 to 70 per cent, depending on the nature of the industry, the balance accounting for overheads. Within the range of variation for wage costs in industries of each type, it should be possible to give better wages to workers if their productivity goes up. In that case, one could expect some savings in overheads also. The productivity movement in public undertakings should work towards this end. Overstaffing in public sector undertakings has been a matter of comment from many quarters. Labour becomes surplus when construction of a project is completed and production commences. Even otherwise, there is a large complement of surplus labour which the undertaking is not able to shed for fear of criticism and also because of the Government policy to protect surplus labour. Private units deal with this problem by stopping further recruitment, rationalisation and in several other ways open to them. This has not been possible in public sector units. There is an urgent need for finding a way out if the undertakings are to run efficiently. A clear cut policy for dealing with surplus labour is called for.

25.22 For a realistic discussion of relative wage structure in the public sector, it would be appropriate to consider only those undertakings which co-exist with private sector units like iron and steel plants, cement, and machine tools factories, coal mines, fertilizers and chemicals units. In recent years, in examining the wage structure through wage boards, no distinction is made between units in public and private sectors. The wage board set up for the iron and steel industry has made recommendations with a view to bringing about a certain measure of uniformity in units like the Tata Iron and Steel, the Indian Iron and Steel and those run by the Hindustan Steel and the unit managed by Mysore State. Recommendations of the wage board for coal will apply equally to mines in the private sector and those working under the NCDC. The Bonus Act, 1965 also applies to both private and public sector units. While there may have been anomalies in the wage structure in the same indus-

try because of historical reasons and the *ad hoc* nature of wage settlements, a stage has now been reached where a measure of uniformity is being introduced increasingly in an industry over all its units, irrespective of labels. Differences, however, continue in regard to wage differentials. The differentials between operatives at various levels, our studies reveal, are less striking in the public undertakings than in similar units run by private enterprise. It has also been brought to our notice that supervisory levels, right from the shop floor to the top in the public undertakings, are at a disadvantage in the matter of their emoluments compared to persons shouldering similar responsibilities in private industry. This itself creates difficulties in introducing in the public sector units an atmosphere where efficiency will thrive. Supervisory levels in any production unit are considered to be the spearhead in any drive for efficient work. Suitable steps have to be taken to establish an element of parity in regard to wage differentials in the public and the private sector units consistent with the overall social objective of development.

25.23 Labour Relations.—We now come to the two major areas where dissatisfaction appears to be significant from all accounts we had about the public sector. They pose a host of questions: Have the public sector managements discouraged or obstructed the formation of unions? Is the local management of the plant given adequate delegation of powers to be able to meet the aspirations of the workers in this regard? Do undertakings create in the minds of the employees a sense of partnership and genuine participation in industry? Are the relations between employers and workers healthy? It is these questions that we propose to answer in what follows.

25.24 The factual information collected by the Ministry of Labour recently shows that out of the 95 units¹ information for which had been analysed, 58 have multiple unions. Eight units have five or more unions; in some, intra-union rivalries also are reported. In almost all units, managements have recognised a union; where unions have been organised on a craft basis, more than one have been recognised as in the case of Air India and Indian Airlines. The method of recognition, in most cases, has been verification of membership as laid down under the Code of Discipline. In other cases, verification was not necessary. The INTUC unions have a major share in recognised unions; then follow independent unions. In a few cases, AITUC and HMS unions have also been recognised. The anxiety of central federations to

organise workers in the public sector is understandable; it is reflected in the existence of unions affiliated to each of them. Any trade union, or for that matter, a worker of any political party is naturally attracted to workers sustained by a bunched-up investment in a small area; organisation is comparatively easy and prestige relatively high. This has, therefore, become a fact of life with the trade union movement.

25.25 Then there is the phenomenon of a new generation of workers emerging partly because of the location of these enterprises and more so because of requirements of skill. People are new to the place, some are new to its changed environment, or the place itself is unaccustomed to the massive investment it has absorbed. The worker required to man the unit can be more easily unionised than the one with traditional attitudes. It would be wrong, however, to assume that either he or the person who helps him to organise is a potential troublemaker, though for reasons mentioned, he can be somewhat restless in his new environment. The general political awakening provides scope for rivalries and factional squabbles. These are not the exclusive privilege of the public sector; they occur where units carrying prestige have been built by private entrepreneurs also. If conflict in the public sector appears to be more severe, it is because of its strategic importance and the glare of publicity under which the public sector units are required to work.

25.26 Government interference, either at the Central or the State level, in the matter of union recognition is not entirely unknown, and this adds to the difficulties of the local manager.

25.27 Minor grievances based on individual dissatisfactions, the reasons for which may lie outside the walls of the unit, are not uncommon in public undertakings. When such is the case at the individual level, matters get worse, if a group gets involved in it. On many occasions, intra-union/inter-union rivalry has been a reflection of differences in political approach. However much one may like to minimise the effect of politics, this factor cannot be simply wished away. It operates more harshly on the public sector units than on those privately owned. The remedy for the ills lies in an appropriate method of recognition of union, to which we attach great importance. Our recommendations in this respect are given in an earlier chapter.² Where the malaise is deeper, the cure will have to be sought on a different plane.

¹In the Survey, a large number of coal mines under the NCDG and constituent units in some corporations have been counted separately. This is the reason why the number here is larger than that mentioned in para 26.0.

²See Para 23.56.

25.28 We now discuss the question: "Do public undertakings create in the minds of employees a sense of partnership, of belonging and genuine participation in the enterprise?" We proceed on the assumption that a sense of partnership, belonging and participation, the goals stated in the Industrial Policy Resolution, 1956, have received common acceptance among workers, though doubts have been expressed by many workers' organisations in the evidence before us about the validity of this assumption. As has been pointed out in the chapter on 'Industrial Relations', the arrangements for consultation or for giving workers a sense of participation have two recognised facets, formal and informal. The formal arrangement is through works committees under the Industrial Disputes Act, and the informal through joint management councils, introduced by a tripartite resolution. We have come across cases where the union recognised by management and members elected to works committees do not have common trade union persuasion. We have also cases on record where a union which has been recognised by management on the advice of the State Government has been unable to secure even a single seat on the works committee. While this may be an extreme case, the more common occurrence is of nominees of recognised unions being in minority in the workers' wing of the committee. To expect such committee to function is unrealistic. According to a factual review made by the Labour Ministry, joint management councils have been functioning in 46 public sector units. The evidence before us shows that the results achieved have not been encouraging. This is nothing different from what obtains in the private sector. The mental reservations which operate against it are the same both in the ranks of management and among the workers. The remarks about the weaknesses of these arrangements as well as the remedial measures suggested by us are equally applicable to all employments, whether in the public or in the private sector. We, therefore, need not dilate on them.

25.29 In the course of our discussions with the parties about industrial relations in the public sector, the views expressed have been divided. The trade union view was that apart from the discrimination with which Government implemented its policies in the two sectors (being indulgent to public sector managers and relatively less indulgent to private employers) and apart from the quality of management cadres, other difficulties which unions experi-

enced got aggravated by an absence of standard practices which they could look to Union leaders laid little or no emphasis on inter-union and intra-union rivalries. On the management side, the argument was varied. For one thing, in matters affecting labour, the powers of the man on the spot were not as extensive as the unions appeared to presume. With regard to general matters which can have repercussions on other units in the public sector, there are obvious difficulties. And the argument about repercussions can be elastic. For some time since the inception of public sector undertakings, their managers had a complaint about decision being taken in the tripartite to which they were not invited.¹ This apart, certain difficulties arise due to the political relationship of the union leadership with the party in power at the State or at the Central level. In consequence, it seldom enters into a serious discussion with management to mutually resolve their disputes. It is the inter-action of these factors which vitiates the atmosphere for industrial harmony in public undertakings.

25.30 The first point raised by unions about indulgence to units in the public sector has some substance. Both the Central and State Governments are involved in this attitude, the latter through their inspectorates and the industrial relations machinery, and the former in deciding whether permission should be granted to a State Government to send a public sector dispute to a tribunal. We have already dealt with a part of the former complaint. Evidence shows that the number of breaches of law now taking place are on the decline. Public sector units cannot be taken to the court without permission of the Central Government. This is not the requirement of law, but is said to be a convention established when the public sector units were in the process of being set up. We see no justification for this convention. Breach of statutory provisions in any sector, public or private, should attract penalties, more so in the public sector since it is considered a model employer.

25.31 The second aspect, namely, the permission to be given to a State Government for setting up an industrial tribunal and delays caused at the Centre in the process of taking a decision whether to refer a dispute to a tribunal or not, have been largely met by the arrangements that have been evolved recently by which the State Government is given an assurance that it will receive the Centre's

¹This short-coming has been removed by inviting public sector managements for discussions in the tripartite forum (Para 22.17). There is also a regular meeting of the heads of public sector undertakings convened by the Department of Labour and Employment.

decision within a specified time. If there is delay beyond this period, the State Government will be free to take action. This is certainly an improvement over the earlier position, but we are not altogether satisfied with it. We have recommended a new procedure for settling industrial disputes that would be the same for all enterprises irrespective of their ownership. That procedure will eliminate the need for permission and minimise delays.

25.32 We have recognised the need for the management to understand trade union views on matters before it prior to taking a decision. We would add that apart from what has been suggested, there seems to be a case for developing a good personnel department in each fair-sized public undertaking. Absence of it in the early stages of the units going into production has created difficulties. At the same time, it would be wrong to relate every dissatisfaction among workers with the quality of officers controlling the day-to-day affairs of the units. Ugly situations can develop even with the best of goodwill on the side of the management, and with expert handling at that. Some irritations get built up in the system itself, some arise because of personal relations as between workers or groups of workers, and to expect, as some do, to get these redressed to the satisfaction of everyone seems to be unrealistic. It is not as if such problems do not come up in the private sector. But it is the difference in workers' expectations as between the two sectors that tilts the scales against the management in the public sector.

25.33 The question of reference of disputes to authorities located away from the plant has been rightly raised in some cases. Such a reference inevitably delays satisfaction which workers expect to have promptly. There is also a likelihood of the decision being unrealistic. This is a problem which can be tackled by clearly laying down the levels at which decisions can be taken on different issues and making them known to workers. Difficulties arise if a union is told about lack of authority with the local man only at the time a dispute arises.

25.34 Management also has a legitimate complaint. Whatever the reason—and these reasons may not be necessarily connected with a specific plant situation—labour leaders enjoy easy access to the party in power and to higher authorities. While it is not suggested that this access is exploited on every occasion, there have been cases where managements feel that approaches have been made to higher levels even before adequate discussions at the

plant level have taken place. But this situation in which the authority at intermediate levels of responsibility is sought to be eroded is not confined only to management personnel. It extends to the formal functionaries in the industrial relations machinery also. We suggest some caution in this matter on all sides. A remedy lies in proper delegation of authority to plant management and to its different tiers—the Government being responsible to the Parliament for policy decisions only.

25.35 Sometimes industrial relations get complicated due to political overtones. In a public undertaking, a worker, or more so the leadership, which on many occasions is politically oriented, looks at the enterprise as the contribution of a political party and not as a national unit/plant. A well-run public enterprise is often a good advertisement for the party in power at the time it is set up. It is reported to have been so used. Rival political parties, particularly their local leadership, will often like to create conditions to challenge such credit. Thus, a part of the dissatisfaction against the party, irrespective of the quality of the management, is reflected in the workers' attitude towards management.

25.36 If, in the foregoing analysis, we have sought in some places to identify the centres of responsibility, it is with the hope that specific suggestions would emerge. We will close this section with a general observation. Management cannot hope to improve relations with labour and promote cooperation without facing the problems squarely. They must have an advance plan for positive action. Each element in it may not work according to expectations. The present pattern of demand followed by refusal, and then capitulation preceded by pressure, will have to go. That is why advance thinking on possible reactions is of value. To expect it of every management, we concede, is unrealistic, but if the public sector has to lead the way, it has to accept the challenge. It is equally necessary to caution that the public sector cannot reach the position required of it by the effort of management alone; there has to be responsive cooperation from labour as well. If 'model employer' is the obverse side of a coin; 'model worker' is its reverse. The one cannot exist without the other.

State Enterprises

25.37 We now refer to the public undertakings in the State sphere. The most common among them are the State Electricity Boards and the State Transport Corporations. Both are regarded as 'public utility' services and are,

in a way, different from those described earlier. To some extent, they are insulated from the full rigours of direct action. Both of them are large-scale employers of workers and all this development has taken place in the period since Independence. With regard to the State Electricity Boards, a complaint we persistently heard was about the nature of employment. The Electricity Boards in several States have a large complement of casual workers. While in some States efforts are being made to cut down their size, in others the approach to the question appeared to be more rigid. These latter consider it a part of the condition of employment. Though unions have complained about it, the authorities consider the complaint to be a matter which they and the workers can live with. It seems to us that the argument about inability to reduce the number of casual workers is a counsel of despair, particularly when some States are taking deliberate steps to relieve hardship caused to workers on this account. We suggest that this is a matter where all State Electricity Boards should come together periodically and exchange experience with a view to drawing up a phased programme for decasualising the labour engaged by them. If such decasualising is possible in many other employments, we do not see any reason why it should not be possible here too. The decasualisation scheme operating in the ports and docks should be taken as a guide. We felt concerned when we were told that the staff had remained casual in some States for a number of years. Such staff is denied the benefits including facilities for health check-up, education, and privilege leave which accrue to the permanent workers. We do not consider this situation difficult to remedy and suggest that all casual workers who have put in a specific period of service, to be determined by the State Boards in consultation with the Labour Departments of the States, should be allowed the benefits available to permanent employees on an appropriate scale.

25.38 The State Transport Corporations

have also witnessed considerable expansion in the last 20 years. The result has been that apart from the facilities which the passengers have been able to get under nationalised State Transport, persons working in this essential service have also benefited. While in the case of the State Electricity Boards, the major problem is about casual workers, in the transport undertakings, duty hours have caused a measure of dissatisfaction. Its degree varies according to the routes on which the State Transport operates. But such complaints as have reached us are a part of the operations themselves. On occasions, because of mechanical defects, persons operating the vehicles have to undertake halts at places which operatives do not consider to be hospitable. These complaints are not voiced all over, nor are they such as would require a special recommendation from us. We would, therefore, leave it to the respective State Governments to lay down/amend rules which will find a fair measure of satisfaction with the parties.

25.39 The wages and other conditions of service of employees of both the State Electricity Boards and State Transport Corporations are at present matters for the consideration of wage boards appointed for the two services. We believe that some of the problems mentioned above will be dealt with in their recommendations.

25.40 While direct action by employees in the State Corporations/Boards is not ruled out—and there have been cases when they have resorted to such action—occasions for such action in the period under review have not been many. Both labour and management being confined to the State itself, there have been no problems of inter-governmental relationship, as in central public undertakings, to cause undue strain on the services. The reasons may be either inadequate organisation on the side of labour or lack of sufficient cause for labour-management disharmony.

List of Statutory Corporations and Government Companies under direct Central Government management.

1. Export Credit and Guarantee Corporation Ltd.
2. Handicraft and Handlooms Export Corporation Ltd.
3. Indian Motion Pictures Export Corporation Ltd.
4. Minerals & Metals Trading Corporation of India Ltd.
5. State Trading Corporation of India Ltd.
6. Bharat Earth Movers Ltd.
7. Bharat Electronics Ltd.
8. Garden Reach Workshops Ltd.
9. Hindustan Aeronautics Ltd.
10. Mazagaon Dock Ltd.
11. Praga Tools Ltd.
12. National Research Development Corporation.
13. Life Insurance Corporation of India.
14. Central Fisheries Corporation Ltd.
15. Central Warehousing Corporation.
16. Food Corporation of India.
17. National Seeds Corporation Ltd.
18. Modern Bakeries India Ltd.
19. Bharat Heavy Electricals Ltd.
20. Bharat Heavy Plates & Vessels Ltd.
21. Cement Corporation of India Ltd.
22. Heavy Electricals (India) Ltd.
23. Heavy Engineering Corporation Ltd.
24. Hindustan Cables Ltd.
25. Hindustan Machine Tools Ltd.
26. Hindustan Photofilms Manufacturing Company Ltd.
27. Hindustan Salts Ltd.
28. Instrumentation Ltd.
29. Mining & Allied Machinery Corporation Ltd.
30. Machine Tool Corporation of India Ltd.
31. National Industrial Development Corporation Ltd.
32. National Instruments Ltd.
33. National Newsprint & Paper Mills Ltd.
34. National Small Industries Corporation Ltd.
35. Sambhar Salts Ltd.
36. Triveni Structural Ltd.
37. Tungabhadra Steel Products Ltd.
38. Film Finance Corporation Ltd.
39. Bokaro Steel Ltd.
40. Hindustan Steel Ltd.
41. Hindustan Steel Works Construction Ltd.
42. Bharat Aluminium Co. Ltd.
43. Hindustan Copper Ltd.
44. Hindustan Zinc Ltd.
45. National Coal Development Corporation Ltd.
46. National Mineral Development Corporation Ltd.
47. Neyveli Lignite Corporation Ltd.
48. National Projects Construction Corporation Ltd.
49. Rehabilitation Housing Corporation Ltd.
50. Rehabilitation Industries Corporation Ltd.
51. Cochin Refineries Ltd.
52. Engineers (India) Ltd.
53. Fertiliser Corporation of India Ltd.
54. Fertilisers & Chemicals Travancore Ltd.
55. Hindustan Antibiotics Ltd.
56. Hindustan Insecticides Ltd.
57. Hindustan Organic Chemicals Ltd.
58. Indian Drugs and Pharmaceuticals Ltd.
59. Indian Oil Corporation Ltd.
60. Lubrizol India Ltd.
61. Madras Fertilizers Ltd.
62. Madras Refineries Ltd.
63. Oil & Natural Gas Commission.
64. Pyrites, Phosphates & Chemicals Ltd.

65. Central Road Transport Corporation Ltd.
66. Central Inland Water Transport.
67. Goa Shipyard Ltd.
68. Hindustan Shipyard Ltd.
69. Mogul Lines Ltd.
70. Shipping Corporation of India Ltd.
71. Air India.
72. Indian Airlines.
73. Ashoka Hotels Ltd.
74. Indian Tourism Development Corporation Ltd.
75. Janpath Hotels Ltd.
76. Hindustan Housing Factory Ltd.
77. National Buildings Construction Corporation Ltd.
78. Electronic Corporation of India Ltd.
79. Indian Rare Earths Ltd.
80. Uranium Corporation Ltd.
81. Hindustan Teleprinters Ltd.
82. Indian Telephone Industries Ltd.
83. Hindustan Latex Ltd.

*Schedules to the Industrial Policy Resolution,
1956*

Schedule A

1. Arms and ammunition and allied items of defence equipment.
2. Atomic energy.
3. Iron and Steel.
4. Heavy castings and forgings of iron and steel.
5. Heavy plant and machinery required for iron and steel production, for mining, for machine tool manufacture and for such other basic industries as may be specified by the Central Government.
6. Heavy electrical plant including large hydraulic and steam turbines.
7. Coal and lignite.
8. Mineral oils.
9. Mining of iron ore, manganese/chrome ore, gypsum, sulphur, gold and diamond.
10. Mining and processing of copper, lead, zinc, tin, molybdenum and wolfram.
11. Minerals specified in the Schedule to the Atomic Energy (Control of Production and Use) Order, 1953.
12. Aircraft.
13. Air transport.
14. Railway transport.
15. Shipbuilding.

16. Telephones and telephone cables, telegraph and wireless apparatus (excluding radio receiving sets).
17. Generation and distribution of electricity.

Schedule B

1. All other minerals except "minor minerals" as defined in Section 3 of the Minerals Concession Rules, 1949.
2. Aluminium and other non-ferrous metals not included in Schedule 'A'.
3. Machine tools.
4. Ferro-alloys and tool steels.
5. Basic and intermediate products required by chemical industries such as the manufacture of drugs, dyestuffs and plastics.
6. Antibiotics and other essential drugs.
7. Fertilizers.
8. Synthetic rubber.
9. Carbonisation of coal.
10. Chemical pulp.
11. Road transport.
12. Sea transport.

CHAPTER 26

GOVERNMENT (INDUSTRIAL) EMPLOYEES

While the employees of the departmental undertakings of Government such as Railways, Posts & Telegraphs and Defence industrial units are Government employees, those of the public corporations and companies dealt with in the last chapter are not technically so. The industrial employees of the Government who are covered by the provisions of the Industrial Disputes Act, 1947, are distinct from other Government employees (civil and defence services). Discussion in this chapter will be focussed on issues connected with Government (industrial) employees, a large majority of whom is in the three departments referred to above.

26.1 According to the census of Central Government employees, 1966, Ministries/Departments of Railways, Posts & Telegraphs and Defence accounted for about 2.11 million (84 per cent) of the total of about 2.51 million industrial employees of Government. Their distribution in the three Departments is as in the table below:

TABLE 26.1: *Government (Industrial) Employees in Railways, Posts and Telegraphs and Defence*

Department	No. employed
1	2
(a) Railways	1,350,830
(b) Posts & Telegraphs	316,185
(c) Defence	443,840
TOTAL	2,110,855

The employees in printing presses, mints and other small departmental units also fall in this category.

26.2 In matters like working conditions, payment of wages industrial relations and social security, the enactments applicable to industrial labour in general apply to the industrial employees of Government also. The Payment of Wages Act, 1936 and the Factories Act, 1948 apply to these employees and so do the Trade Unions Act, 1926 and the Industrial Disputes Act, 1947. There are certain special enactments/regulations such as the Hours of Employment Regulations and Chapter VIA of the

Indian Railways Act, 1890, which govern particular types of employees in the Railways. In cases where these Regulations and provisions of the Indian Railways Act, 1890 are in conflict with the above Acts, the Indian Railways Act and Regulations prevail. All labour enactments, however, do not apply to the Government (industrial) employees. For instance, the Industrial Employment (Standing Orders) Act, 1946 does not apply to workers to whom "the Fundamental and Supplementary Rules, Civil Services (Classification, Control and Appeal) Rules, Civil Services (Temporary Service) Rules, Revised Leave Rules, Civil Service Regulations, Civilians in Defence Services (Classification, Control and Appeal) Rules or the Indian Railway Establishment Code or any other rules or regulations that may be notified in this behalf by the appropriate Government in the Official Gazette, apply."¹

26.3 Generally, however, industrial employees of Government are governed, subject to exceptions noted in the previous para, by the various labour enactments applicable to other similar employees. But since the same disciplinary rules and regulations as applicable to other Government employees are applicable to them, certain distinct practices and conventions have developed over the years in regard to matters like trade union rights, the right to go on strike, the procedure and machinery for settlement of disputes, and wage fixation. As such, even where the existing labour legislation is applicable to these departmental employees, exemptions have been obtained from enforcement of certain provisions of labour enactments. This has often led to controversies during the period covered by our review, particularly in respect of the conflict between the rights available to employees under the labour legislation and the restraints imposed on the exercise of these rights by the rules made for departmental employees. Since these controversies mostly relate to trade union rights, industrial relations procedures and wage/salary determination, we propose to confine our discussion mainly to these issues.

UNION RECOGNITION

26.4 The development of trade union organisation among industrial employees of Govern-

¹Section 13 b of the Industrial Employment (Standing Orders) Act, 1946.

ment has proceeded more or less on the same lines as in the case of industrial workers in general. Railway employees were among the first to organise themselves. Several railway unions came into existence in the years immediately after the First World War. The Whitley Commission referred to the unions functioning in most of the Class I Railways, on some of which there were more unions than one operating. Almost all of them were registered under the Indian Trade Unions Act, 1926 and many had received some measure of recognition from the Railway Administrations concerned.¹ Since Independence, the forces that have shaped the development of the trade union movement as a whole—such as the democratic set-up in the country, a general awareness on the part of workers in respect of their rights and privileges and the influence of political parties—have had their impact on the growth of unions in this sector also. Though there have been no statutory provisions for recognising unions, in practice, the arrangements which were evolved for the setting up of the Permanent Negotiating Machinery for the Railways (referred to later) did help in giving unions a better status and in fostering their growth.

26.5 Structurally, the unions in the Railways and Posts and Telegraphs have been organised at the zonal/regional level and federated into national unions/federations. This structure has emerged as a result of the way the work of the two Departments is organised. Unions of employees in the different Railways were reorganised on a zonal basis when the Railways themselves were so grouped. These zonal unions are affiliated to the two federations at the all-India level. The All-India Railwaymen's Federation (AIRF) and the Indian National Railway Workers' Federation merged into the National Federation of Indian Railwaymen (NFIR) in 1953, but this unity was short-lived and the All India Railwaymen's Federation separated from the NFIR in 1956. Further efforts to bring about unity in the Federations did not succeed. The two Federations have affiliated unions in each of the zonal Railways, as also in the two manufacturing units, viz., the Chittaranjan Locomotive Works in West Bengal and the Integral Coach Factory in Tamil Nadu. The two Federations and their constituents in the zonal Railways are recognised by the Railway Board and the concerned Railway administration. Unions in the two manufacturing units have gone unrecognised, irres-

pective of the fact whether they are affiliated to either of the two Federations or not. All policy matters regarding wages and conditions of work are decided at the all-India level by the Railway Board within the broad framework of the recommendations of the Pay Commission and other Commissions appointed by the Central Government. Matters relating to the staff, which are peculiar to a zone and are capable of being decided at the zonal level, are settled in consultation with the zonal unions. In 1964-65, 89 unions in Railways which submitted returns, had a membership of 534,000, or about 40 per cent of all railway employees.

26.6 At present, the system of recognition of unions subject to their fulfilling certain conditions is fairly well established in all these departmental undertakings. In the Railways, the zonal unions are accorded recognition on satisfying the following conditions:

- (i) It (union) must consist of a distinct class of railway employees and must not be formed on the basis of any caste, tribe or religious denomination;
- (ii) All railway employees of the same class must be eligible for membership;
- (iii) It must be registered under the Trade Unions Act;
- (iv) Its membership should not be less than 15 per cent of the total number of non-gazetted staff employed on the railway concerned;
- (v) It should not be sectional, i.e., unions composed either of one category or a limited category of workers should not be recognised; and
- (vi) It should not be, in the opinion of the Railway Administration, likely to engage itself in subversive activities.

26.7 The recognition, apart from entitling the concerned trade union to discuss with the Administration matters in respect of staff, enables it to have certain facilities from the Railway Administration in the conduct of its business. These facilities *inter alia* are: complimentary railway passes for office bearers, passes for union meetings, special casual leave to attend meetings, railway accommodation to house union offices, telephone facilities and sending workers in active service on deputation to unions as full time workers.

¹The Whitley Commission, however, had this to say about the policy of recognition: "a more generous policy in respect of recognition would be to the advantage of all concerned in railway work and we commend this matter for the careful consideration of administration".

26.8 At the end of August, 1968, 25 associations/unions representing various cadres of officers and staff of the Posts and Telegraphs Department were recognised by Government. Ten of these were federated unions, four non-federated associations, eight associations of gazetted officers, two unions of industrial workers, and one composite union representing both industrial and non-industrial staff (the Telephone Workers' Union). The 10 federated unions, comprising 9 all-India unions/associations of particular categories of class III and Class IV employees and a federation of these all-India bodies, cover the large majority of organised employees. The Federation was the outcome of repeated efforts to bring about a realignment of the existing unions, which ultimately took shape in 1954. Under the scheme, the Class III and Class IV employees of the Department were organised into 9 all-India unions covering the Class III and Class IV categories of employees in the R.M.S. and postal services, telegraph employees in both categories and belonging to the traffic and engineering departments, and the line staff and employees in administrative offices.

26.9 These all-India bodies, which have branches at the Circle and Divisional levels, formed into a federation—the National Federation of Posts & Telegraphs Employees. The Federation has an arrangement with the P. and T. Department (Board) by which no new unions representing Class III and Class IV employees in the postal, R.M.S. and telegraph services and the administrative offices will be recognised. The Federation on its side has given an undertaking that it will not disaffiliate or expel any union; the federating unions have abjured their right to secede from the Federation. The unions are to function under democratic principles. The Federation will have no power to interfere in the internal management of unions except in so far as may be specified in its constitution or in so far as it may be invited by its affiliate to interfere. All the 9 all-India unions and the Federation have the right of representation to the P. and T. Board, and in case of disagreement, the Federation can take up the matter at a higher level. After the strike of September 19, 1968, the federated unions, including the national federation, were derecognised and 8 new associations were granted provisional recognition.

26.10 The Defence employees have two Federations *viz.*, the Indian National Defence Workers' Federation and the All-India Defence

Employees' Federation. The Defence Ministry deals with both these federations, as both have a fairly large following among different sectors/sections of defence workers in different areas. Each federation has generally its own union at the plant level.¹

26.11 In regard to (i) promoting bipartite consultation/negotiations through recognition, formal or informal, and (ii) the right of unions to represent their employees, the Defence department and undertakings belonging to them have generally adopted a pragmatic approach.

26.12 Unions of Government industrial employees are not free from the issues facing the trade union movement in general, such as multiplicity, category-wise or craft-wise unions, outsiders in unions, and the influence of political parties. The Study Group on Rail Transport which examined some of these issues stressed the need for and desirability of encouraging consolidation of the trade union movement on the Railways with a view to have only one recognised representative body of railwaymen. The group also recommended, *inter alia*, steps (a) to discourage multiplicity of unions through non-recognition of any new union where there are already two recognised unions affiliated to either federation, (b) to discourage formation of category-wise unions, and (c) to encourage building up of rank and file leadership.

26.13 We have dealt with these and other issues concerning the trade unions in an earlier Chapter. Our recommendations in this regard would be equally applicable to the trade unions of Government (Industrial) employees. We would, however, refer only to the issues of union recognition in departmental undertakings. In their evidence before us, representatives of these undertakings had urged the need for continuing the present practice of recognising more than one union/federation. We are not convinced that the position in these undertakings is so fundamentally different from that in other undertakings, whether in the public or private sector, as to warrant a change in principle. If one union alone is to be recognised, the general principles we have laid down elsewhere² will apply also to unions of the employees covered in this chapter.

INDUSTRIAL RELATIONS

26.14 The machinery and procedures for the prevention and settlement of industrial disputes laid down under the I.D. Act, 1947, apply to

¹According to the present practice, any union having a minimum membership of 15 per cent is given recognition.

²See Para 23.50 to 23.58.

the industrial employees of these departmental undertakings. They are listed as public utilities under section 2(n) of the Act. In addition to the statutory procedures, these undertakings have set up machinery to secure cooperation, consultation, discussion and negotiation between the staff and the administration.

Permanent Negotiating Machinery—Railways

26.15 In January, 1952, a Permanent Negotiating Machinery (PNM) was set up on the Railways in agreement with labour organised in both the All-India Railwaymen's Federation and the Indian National Railway Workers' Federation, for maintaining contact with labour and resolving disputes and differences which may arise between them and the Administration. This machinery consists of three tiers. At the Railway level, the recognised unions have access to District/Divisional Officers and subsequently to Officers at the headquarters including the General Managers. At the next tier, matters not settled at the Railway level are taken up by the respective Federations with the Railway Board. And finally, if agreement is not reached between the Federation and the Railway Board and the matters are of sufficient importance, reference may be made to an *ad hoc* Tribunal composed of representatives of the Railway Administration and of labour presided over by a neutral chairman.

26.16 The following detailed procedure is laid down for the working of this machinery:—

- “(i) At the district or divisional level, the District or Divisional Officers should meet the branches of the recognised unions which may be established in the district or divisions, at least once in two months and more often if necessary. Each workshop will be considered as a district. The particular branches which should meet the District or Divisional Officers as prescribed above should be agreed upon between the General Manager and the Union. The detailed procedure of arranging these meetings should be agreed upon with the Union, but this should include a provision that the branch should supply memoranda setting out its point of view in sufficient time before the meeting. This would enable the District or Divisional Officer to examine the questions and be prepared to take a useful part in discussion.
- (ii) At the railway headquarters, the General Manager or the Chief Personnel Officer should meet the unions at least once a quarter and oftener if necessary.

- (iii) All disciplinary matters and subjects like promotion, transfer and other grievances of individual members of staff which do not involve any general principle will be excluded from the scope of the discussions at all these levels, except at the discretion of the officers concerned. Where, however, unions have been given certain privileges in these matters, these will not ordinarily be curtailed. If, in an integrated unit, there is disparity between the existing privileges in this matter and agreement cannot be reached with the unions on a uniform application of some procedure, the matter should be referred to the Railway Board for further instructions.
- (iv) At the district and railway levels, subjects will comprise those which are within the powers of the officers concerned.
- (v) Questions concerning pay scales, allowances, etc., will only be discussed between the Federations and the Railway Board and not at lower levels.
- (vi) At the Centre, negotiations will be between the Railway Board and the two Federations and for this purpose, there will be quarterly meetings between the Railway Board and the Federations.
- (vii) When a matter which is raised for discussion at the district level is not settled by agreement, it may be raised at the Railway level, for further negotiation. Similarly, a matter not settled at the Railway level may be brought up by the Federations to the Railway Board for discussion.
- (viii) All subjects brought up for discussion at the various levels should be disposed of as expeditiously as possible.
- (ix) If, after discussion between the Railway Board and the Federations, agreement is not reached between the two sides on any matters of importance, such matters may be referred to an *ad hoc* Railway Tribunal which will be set up for dealing with them at the Centre. This Tribunal will consist of an equal number of representatives of Railway Labour and the Railway Administration with a neutral chairman. The Tribunal will be enabled to make investigations as they deem necessary before they give their decision. The detailed procedure which the Tribunal should adopt for conducting its proceedings and submitting its decisions may be drawn up as and when the occasion arises.

- (x) It will be open to Government to accept, reject or modify the decision of the Tribunal, and where matters in dispute affect the workers under Ministries other than the Railway Ministry, those Ministries will be consulted as to:—
- (a) Whether they have any objection to the disputes being referred to the Railway Tribunal; or
 - (b) Whether they would like the disputes to be referred to an *ad hoc* Tribunal on which they will also be represented.
- (xi) On matters which have been settled by agreement or in which Government ultimately accept the decision of the Tribunal, it will not be open to the Federation to raise the same issues again for a period of two years. In those cases in which Government have rejected or modified the decision of the Tribunal, the issue may be raised at the end of the year."

26.17 Since the Permanent Negotiating Machinery has been established, only two *ad hoc* tribunals have been appointed, one in 1953, and the other in 1969. Out of the items originally referred to the 1953 tribunal, a number of issues were later settled with labour by discussions across the table and deemed as withdrawn from the purview of the tribunal. In view of the establishment of the Permanent Negotiating Machinery, instructions were issued to the officers of the Central Industrial Relations Machinery that they should not ordinarily intervene in disputes in railways except when a strike notice is received by them under the Industrial Disputes Act, 1947.

26.18. In the evidence before us, the Railway Board has mentioned: "the Permanent Negotiating Machinery gives a wide scope for dealing with general, individual and collective grievances". Along with other factors which have also been brought out in its memorandum, the Railway Board considers: "this (Permanent Negotiating Machinery) has contributed towards promoting industrial harmony on railways." The NFIR, on the other hand, while partially conceding the claim of the Railway Board, has mentioned: "if the machinery had been worked in its proper spirit by the administration at the various levels, better results would have been obtained". This shows an element of dissatisfaction with the working of the PNM. The memorandum from the AIRF is even more critical. After referring to the non-intervention by the Ministry of Labour in disputes con-

nected with the Railways and their employees since Independence, the memorandum says "the Ministry of Railways' unilateral rejection of reference of all disputes to the *ad hoc* tribunal is another instance where no criteria are applicable to the railway labour policies and many disputes remain unresolved". The Study Group on Rail Transport has not come to any specific conclusion in regard to the working of this machinery nor has it suggested any improvements.

26.19 The fact that the tribunals envisaged in the arrangements were required to be set up only rarely seems to indicate either that (i) occasion has not arisen in the last twelve years or more for the parties to differ with a view to attracting the services of a tribunal, or (ii) clause x of the PNM arrangement which spells out how the award of the tribunal will be treated by Government makes the tribunal so unattractive to labour organisations that they do not stretch their claims to a point where the services of a tribunal become necessary. The evidence of the federations points to the latter inference. With the setting up of the Joint Consultative Machinery (JCM) at the national and departmental levels by the Government of India, however, a hope can be entertained that the difficulties which the Railway Federations have found in the working of the PNM will be mitigated. This brings us to the place of the Joint Consultative Machinery in the scheme we have formulated for settlement of industrial disputes, and this will be discussed later.

Posts and Telegraphs

26.20 There are standing arrangements under which the demands from employees and difficulties of the Board are discussed periodically at the Divisional and Circle levels in the Posts and Telegraphs Department. Matters which are not settled at these levels are brought up through the Central union to the P. & T. Board which meets the recognised Federation as and when necessary. Since the strike in July, 1960, no periodic meetings have been held between the All-India unions and the P. & T. Board. It is, however, open to the Federation to discuss any matter of importance informally with the Board. At the Divisional and Circle levels, however, old instructions for holding meetings with the recognised unions continue to hold good.

The Joint Negotiating Machinery: Defence Establishments

26.21 The Defence Ministry constituted in 1954 a Joint Negotiating Machinery for settlement of disputes between the Administration

and the civilian employees in Defence installations on a three-tier basis: (i) at the unit/factory/depot level; (ii) at the level of DGOF/Naval Headquarters/Air Headquarters/Command Headquarters/DTD; and (iii) at the level of the Ministry of Defence. In case decision is not reached at the top level on any matter of importance, such matter may, if the Government thinks fit, be referred to an *ad hoc* tribunal. Cases relating to alleged victimisation can be taken up at the middle level of the negotiating machinery or at the higher level. The top level negotiating machinery had also decided that the workers alleging victimisation could request the representatives of the All-India Defence Employees' Federation (AIDEF) to discuss personally their cases with a senior officer of the Ministry of Defence. By convention, officers of the Central Industrial Relations Machinery (under the I.D. Act) do not intervene except when called upon to do so by the Head of the installation. The arrangement by which only the employer can invite the Central IRM to intervene appears to be somewhat curious to us. The Central IRM should be accessible to both the employer and the employees. Till the rift in 1959 in the AIDEF, it was the main organisation representing civilian employees of the Defence department. As a result of the AIDEF's participation in the strike in July 1960, the negotiating machinery has ceased to function formally. The two Federations *viz.*, the Indian National Defence Workers' Federation and the All-India Defence Employees' Federation are, however, allowed to discuss informally all matters affecting the employees with the Minister and with officers in the Ministry.

Joint Consultative Machinery

26.22 The Second Pay Commission, after a review of the existing arrangements for the prevention and settlement of disputes in various Ministries of the Central Government, came to the conclusion that the industrial staff of Government were as well placed to secure satisfaction of their reasonable demands as any other industrial employees. Along with the provisions of the Industrial Disputes Act, 1947, the voluntary arrangements set up would, according to it, seem to provide an adequate machinery for discussion and settlement of disputes between Government and their industrial staff. These arrangements for consultation and negotiation in the Ministries of Railways, Posts & Telegraphs and Defence, in its view, contained significant features for the promotion and growth

of joint consultative machinery on the lines of the Whitley Councils. The Commission was in favour of compulsory arbitration as a method of settling differences not resolved by negotiations. It said, "we are convinced that the conditions in India do not make it imprudent to set up a Whitley type machinery and to provide for compulsory arbitration; on the contrary, the conditions require that such a machinery should be set up and compulsory arbitration provided and we recommend accordingly."¹

26.23 The Government of India have now established a machinery for joint consultation and arbitration, with the object of "promoting harmonious relations and for securing the greatest measure of co-operation between the Government in its capacity as employer and the general body of its employees in matters of common concern and with the object further of increasing the efficiency of public service." This machinery has been set up in respect of Central Government employees, including those in Railways, Defence and Posts & Telegraphs. The scheme provides for regional and/or office councils, departmental councils and the national council. The scope of the councils will include all matters relating to conditions of service and work, welfare of the employees and improvement of efficiency and standards of work. However, in regard to recruitment, promotion and discipline, consultation will be limited to matters of general principles and individual cases will not be considered. The scheme also provides for limited compulsory arbitration on three subjects: (i) pay and allowances, (ii) weekly hours of work, and (iii) leave, of a class or grade of employees. As required under Clause 19 of the Scheme, action was initiated to appoint a Board of Arbitration and the Board appointed.

26.24 The Scheme was formally inaugurated in October, 1966 and the first meeting of the National Council was held on December 5, 1966. Departmental Councils have also been functioning in the various Ministries including the departments of Railways, Posts and Telegraphs and Defence.

26.25 The National Council of the JCM has so far taken decisions giving concessions to the employees *inter alia* on the following items: (i) leave travel concession; (ii) hospital leave; (iii) house rent allowance; (iv) night duty allowance; (v) reversion to pre-emergency working hours; (vi) daily allowance and incidental allowance; and (vii) merger of dearness allowance with pay. Departmental Councils have been

¹Report of the Second Pay Commission (1959), p. 551.

set up in almost all the Ministries/Departments, and where they have not been set up, steps are being taken to expedite action. The framing of revised recognition rules is under examination. Pending finalisation, it has been decided that where there has been a recognised federation or federations representing broadly and adequately all the categories of employees of a department, only that federation or federations will be recognised for the purpose of the JCM. In other departments, any other associations/unions which have been recognised in the past and which adequately represent the categories covered by them will be allowed to participate in the JCM.

26.26 While these have been the positive achievements of the Scheme during the short period since its inception, a major lacuna in it, viz., the absence of machinery for interpretation of disputed clauses, has come to light. The insistence of the staff side of the JCM to refer their demand for need-based minimum wage for compulsory arbitration and Government's refusal to concede that the issue is arbitrable and the subsequent developments leading to the issue of a strike notice by the unions of Government employees, and strike by certain sections of Government employees in spite of a ban on it by an Ordinance, are common knowledge. The Essential Services Maintenance Act, 1968 has since been passed, replacing the ordinance. It empowers Government to ban strikes in Essential Services and to declare prohibited strikes to be illegal, and provides for penalties to persons instigating and financing such strikes. Under Section 2(1)a of the Act, Essential Services mean: (i) any postal, telegraph or telephone service; (ii) any railway service or any other transport service for the carriage of passengers or goods by land, water or air; (iii) any service connected with the operation, repair or maintenance of aircraft; (iv) any service connected with the loading, unloading, movement or storage of goods in any port; (v) any service connected with the clearance of goods or passengers through the customs or with the prevention of smuggling; (vi) any service in any mint or security press; (vii) any service in any defence establishment of the Government of India; (viii) any service in connection with the affairs of the Union, not being a service specified in any of the foregoing sub-clauses; (ix) any other service connected with matters with respect to which Parliament has power to make laws and which the Central Government being of opinion that strikes therein would prejudicially affect the maintenance of any public utility service, the public safety or the maintenance of supplies and services necessary for the life of the community or would result in the infliction

of grave hardship on the community, may, by notification in the Official Gazette, declare to be an essential service for the purposes of this Act.

It has been stated by the representatives of Government in their evidence before us that it is the intention of Government to bring forward a comprehensive measure providing machinery for the settlement of disputes that may remain unsettled in the JCM. That is why we do not propose to emphasise the point that any law that takes away the employees' right to strike without simultaneously providing for a self-contained and satisfactory procedure by which they can secure redress for their grievances is open to very serious objections.

Right of Strike

26.27 This brings us to a consideration of the question of the right to strike by public employees i.e., Government employees engaged in industrial undertakings run departmentally. The arguments advanced in support of a ban on strike are: (a) the activities in which the Governments engage themselves are essential to the life of the community and their interruption would cause grave inconvenience and loss to the public; (b) Government and their undertakings, unlike private undertakings, are subject to the control of Parliament and the legitimate grievances of such employees can be redressed through that forum; and (c) conditions of service of employees of Government and their industrial undertakings are reviewed from time to time by the Pay Commission. There have also been many arguments in favour of allowing workers the right to strike. A major portion of the evidence before us is, however, in favour of restricting the right to strike of employees in public utilities or essential services, the disruption of which would have serious consequences on the economy or affect the community. Such restriction, it has been urged, should be enforced only if there is a simultaneous provision for an effective alternative by way of compulsory arbitration on unsettled issues by an impartial arbitrator.

26.28 We are of the view that it would be reasonable to impose restrictions on the employees' right to strike, particularly in essential services. We have elsewhere recommended that in essential industries/ services strikes should be made redundant, and on failure of mutual negotiation before going to the IRC, the parties should have the option to go to voluntary arbitration. If they do not do so, the dispute automatically goes before the IRC.¹ It does not imply a ban on strike in respect of all departmental

¹See Para 23.64

employees. But in the case of Government industrial employees engaged in essential services, the prohibition of strikes would be justified; firstly, because any interruption in the Government's functioning has far-reaching dangers to the community's welfare and security; and secondly, because the employer, in this case the Government, has no reciprocal right to declare a lock-out in the area of its services/operations. Such prohibition of strikes will, however, have to be accompanied by the provision of an effective alternative for the settlement of unresolved disputes. Hence the need for statutory arbitration machinery. Actually, our approach is to make strikes redundant in essential services by provision of an alternative method of settling all unresolved disputes. In our opinion, such a provision will ultimately lead to settlement of disputes by negotiations and agreements.

Joint Consultation Machinery and Industrial Relations Commission

26.29 This review of the developments with regard to Government employees and the restrictions imposed on direct action by them brings us to a consideration of the machinery for the settlement of disputes between the Government and its employees generally. We feel that the arrangements in the JCM, to the extent that they provide a forum for discussion at various levels between Government as an employer and unions representing their employees, fits in with what we have in mind. There are, however, certain disturbing features of the JCM by which Government appears to have reserved for itself the power to bring or not to bring items for deliberations to that machinery. We consider that this is a major departure from the scheme that we have envisaged. The current JCM arrangements have a parallel, though not on all fours, in the right by which the Government has reserved to itself the power to refer or not to refer to adjudication certain demands from among those on which adjudication is demanded by employees. We recommend that there should be a wider scope for discussion in the JCM. It should be on all matters which can be brought constitutionally within the purview of the JCM. The second point where the scheme of the JCM is a departure from the one we have envisaged is the limited scope provided in the former for arbitration. The removal of this deficiency also requires to be considered if the industrial employees of Government are to be treated on the same footing as other industrial employees. Also, according to the present arrangements, Government becomes the final authority in deciding whether an issue can or cannot go for arbitration, in case the

JCM does not succeed in its efforts to settle differences. On this issue also, we consider that Government's discretion requires to be fettered. It is the arbitrator who should decide whether an issue is or is not arbitrable within the framework of the constitution of the JCM. One of the parties to the dispute cannot be an arbiter on this point.

26.30 We consider it important that arrangements for Government (industrial) employees and others in similar non-governmental employment (essential services) should have as extensive a common ground as possible in matters concerning the settlement of disputes. The JCM arrangements, with the improvements suggested above, will be capable of being worked in that spirit. As another link between arrangements for Government and non-Government employees, we suggest that when differences reach a stage where arbitration becomes necessary, such arbitration should be voluntary. If voluntary arbitration is not agreed upon, the dispute would go automatically to the Industrial Relations Commission for settlement. The advantage in doing so is that the Commission with its experience in bringing harmony between parties to a dispute in non-Governmental employment, will have the necessary expertise and aptitude for taking a dispassionate view in the case of Government industrial employees also. This will obviate the need for constituting ad hoc tribunals which cannot attract the same type of knowledge and authority as a standing Commission can command. The decision of the arbitrator or the Commission, as the case may be, will be binding on both the parties as in the case of non-Government employees.

Wages

26.31 We have already referred to the inter-relationship that exists between Government and the private sector in the matter of wages and salaries.¹ Although the Government as a whole cannot be equated to a private sector undertaking, its operation of departmental undertakings is in essence operation of an industry or of a unit in it. A question that arises therefore is whether in the matter of wages and salaries the same set of principles should be made applicable for all, or different principles should govern different sections of the economy. In any economy, the principles of wage fixation have to be the same and uniformly applicable to all sections, though in applying them, the conditions prevailing in each—and these can differ from sector to sector—will have to be taken into account. But, broadly speaking, these latter are determined more by the nature of

¹See para 15.9

the industry than by the type of ownership or the organisational arrangements to run it.

26.32 The approach to the question of wage policy which we have formulated, we feel, has a wider applicability in this country. In its actual implementation, the special circumstances of Government as an employer will have to be taken into account. While in private employment, the scales of pay and other conditions of service can be directly negotiated between the parties, in Government the position is somewhat different. Government's ultimate responsibility is to the community at large through the elected representatives of the people. Similarly, the test of profit and loss which is available in the private sector has only a limited applicability to Government for purposes of guiding wage/salary fixation. Neither are the methods of determination of conditions of service in Government the same as in private employment nor do such conditions change so frequently as in the latter. In fixing wages/salaries, due regard must be paid to other factors like security of service, prospects of promotion leave facilities, and pensions. Thus, although the general principles enunciated by us in regard to wage determination are applicable to Government employment also, several other factors will have to be taken into account in the actual determination of pay/salary scales. Our terms of reference do not require us to fix them. Therefore, beyond recommending that the wages policy to be adopted by Government in respect of their employees should be in conformity with our general approach to the question of wage policy, we do not propose to go into the details of the various factors that should be taken into account in the actual determination or indicate the weightage to be given to them in settling wage/salary scales. These have traditionally been determined by special *ad hoc* Commissions set up by Government to go into the question of wages/salaries and other conditions of service of their employees. We feel that the conditions have changed so much since the setting up of the last Pay Commission, that there is a strong case for setting up another Pay Commission to review the wages and other conditions of service of industrial employees of Government and we recommend the setting up of such a Commission without delay.

26.33 In this connection, we would also like to refer to the demand made in certain quarters for the setting up of a separate Pay Commission in respect of certain sections of Government employees. We have already mentioned that in

the matter of applicability of principles, no distinction can be made between different sections of Government employees. Government as an employer cannot lay down different standards in regard to different sections of its employees. Moreover, Government employees, to whichever section they belong, are united by a common purpose and a sense of belonging to the same public service. The pay scales and other conditions of service of different sections are so inter-related that a separate Commission in respect of each section will not be conducive to a uniformity of approach which would be desirable. We, therefore, do not favour the setting up of separate Pay Commissions for different sections of Central Government employees.

Minimum Wage and Need-based Minimum

26.34 Having said this, we would like to refer to some of the specific terms of reference before us and our views on the same in so far as they relate to those Government employees who come within our purview. We have referred elsewhere to the views expressed by the Second Pay Commission on the question of a need-based minimum wage and inferred that although it did not specifically accept or reject the concept of a need-based minimum, the needs of Government employees were in fact taken into account by it in fixing their minimum remuneration.¹ On the question of "the need for fixation of minimum wages including a national minimum wage and the means of increasing productivity"², in response to the request made by our Chairman to the then Deputy Prime Minister and Minister for Finance and to the Home Minister for a clarification of the official position, senior Secretaries to Government sent us a memorandum and also gave evidence before us.

26.35 We have sought to cover many of the points made in the aforesaid memorandum in formulating our views on the approach to wage policy. We reiterate our earlier conclusion that the principle of a national minimum wage in monetary terms is not practicable. We do not think any modification in the concepts of 'minimum wage', 'need-based minimum wage', 'fair wage', and 'living wage' and other terms is required in their applicability to Government's industrial employees. The criterion of capacity to pay will not be attracted in so far as the payment of the statutory minimum wage in respect of scheduled employments or the minimum wage in respect of non-scheduled employments is concerned. The payment of these wages is the first charge on any employer and

¹See Para 16.19.

²Quoted from our terms of reference.

the Government can be no exception. We have, however, accepted in principle that the capacity to pay will be a relevant consideration for determining the need-based minimum.¹ We have not taken upon ourselves the responsibility of quantifying the need-based minimum wage in money terms nor the task of deciding the question of Government's capacity to pay. These are matters best left to the Pay Commission, the appointment of which has been recommended by us in para 26.32.

26.36 The principles for payment of dearness allowance to Government employees were examined by the Dearness Allowance Commission which reported in May, 1967. We have introduced some variations in these principles in their application to industrial workers in general.² For Government employees, we do not see any reason for a change in the original recommendations except that at the lowest range of emoluments, the neutralisation percentage should not be less than 95, and not 90 as

recommended by that Commission. Suitable adjustments in D.A. to higher pay/salary ranges in consequence of our recommendation to bind the quantum to that at the minimum level need to be made with safeguards for protecting the existing amount. Since we have recommended the early appointment of a Pay Commission, the recommendations which we have made would be of an interim character *i.e.*, till the recommendations of the proposed Commission are considered for adoption by Government.

State Government (Industrial) Employees

26.37 We have discussed in detail various issues regarding the relations between industrial employees of Government and the Government as an employer, with specific reference to the employees of the Central Government. These principles *mutatis mutandis* should govern industrial employees of the State Governments also.

¹See Para 16.31.

²See para 16.46 to 16.52.

CHAPTER 27

EMPLOYMENT OF WOMEN AND CHILDREN

EMPLOYMENT OF WOMEN

Participation of women in economic activity is common in all countries, developed and developing. The extent of their participation depends upon factors too well-known to bear repetition. While in the developed countries, many of which are now characterised by full employment, the debate on the extent of employment of women is not keen, and in fact, there is room for more women in the working force, in countries which are marked by labour surpluses, the need for providing employment for women when many men are available for work raises questions which cannot admit of categorical answers. It is in these developing countries that incomes by and large are low and the family requires the assistance of an additional earner. Where social conventions do not weigh oppressively against bringing women into paid employment, family income can best be supplemented by a draft on the female population in the working-age group.

27.1 It is obvious that if a woman has to work, she will need more protection than man in her working environment in developing countries and in traditional occupations. Where more sophisticated equipment is used in the production process, compulsions for special protection will perhaps be less. The justification for protective legislation is thus recognised in all societies. The ILO has evolved several conventions to provide such protection. By their very nature, such measures of protection introduced restrictive influences on the demand for women labour. In labour shortage economies, the need for protection does not create difficulties because women are required for work and the employer is prepared to pay the price. Elsewhere, the relatively high cost of employing women can always be a reason for an employer to discriminate. This apart, institutional arrangements for training women have, by tradition, been slow to develop and a vicious circle gets created against giving women their due share in work opportunities. But all this means a careful planning of requirements of manpower and preparing the labour force in advance for work which is likely to be created.

27.2 We have dealt with various aspects of protective legislation in the respective chapters and have recommended that all such legislation is necessary for women workers. We have also emphasised that it requires to be implemented more effectively to give the satisfaction which women deserve on that score, irrespective of its cost to the employer. We propose to cover in what follows the question of discrimination only, whether it is in respect of employing women or in giving equal wage to them for work of equal value.

27.3 In our country the right of women to public employment is recognised under the Constitution. Articles 16(1) and 16(2) of the Constitution grant the right of equal opportunities in regard to employment to men and women without any distinction. The Directive Principle of State Policy¹ which has a bearing on this issue is 39(a). It is with reference to these that we have to examine the evidence before us, but before doing so, we may recount briefly some facts about employment of women in their historical perspective.

Pattern of Women Employment

27.4 Women workers constituted 59.4 millions or 31.5 per cent of the total workers in the country in 1961, according to the Census data. During the last 60 years, their proportion to the total working force has fluctuated between 23.30 per cent and 33.70 per cent (Annexure I). These fluctuations, in the main, are due to differences in the concept of 'worker' from Census to Census rather than to actual change in the extent of participation of women in economic activity. The bulk of women workers have all along been engaged in agriculture and allied activities. During the period relevant for our inquiry and for which Census data are available i.e., the years 1951 and 1961, the percentage of women in the total working force changed from 23.30 in 1951 to 27.96 in 1961. The increase is somewhat higher than in the case of men, but for reasons stated, the limitations of such comparisons have to be understood. This increase in women employment is mainly marked in the cultivator category, while in all others there

¹Annexure to Chapter 6.

has been a drop as compared to 1951. In the non-agricultural sector, the proportion of women in employment has shown a decline. The 1961 Census also reveals that in the non-agricultural sector women are employed in what is broadly called the 'services' group, which includes public service, education, medical and health, and the larger chunk of miscellaneous service categories. Household and small-scale industries employed a larger number of women than factories; in the former, women work more as helpers than as wage earners. Information regarding women employed as traditional artisans is however not available for the country as a whole. A recent survey of handicrafts and rural industry in Mysore State, however, brings out the pattern. As expected, the proportion of women in such skilled occupations will be higher in relatively less arduous tasks like mat making, pottery and manufacture of combs than in brass and copper ware and sculpture, whether in some or metal. A survey in a town in Uttar Pradesh also reveals the same features. Bidi industry, in the small scale group, is reported to be the most 'female intensive'.

27.5 In the organised industrial sector, during the 1950s, the increase in average daily employment of women in factories closely corresponded to the increase in total factory employment though the proportion of women employment in individual industries was fluctuating (Annexure II). In recent years women employment in rice mills, cashew industries and tobacco curing has increased; it has registered a decline in other factory industries. This decline has been more marked in the textiles and basic metal industries. In both cotton and jute textiles, the decline of women employment is attributed mainly to technological changes rendering the jobs held by several women workers redundant. Fixation of minimum work load and standardisation of wages in the cotton textile industry necessitated retrenchment of women workers who were working mostly as reelers and winders where the work-load was found to be lower. Due to rationalisation, certain other departments were also closed, adversely affecting women workers. Rationalisation and mechanisation schemes in the jute industry eliminated some of the manual processes which at one time were the preserve of women workers. Certain occupations giving employment to women in the jute industry earlier were found to be hazardous and are therefore closed to women now by Rules framed under the Factories Act.

27.6 Women employment has also registered a decline in mines, particularly in coal mines.

In the early days when work underground was not prohibited for women, tribal families migrated to coal fields and worked underground in family groups or in pairs, the man cutting the coal and the woman filling the tubs. Employment of women for work underground was completely banned in 1939 and the proportion of women thereafter dropped to about 1/10th of the total labour force as compared with 2/5th in 1919. The proportion is reported to have come down further to about 6.6 per cent in 1967 (Annexure III). Besides prohibition of work underground, technological improvements also displaced women workers employed on certain unskilled occupations.

27.7 In plantations the change is not as drastic as in factories and mines. Employment of women in plantations has remained stable, the reason being the suitability of women for several operations in plantations; besides, the work is more akin to agriculture to which women have been accustomed since long. The other significant factor is the non-availability of local labour for a long time for work on the estates. To have better work commitment from migrants, it was convenient for the employer to bring them in family units. Also, technological changes adversely affecting employment of women elsewhere have not taken place in plantations. The additional cost of protective legislation for women is offset in this industry by the suitability of women for work in plantations.

27.8 The spread of education, particularly in urban areas, has opened up more employment opportunities for women in non-manual, clerical, administrative and professional work. The largest expansion of opportunities has been in Government service. Besides increase in the scope of activities in this sector during the last two decades, the entry and prospects of promotion for women, it is said, are subject to the least impediments in this area of work. Openings for women are largely restricted in business firms to clerical and secretariat assistance and in professions to teaching and nursing. It is against this background that we examine the effect of Constitutional provisions.

27.9 Developments since 1947.—Since Independence, the trend of employment of women is reported to be not encouraging, though in total employment there has been a rise and there is evidence to suggest that new avenues of employment are opening up for them. It is no consolation for a woman who expects to take employment in what were once her traditional occupations to be told that she is not

required for work, but many other women with special skills will be needed for employments elsewhere. What irks a woman in the present environment in India is that she will not be called for employment because of the change in processes which necessitates her replacement by a male hand; changes in the social climate which will prohibit her working at certain hours of the day; or worse still, because her employment would be uneconomic for her employer. One or the other of these has been stated as a reason for women's ouster from some of the important traditional and large scale employment openings. We recognise that traditionally the bulk of employment of women has been in agriculture, and this has continued. This is also true of cottage and small industries; but in both these sectors, there is a large measure of self employment in the sense that woman contributes to the 'industrial' chores of the family. Mainly because these avenues are still open to women and absorb a large majority of the female working force, the total picture shows a rise in employment of women; but even this rise may not be commensurate with the increase in the female labour force. In such matters, however, the opinion as reflected among the beneficiaries of the Constitutional safeguards will not go by the performance of the economy as a whole even if it were satisfactory. The demand will always be, and rightly so, to understand what women have achieved in securing employments which carry prestige such as employment in Government and in other organised industrial and commercial undertakings. In the former, judging from Governmental instructions and also from such statistics as are available, there will continue to be no discrimination, but in the larger sectors of employment, like employment in organised but non-governmental sectors, the proportion of women as stated earlier has fallen and continues to be inadequate. This situation has caused some anxiety to women and that is why the representatives of the All-India Women's Conference¹ urged before us that the right of a woman to employment should in no way be considered subordinate or secondary to that of a man. We have no hesitation in accepting this proposition.

27.10 In view of the importance of the Constitutional directive, it would be necessary to probe further into the impediments in the way of employing women. Apart from those which fall within the realm of social and sociological factors, the economic reasons *i.e.*, those which involve additional cost, fall in three groups: (i)

training, (ii) wage rates, and (iii) special protection. We discuss these in that order.

Training

27.11 Our analysis of the pattern of employment of women has shown that the majority of women have been employed on unskilled jobs or on such work where simpler and traditional skills are required. The low skill qualifications and equipment of women workers have, in particular, restricted their employability, more so in the wake of technological advance. Vocational guidance and training of girls have in fact long been neglected in the country, primarily because the girls were not considered to be 'bread winners' in the traditional family structure. The majority of girls are educated without any career planning for them; there is not much of education planning among boys either. In the lower income groups, girls are given education or training only when there are spare resources after allowing for the needs of education of male children, present or prospective. This apart, absence of vocational guidance and inadequate training facilities for girls has added to their difficulties.

27.12 The situation has slowly started changing since Independence. The compulsions of Partition led to measures for helping widows and single women uprooted from their erstwhile homes. To enable them to make a living, centres for training women in sewing, embroidery, needle-work, spinning and weaving were opened. Some State Governments and private organisations also set up training centres for women. More recently, the Directorate General of Employment and Training has opened four Industrial Training Institutes exclusively for girls. A Central Training Institute has been set up to prepare instructors in crafts to be imparted to women. Polytechnics for women have been opened in some cities; these train women in a large variety of industrial, commercial and secretarial occupations.

27.13 The adverse effects of technological changes and mechanisation on women's employment will be set right in the long run if facilities for acquiring new skills are provided for women workers. In fact, with technological advancement, women may find it less strenuous to work in factories. For a rational distribution of women labour in economic activity, it will be desirable to give preference to women for training in those trades and occupations for which they have special aptitudes.

¹Also See Para 6.21.

Vocational guidance programmes will serve a useful purpose in giving necessary information to women.

Wages

27.14 The Fair Wages Committee (1948) stated "where employment is on piece-rate or where the work done by men and women is demonstrably identical, no differentiation should be made between men and women workers regarding the wages payable. Where, however, women are employed on work exclusively done by them or where they are admittedly less efficient than men, the fair wages of women workers should be calculated on the basis of a smaller standard family than in the case of a man." Article 39(d) of the Constitution also suggests a move in the direction of equal pay for men and women for work of equal value. The progress in the implementation of this Directive Principle has been described in the words of the memorandum of the All India Women's Conference.¹ The said memorandum has also made a reference to the progress in this direction even in the industrial sector. While stating fairly what had been achieved, it brought to our notice poignant cases of different wage rates fixed for men and women for the same type of work, though such differences, as there were, could not be accounted for fully on the basis of the amount of work involved. Other evidence which has been placed before us by the Government and employers' and workers' organisations corroborates the statement of the AIWC. Also, in the larger sectors where women are employed *viz.*, agriculture and small industries, evidence shows that in fixing wage rates some State Governments have not been free from discrimination against women. By and large, therefore, we conclude that the position in this respect could have been more satisfactory. Our concern is all the greater, since those who suffer more, even among women as a group, are ignorant, unskilled and semi-skilled workers coming from communities which convention recognises as belonging to the lower social strata and for protecting whom Article 46 of the Constitution is presumably intended. In a way, women belonging to these communities are intended to be doubly protected (a) because they are the 'weaker section' and (b) because of the comparatively unfortunate communities to which they belong; and it is here that the protection is the least.

27.15 But even in this regard, we do not want to underrate what is being achieved.

While generally conceding that the wages of women workers have been lower than those of men, the differences have tended to narrow down in recent years mainly for two reasons: (i) fixation of statutory minimum wages under the Minimum Wages Act and (ii) standardisation of wages for different jobs through the operation of the Industrial Relations Machinery.

Legislative Measures for Women Workers

27.16 The legislative provisions for protection and welfare of women workers are largely inspired by the ILO Conventions on (i) Maternity Protection, 1919; (ii) Night-work, 1919; (iii) Underground work, 1935; (iv) Equal Remuneration, 1951; and (v) Discrimination (Employment and Occupation), 1958. However, the actual wording of the enactments in India in which the protection is written draws heavily on the Indian experience. Maternity benefits are provided under the Employees' State Insurance Act, 1948 and the Maternity Benefit Act, 1961. The other legislative measures for women relate to certain restrictions on lifting of weight, employment in hazardous occupations, provision for separate toilet facilities, rest rooms, creches, etc. We have described these in greater detail in the chapter on Working Conditions.

27.17 Legal prohibition on engaging women during night and on underground work and hazardous occupations has obviously restricted women employment. The obligation put upon employers to pay equal wages for equal work and in addition bear the cost of providing certain extra benefits and facilities to women workers is also reported to have been responsible for the decline of women employment in factories and mines. We would like to mention at this stage the conclusions of a study conducted by the ILO (India Branch), which refutes the hypothesis of extra cost. This study which was largely based on published material, presented the problems and difficulties of women in paid employments in an attempt to discover practical solutions to enable women to play an increasingly full and effective part in national life and fulfil their responsibilities as home makers, wives, mothers and workers. A conclusion of the study was that the general impression that a decrease in the number of women employed in factories was due to statutory obligations or the compulsion to pay maternity benefits, was not borne out by facts. The percentage of women employees in larger

¹Para 6.21.

establishments employing 50 or more workers was higher than those in smaller ones. Benefits or no benefits, where women were more useful, they continued to be employed. Plantations is an instance in point.

27.18 While there are the discriminatory practices which are reported to be in vogue, and in many cases the reports appear to be well founded, our attention has been drawn to still another form of discrimination within the members of the 'fair sex' itself. To minimise the burden cast by maternity benefits, some employers recruit unmarried women only on condition that they will resign their posts on getting married. The clause which is discriminatory, unfair and unjust, has, on a petition made by the affected women employees, been struck down by the Supreme Court.

27.19 The All India Women's Conference has in its memorandum brought out an interesting point in connection with the discriminating practices. According to it, the majority of the occupations where women are employed are unskilled or semi-skilled. It is precisely in such unskilled and semi-skilled occupations that the non-wage costs associated with women's employment become uneconomical to the employer, since there are no compensating advantages in employing women on such jobs. Women, therefore, need to be absorbed more and more in skilled categories of work to make their employment more economic to the employer. If the current trends in the employment of women continue, the point sought to be made in the memorandum, we are sure, will have been met.

Women and Trade Unions

27.20 Women workers did not, by and large, take to trade union membership in the early years. The reasons are not far to seek. Social factors disfavouring women working outside, greatly restrict their freedom to mix with fellow workmen. Their families expect them to return home after the day's work and keep aloof from such activities. Moreover, though a worker, a woman did not so far take to work outside her house as a way of life. This transitory interest in employment is a matter of the past. With social awakening and the newly acquired freedom, taste for economic independence, and therefore a stake in employment, women workers are becoming more alive to their interests and joining unions in larger numbers (Annexure IV). The percentage of women union members is the highest in the plantations where, as we have mentioned earlier,

their employment has remained steady. Unionisation is also making progress in employments under the industrial categories: food, beverages, tobacco, textiles, mining and quarrying. It is noticeable that the extent of unionisation is positively correlated with the quantum of employment of women. Where women are employed in larger numbers, they have naturally found it less inconvenient to join unions. We expect that unionisation among women will increase as more and more of them come out to take up paid work and social mores change to give them the necessary freedom for it.

Employment of Women—A Perspective

27.21 The outline of the perspective will be clearer if we first deal, more specifically with women's motivation for work and the social impediments that stand in the way. With a few exceptions in the higher strata of society, the majority of women take to work for economic reasons. A survey conducted under the auspices of the National Council of Women's Education in Delhi and Bombay in 1962 showed that women work, if they are required to do so, because of economic compulsions of the family. About 70 per cent of the women who responded to the enquiry considered it necessary to work in order to supplement family earnings. This was a common consideration with all unmarried women who in some cases were reported to be supporting an old father or widowed mother or an unmarried brother or sister. The attitude of the guardians of these women was passive no longer; they encouraged their wards to seek work. In higher income groups, the motivating force behind seeking work was utilisation of leisure, acquirement of vocational training and the desire to have one's own money. Another motivation reported by some respondents was that, in the view of their guardians, a working woman enhanced family prestige and got better prepared against unforeseen contingencies. The former indicates a change in social values as against the popular belief of the past against women employment for the very reasons of prestige.

27.22 The more important of the difficulties which come in the way of employment, however, are still—restricted mobility, inadequate training and housing facilities; the last concern more particularly single women. The guardians of women consider it unsafe to send their women wards away from their homes to take up work. Employment preferences of women workers continue to be for work locally available. Non-availability of housing facilities for

a single woman acts as a major deterrent for many women who aspire for employments other than those available in their local area, while transfer of location after marriage comes in the way of the stability of employment of married women.

27.23 In providing the perspective, we need not consider the rural context where women will take to work either paid or unpaid. We expect that in urban areas more and more women would be coming out of their homes to take up paid work because of spread of education, development of means of communication, growing desire to live better and consequent liberalisation of traditional social norms hitherto disfavoured women employment. Already, the waning joint family system is exposing the hitherto protected 'fair sex' to the vicissitudes of life. Earning female members are welcome in urban families and conditions are not likely to change in this regard in the foreseeable future; if at all, the welcome will be even more hearty. With an increasing number of girls going out for education, inhibitions regarding working with men are losing their hold. Improved household amenities and emphasis on smaller families will provide more leisure for being utilised in gainful occupations.

27.24 An important source of employment for women will be opened up with the enlarging of the welfare activities of the State consequent on the goals accepted for development. The social welfare institutions to be set up will offer employment openings for which women will be more suited. Another avenue to which women could look for will be in the institutions engaged in the development of social sciences and humanities. More of such institutions will be set up, since it has been widely recognised that the development of social sciences has lagged behind the advances made on the technological side. Social sciences institutes will require considerable assisting staff in using the new research techniques. Educated women will be suited for rendering assistance in collection and processing of information.

27.25 Our review of the employment pattern and job preferences of women is suggestive of coming changes in the occupational structure of women in the next two decades or so, particularly in the non-agricultural sector. Decline of women employment in factory and mining occupations requiring physical labour indicates not only a shrinking demand but also, to an extent, a tapering labour supply in these

occupations in future. The latter is particularly borne out by the job preferences of women. The spread of education and training facilities will give further strength to such preferences. More and more women will be aspiring to become clerks, stenographers, secretaries, teachers and nurses. Expansion in business and governmental activities, we believe, will create more job opportunities of this nature.

27.26 As at present, in the industrial occupations, women will be looking for employments in skills which they have or will readily acquire. The technological changes and changes in production pattern have made it easy for women to acquire the limited skills necessary for a small fraction of a job which an operative is expected to handle. Women have made their place secure in chemical and pharmaceutical factories, in light engineering, and in factories which work for a variety of consumer goods. To the extent such industries develop, more of women will have employment openings, provided the basic training given to girls is so arranged as to fit into the perspective of development.

27.27 Skill generation and rational distribution of the women labour force as a part of social and economic planning, which would also reduce competition between men and women, are the widely recognised solutions to the problem of women's employment. We believe that with this orientation, it should be possible for an employer to follow a non-discriminatory policy in the employment of women. The additional cost, if any, we are sure, will be accepted by employers on wider social considerations.

EMPLOYMENT OF CHILDREN

27.28 Employment of children has continued to be a problem since the early days of industrialisation. The Whitley Commission stated:

"...In many cities large numbers of young boys are employed for long hours and discipline is strict. Indeed there is reason to believe that corporal punishment and other disciplinary measures of a reprehensible kind are sometimes resorted to in the case of smaller children. Workers as young as five years of age may be found in some of these places working without adequate meal intervals or weekly rest days, and 10 or 12 hours daily for sums as low as 2 annas in the case of those of tenderest years."

It recommended legislation to fix the minimum age for employment at a higher level than that obtaining in many industries. In the following years the minimum age for employment of children was fixed at 12 years under the Factories Act and 15 years under the Mines Act.

27.29 The Labour Investigation Committee, 1946, however, found that the legislative measures relating to child employment met with little success in ameliorating conditions of work of child labour. It observed:

"The important fact that has emerged from the investigations is that in various industries, mainly smaller industries, the prohibition of employment of children is disregarded quite openly, and owing to the inadequacy of the inspection staff it has become difficult to enforce the relevant provisions of the law."¹

27.30 In the later years, the situation regarding child labour comparatively eased in factory industries; it persisted to give anxiety in the unorganised small industries. An enquiry conducted on the subject by the Labour Bureau, in the early fifties, came to the following conclusion:

"At present, therefore, in the factory industries child labour is not a serious problem. It is however doubtful if statistics compiled from the returns under the Factory Act tell the whole story regarding child labour. For, it is well within the experience of Factory Inspectors as well as other officers engaged on field inquiries that no sooner they make their appearance on the scene than quite a large number of children run away from the factory premises. These are often children below the minimum age for employment."²

27.31 The Labour Bureau's study showed that in small industries and cottage industries such as match manufacture, cashewnut processing, bidi making, carpet weaving, employment of under age children, either uncertified or having false age certificates, continued. The actual hours of work were found to be in excess of the prescribed working hours under different enactments. In cottage industries, children were required to work as long as adult workers, except where home-work system was prevalent. The working conditions for children in the bidi and glass industries continued to remain deplorable. However, a redeeming feature

reported by the study was that children were assigned comparatively light work wherever employed in plantations, factories, and cottage and small-scale industries.

Legislation relating to Child Workers

27.32 Our Constitution provides for protection of child workers. Article 24 lays down: 'No child below the age of 14 years shall be employed to work in any factory or mine or engaged in any other hazardous employment.' Articles 39(e)³ and 39(f) and Article 42 are also relevant in this connection. The 'abuse' indicated in Article 39(e) and 'exploitation' in Article 39(f) could be wider, in their social content, than Article 42 which has specific relevance only to the working class. We have covered Article 39(e), in so far as wage employment of children is concerned, under working conditions. But this will have no relevance to cases where there is no wage paid employment and where a self-employed man uses his family, women and children, for gainful activity because of economic necessity. The real solution will emerge in this case only with a faster rate of economic growth and with social justice as an equally important aspect of growth. Article 39(f) is more relevant to women than children and its implications need not be discussed.

27.33 The important legislative provisions with a bearing on employment of children relate to minimum age of employment, working hours, health certification, employment on dangerous machines and the like. The minimum age for employment is fixed at 14 years under the Factories Act, 1948, 15 years under the Mines Act, 1952 and 12 years under the Plantations Labour Act, 1951. The Employment of Children Act, 1938 prohibits employment of children below 15 years in occupations connected with transport of passengers by railway and in work connected with handling of goods within the limits of any port. For employment in workshops connected with bidi making, carpet weaving, cement manufacture, cloth printing, dyeing and weaving, match manufacture, mica cutting, tanning, etc., the Act lays down the minimum age of employment at 14 years. The Shops and Establishments Acts of various States prescribe different minimum age limits varying between 12 and 14 years. To ensure the physical fitness of children, the Factories Act, 1948 provides that children up to the age of 18 years will be employed on

¹Labour Investigation Committee, Main Report, 1946, p. 35.

²Child Labour in India, Ministry of Labour, Labour Bureau, 1954, p. 8.

³See *Annexure* to Chapter 6.

production of health certificate which will be valid for one year only. The Mines Act, 1952 provides that a child up to the age of 18 years can be employed, with such a certificate, as an adult worker for work below ground.

27.34 The Factories Act, 1948 prescribes for children and adolescents a working day of 4½ hours, with a spread-over of 5 hours. Young persons up to the age of 17 years are not allowed under the Act to work during night hours and on hazardous occupations. The Mines Act, 1952 lays down that adolescents will not be employed for more than 4½ hours in a day and prohibits their employment between 6 P.M. and 6 A.M., and on work below ground. The Plantations Labour Act, 1951 prescribes a 40-hour week for children and adolescents. In shops and establishments, the hours of work for children are fixed at 6 or 7 hours a day under the State laws on the subject.

Extent of Child Labour

27.35 Data regarding the extent of employment of child labour are inadequate. According to the Census of India 1961, there were 8 per cent workers below 15 years of age. Most of them were reported to be employed in agriculture and allied activities; the organised sectors of the economy accounted for only a small proportion. The first and second Agricultural Labour Enquiries revealed that children below the age of 15 years formed 4.8 per cent of the agricultural labour force in 1950-51 and 7.7 per cent in 1956-57. In factories there has been a steep decline in the proportion of child labour from 0.48 per cent in 1948 to 0.25 per cent in 1952, 0.10 per cent in 1960, and 0.07 per cent in 1962. The number of adolescent workers also declined during this period. In plantations, which offered larger scope for employment of children, their proportion decreased steadily from 15.2 per cent in 1946-47 to 10.4 per cent in 1950-51.

27.36 The gradual reduction in the employment of child labour since Independence is due partly to the expansion of educational facilities by the State and also to relatively better enforcement of statutory provisions relating to child labour. Our evidence reveals that employment of children is almost non-existent in organised industries. It persists in varying degrees in the unorganised sector such as small plantations, restaurants and hotels, cotton ginning and weaving, carpet weaving, stone breaking, brick-kiln, handicrafts, and road building. Employment of child workers below the prescribed age is also reported to be

continuing in far-off places and in rural areas where enforcement of statutory provisions is more difficult.

27.37 It has been brought to our notice that quite often it is the feeling of sympathy rather than the desire to exploit which weighs with employers in employing child workers. Ironically enough, it is the same feeling which makes the inspecting officers to take a lenient view of breaches of the legal provision in this regard. This is, therefore, more of an economic problem. Under the excuse of preparing a boy for taking up productive employment as he reaches adulthood a small child is engaged to train his fingers in the required skills. We have been told by some employers that unless the fingers were thus trained at a very early age, their adaptation later would be difficult.

27.38 During the course of our observational visits, we found prevalence of child labour in handloom and powerloom units. Usually a weaver has as his mate a child of the school-going age. The education of the mate is no concern of the weaver nor of the person who engages the weaver. Children are not direct employees, but they help the weaver and collect whatever money they can get from him. In due course they learn the trade. If the education of a child is a casualty in the process, it is the poverty of the parents which is to blame. Brocade work is another intricate operation where child labour is quite common. In the units we inspected, the proprietor assured us that though the boys who were working there looked between 8-10 years of age or even younger, they were all above 14, the age at which adolescents were permitted to be engaged under the local rules. In several cases, we were told, the payment to the child was the responsibility of the adult worker whom the child helped. When the former himself gets a low wage, he could be parting with but little of it for his helper. The whole arrangement appeared to be exploitative when seen in relation to the fact that such operations were carried on so near the factory premises. A similar arrangement prevails in carpet weaving, but in this case, the relative share of wages of the child worker is better. The low earnings of the artisan are compensated by the income of his mate, if the latter belongs to the same house. But this is at the cost of education of the junior operative. An artisan cannot afford to educate his wards though education is free. For him an uneducated child is an asset; desire to be educated becomes a double liability because of (a) loss of earnings if the child did not work and (b) expenditure on education howsoever small.

Recommendations

27.39 The employment of children is indeed more of an economic problem than anything else. Nevertheless, we consider denial of opportunity to children for their proper physical development and education to be an issue of a serious nature, keeping in view the larger interests of the society. While the economic

difficulties are real, a way has to be found to give the child the necessary education in his more receptive years. We feel this can be ensured by fixing the employment hours of children so as to enable them to attend to schooling. Where the number of children is adequate, the employers, with the assistance of the State Governments, should make arrangements to combine work with education.

ANNEXURE I
(Refer Para 27.4)

Percentage Distribution of Female Workers 1901—61

Year	Women population	Culti- vators women workers in total	Agricul- tural Labourers	Mining, Planta- tions etc.	Household Industry	Manu- facturing other than household	Construc- tion	Trade & Commerce	Transport, Storage & Commu- nications	Other Services
1	2	3	4	5	6	7	8	9	10	11
1901	31.70	14.44	8.17	1.02	..	3.95	0.21	1.87	1.08	1.96
1911	33.73	14.73	10.34	1.17	..	3.54	0.24	1.83	0.06	1.96
1921	32.67	16.52	8.15	1.17	..	3.01	0.24	1.78	0.05	1.75
1931	27.63	8.95	11.02	1.16	..	2.41	0.21	1.41	0.04	2.43
1951	23.30	10.59	7.31	0.78	..	1.62	0.17	0.66	0.07	2.10
1961	27.96	15.59	6.67	0.56	2.20	0.37	0.11	0.38	0.03	2.05

NOTE.—Workers here cover all categories of workers viz., employers, employees, independent workers, and family workers
Except in 1961, Household Industry was included in Manufacturing and Mining, etc.

Source: Census of India, 1961 Paper No. 1 (p. 396)

ANNEXURE II
(Refer Para 27.5)

Average Daily Employment of Women in Factories

Year	Total No. of employees ('000)	No. of women employees ('000)	Percentage of women to total employees
1	2	3	4
1946*	2,314.6	272.0	11.75
1947	2,274.7	263.9	11.60
1948	2,360.2	268.6	11.38
1949	2,433.9	275.7	11.33
1950	2,504.4	281.9	11.25
1951	2,536.5	290.0	11.43
1952	2,567.5	278.4	10.84
1953	2,528.0	269.9	10.67
1954	2,589.8	285.2	11.01
1955	2,690.8	295.1	10.96
1956	2,882.3	301.4	10.45
1957	3,074.1	346.1	10.25
1958	3,102.1	343.9	11.09
1959	3,203.0	344.6	10.75
1960	3,368.0	367.3	10.90
1961	3,497.0	372.3	10.64
1962	3,649.0	394.1	10.80
1963	3,860.0	400.4	10.37
1964	4,024.0	409.1	10.16
1965	4,118.0	394.5	9.57
1966	4,069.0	364.7	8.96
1967 (P)	4,071.0	380.6	9.34

*Relates to British India.

P—Provisional.

Source: (i) Statistics of Factories;
(ii) Statistical Abstract of India and (iii) Indian Labour Statistics.

ANNEXURE III
(Refer Para 27.6)*Average Daily Employment of Women in Mines*

(in '000)

Type of Mine	1951	1956	1961	1964	1965	1966	1967
1	2	3	4	5	6	7	8
<i>Coal</i>							
Total workers	352.0	352.4	411.3	430.8	424.5	425.5	413.8
Women workers	55.2	46.0	38.1	34.2	31.4	30.8	27.6
Percentage	15.7	13.0	9.3	7.0	7.0	7.2	6.6
<i>Iron Ore</i>							
Total workers	20.2	37.3	54.5	51.9	58.8	60.3	55.5
Women workers	7.7	10.7	15.3	13.0	15.1	15.7	14.0
Percentage	38.2	28.8	28.8	25.0	25.7	25.9	25.2
<i>Mica</i>							
Total workers	52.2	34.0	29.6	20.1	21.0	19.8	16.7
Women workers	7.2	2.7	2.4	1.7	1.6	1.2	1.2
Percentage	13.8	7.8	8.1	8.4	7.6	6.1	7.2
<i>Manganese</i>							
Total workers	55.5	110.0	46.9	42.2	45.1	47.0	44.8
Women workers	24.4	44.3	17.7	16.1	18.5	19.1	18.4
Percentage	43.9	40.3	37.7	38.2	41.0	40.6	41.0
<i>Other Mines</i>							
Total workers	69.1	94.9	128.7	141.9	141.8	146.7	14.50
Women workers	15.1	22.0	32.8	32.5	33.2	33.9	29.7
Percentage	21.8	22.1	25.5	22.9	23.4	22.9	21.1
<i>Grand Total</i>							
Total workers	549.0	628.6	671.0	686.8	691.2	699.3	671.3
Women workers	109.6	125.8	106.3	97.5	99.8	100.7	90.9
Percentage	20.1	20.0	15.8	14.2	14.4	14.4	13.5

NOTE.—Due to rounding up, the figures may not add up to total.

Source: Indian Labour Statistics

Percentage of Women in Unionised Workers

Year	Percentage of women in unionised workers
1927-28	1.2
1932-33	2.1
1937-38	3.8
1942-43	3.8
1947-48	6.2
1951-52	6.8
1956-57	11.8
1960-61	9.8
1961-62	9.3
1962-63	9.4
1963-64	8.8
1964-65 (Provisional)	7.1

NOTE.—

1. Statistics relate only to unions submitting returns.
2. Figures from 1951-52 to 1960-61 relate to the entire Indian Union, except Jammu & Kashmir and Manipur.
3. Figures from 1964-65 do not include Assam and Mysore.

Source: Indian Labour Year Books.

AGRICULTURAL LABOUR

One of our terms of reference requires us "to study and report in particular on measures for improving conditions of rural labour and other categories of unorganised labour" and "to make recommendations". Rural labour can be agricultural or non-agricultural; but the former has a preponderance. Because of the mixed character of rural occupations, several categories of non-agricultural labour are available for agricultural operations when needed. Problems of rural labour as we envisaged them for the inquiry were two-fold, social and economic. The first has its origin in the low status of agricultural labour in the rural hierarchy, the second in the chronic lack of adequate employment opportunities. A fair measure of public opinion, however, agrees that if the economic problem is effectively tackled, some of the social disabilities will lose their edge.

28.1 Agricultural labour constitutes an overwhelmingly major section of rural labour. 'Agriculture', according to the International Standard Industrial Classification, includes cul-

tivation of land, rearing and maintenance of livestock, forest operations, fishing and hunting; it does not, however, include fruit growing or plantations. Workers in the agricultural sector are distributed into three main categories: (i) cultivators, (ii) agricultural labour and (iii) workers engaged in forestry, fishing and livestock, etc. We are primarily concerned here with agricultural labour which is basically unskilled and unorganised and has little for its livelihood other than personal labour. Persons whose main source of income is wage employment will fall in this category. It consists of two sub-categories: (i) landless agricultural labour, and (ii) very small cultivators whose main source of earnings, due to their small and sub-marginal holdings, is wage employment. Landless labour in turn can be classified into two broad categories: (a) permanent labour attached to a cultivating household and (b) casual labour. The second group can again be divided into three sub-groups, *viz.*, cultivators, share-croppers and lease-holders. The following table brings out the distribution of workers in the agricultural sector:

TABLE 28.1: *Labour Force Characteristics - 1961 Census*

Category	(Figures in lakhs)	
	All-India	Rural
1	2	3
1. Total population	4389	3600
2. Total labour force	1887	1623
3. Labour force in the agricultural sector including fishing, forestry, etc.	1375	1343
(a) Cultivators	996	979
(b) Agricultural labour	315	306
(c) Forestry, fishing, livestock, etc.	64	58

The chart in Annexure I shows the place of agricultural labour of all descriptions in the total population.

Sources of Information

28.2 Before discussing the issues connected with agricultural labour, we consider it useful

to record the sources of information on which we have relied. We have firstly utilised the findings of the two Agricultural Labour Enquiries (ALE) conducted in 1950-51 and 1956-57 and such results of the Rural Labour Enquiry (RLE) undertaken in 1963-64 and 1964-65 as were available. The first two enquiries

covered agricultural labour in the country specifically, whereas the third had a broader coverage. The National Sample Survey (NSS) provided data on employment and unemployment. These surveys between them have brought out the broad dimensions of the problem. The information is quantitative in nature and in the form of national or State aggregates. The second ALE which was taken up after some years of operation of the Multi-purpose Community Projects in some areas could have brought out their qualitative impact on the rural population. Its report refers only incidentally to this aspect. Farm management studies undertaken in selected areas provide information on the demand for employment in farm operations. Between the second ALE and the RLE, an important change was introduced in the rural areas through the extension of the Community Development Programme. Some statistics based on the RLE are available, though the report on the enquiry has not yet come out. It is expected that such qualitative changes as have taken place between 1956-57 and 1963-65 will be brought out in the RLE report when it is finalised. We, on our own, arranged a quick survey of the conditions of agricultural labour by covering about 200 villages spread over forty-six districts in the country. This, together with allied information available with the Central and State Governments and in other research studies, helped us to build up an impressionistic picture of the main direction and content of the changes in conditions of rural labour. The observation visits to rural areas of some of us, and of the officers of the Commission to villages lying in Intensive Area Development Projects (IADP) and other areas, provided useful factual background for our understanding the impact of the changes in rural areas on agricultural labour.

28.3 The response to our Questionnaire was unsatisfactory and yet as a result of the enquiries enumerated in the preceding paragraph, the scope of the study undertaken by us gained in perspective. Many issues emerged out of these studies and in the course of processing whatever evidence we had before us. To help us in analysing the situation and reaching conclusions in this part of our enquiry, where admittedly the areas of darkness were several, we convened a Conference on Agricultural La-

bour¹ (CAL) which discussed the information put together by our Secretariat and came to certain conclusions. These conclusions will be referred to at appropriate places in this chapter.

Arrangement of Topics

28.4 We divide our discussion on the subject into two parts: the first will provide a synoptic view of the changes in the conditions of agricultural labour since Independence in terms of (i) the population and its composition; (ii) employment; (iii) assessment of policy; (iv) wages and income; (v) organisation and leadership; and (vi) impact of changes in rural society on agricultural labour. We will record our conclusions and recommendations under each of these heads based on our assessment of the deliberations of the CAL as also of other evidence collected by us. The second part will deal with the labour engaged in forestry. Changes in the conditions of labour engaged in fisheries and in tending livestock do not figure in the report, mainly because of the paucity of information and inadequacy of evidence about these categories. We have reason to believe that changes in the conditions of fishermen cannot be different from those discussed in this Chapter nor would the remedies for improving their levels of living.

Agricultural Labour—Its Place in the Economy

28.5 Agricultural labour occupies the lowest rung of the rural ladder. Social stratification in a village is linked with land and caste which govern status, economic power and political influence as much as the level of living which is their consequence. Owner cultivators with large holdings are at the apex. Agricultural labour is provided mostly by economically and socially backward sections; poor sections from the tribes also swell their ranks. The working force in the rural agricultural sector constitutes, according to the 1961 Census, 134.3 millions as against a total rural working force of 162.3 millions.

28.6 These data bring out the magnitude of workers in agriculture in comparison with the total working force in the economy which was in the neighbourhood of 190 millions. Nearly 77% of scheduled caste workers² in rural areas are either cultivators or belong to the category of agricultural labour. Among scheduled tribes³

¹See para 1.18.

²States which have a percentage higher than the all-India average are Andhra Pradesh, Bihar, Jammu and Kashmir, Madhya Pradesh, Mysore, Rajasthan, and Uttar Pradesh.

³States which have a percentage higher than the all-India average are Gujarat, Madhya Pradesh, Maharashtra, Punjab/Haryana, and Rajasthan.

the percentage is slightly over 89. Agricultural labour excluding small cultivators, according to the Census, accounts for 30.6 millions. Agriculture in its broad connotation accounts for nearly 50 per cent of our national income and

engages about 70 per cent of the working population. Tables 2 and 3 below bring out the importance of agriculture in terms of its contribution to national income and employment:

TABLE 28.2: *Estimates of Net National Product at 1948-49 Prices—Percentage Distribution*

Source	1950-51	1960-61	1964-65	1967-68 ³
Agriculture, animal husbandry and ancillary activities ¹	49.0	46.4	43.3	41.6
Mining, manufacturing and small enterprises	16.7	16.6	17.0	16.7
Commerce, transport and communication	18.8	19.2	19.6	19.2
Other services ²	15.7	18.2	20.8	23.8
Net domestic product at factor cost	100.2	100.4	100.7	101.3
Net factor income from abroad	-0.2	-0.4	-0.7	-1.3
Net national product at factor cost	100.0	100.0	100.0	100.0

¹Including forestry and fishery.

²Comprising professions and liberal arts, and government services (administration).

³Provisional.

Source : Estimates of National Product, January 1963 and March 1969 (Revised Series) issued by the Central Statistical Organisation, Government of India.

TABLE 28.3 *Occupational Distribution of Workers*

Workers engaged in	(Per cent)	
	1951	1961
1	2	3
Cultivation	50.0	52.8
Agricultural labour	19.7	16.7
Mining, manufacturing and household industry	12.0	13.4
Other workers	18.3	17.1
TOTAL	100.0	100.0

Source : Census 1961.

28.7 The two Censuses since Independence have shown that the proportion of agricultural workers to total workers remained almost constant; there was an increase in the former category from 97.2 millions to 131 millions. The more numerous category of cultivators among agricultural workers increased from 69.7 millions in 1951 to 99.5 millions in 1961. A signi-

ficant increase was registered in the number of women cultivators. Agricultural labour increased from 27.5 millions to 31.5 millions during the period, an increase of 14.5 per cent as against 43 per cent in the number of cultivators. The proportion of male agricultural labour to total male workers declined slightly between the two Censuses.

28.8 Two important factors have contributed to this change in the structure of the rural working force: (i) Cultivators, particularly small cultivators, have grown in number in the decade 1951-61 because of sub-division of existing holdings through laws of inheritance leading to replacement of hired labour by family labour; (ii) the land reforms have sought to confer occupancy rights on a large number of small cultivators and landless labour. Both these groups emerged as full-fledged tenants and figured in the revenue records of rights. Their ranks swelled with the entry of the persons who benefited from the distribution of fallow or surplus lands (Annexure II). Till the end of 1965-66 settlement and distribution of lands were of the order of 10 million acres of cultivable waste. This led to an increase in the number of cultivators and upgrading of landless agricultural labour in some areas to the category of cultivators. The process was particularly noticeable in Madhya Pradesh and Rajasthan where the number of cultivators rose during the decade and that of agricultural labour declined. In U.P. and Punjab/Haryana, the category of cultivators, particularly small cultivators, is numerically much larger than that of agricultural labour.

28.9 Other developments also require to be noted. As a result of resumption of lands for direct cultivation by land owners, cases of eviction of small cultivators have been reported to be on the increase in several States, particularly Bihar and Bengal. Increase in the number of land holdings has reduced the demand for agricultural labour, because owners with small holdings have neither the need for hired labour nor the capacity to employ it. Hired labour in such cases has yielded place to family labour. Recent farm-management studies thus reveal a higher contribution from family labour on small farms than before. This explains the slight fall in the proportion of agricultural labour during the decade 1951-61. Migration to urban areas where opportunities for additional work were available, development of non-agricultural sectors in rural areas and an agricultural wage which did not show adequate response to such causes could be counted as other contributory factors.

28.10 Agricultural labour is admittedly not homogeneous in character; it reveals regional variations dependent on demographic, ecological, technological and other reasons. It is not a distinct type, but is mixed with such occupational categories as share-croppers, cultivators, construction workers and other unskilled

rural labour. Socially, it cuts across all peasant groups in a village, though two dominant social groups, viz., scheduled castes and scheduled tribes, have always formed a majority. A point of difference between agricultural workers belonging to scheduled castes and scheduled tribes deserves to be noted. Scheduled castes have been more exposed to the forces of economic and social change through our history. Scheduled tribes have been able to preserve in several areas their cohesive and relatively stable socio-agrarian institutions; a large number of them have settled down as agricultural communities. But in the areas which have recently opened up or been exposed for some time, the socio-economic institutions of both these communities are undergoing changes, some for the better, others not so healthy. Thus the issues connected with agricultural labour acquire an important social dimension.

28.11 We believe that there cannot be a uni-linear approach for improving conditions of agricultural labour. Remedies lie in bringing about fundamental changes in the agrarian structure and social relationship. Economic growth, and more especially the location of industry in smaller centres and in rural areas, is a recognised remedy, though it is essentially a long-term one. In the meanwhile, sheer population pressure and the numbers involved render any meaningful action difficult. Limitations of capital supply may force the country in the next fifteen years to strive for achievement of economic development without any major shift of working force from agricultural to non-agricultural occupations. This can be a cause of some concern, because one of the indications of development is reduction in the proportion of persons dependent on agriculture.

Unemployment/Under-employment

28.12 A recognised feature of rural employment is its seasonality. Intensity of employment varies according to seasons. Shortage of labour is acutely felt during peak agricultural seasons in several areas and a large portion of labour remains unemployed or under-employed during the slack season. The seasonal aspect affects both wage-paid and self-employed persons; both work below capacity or less than what they are capable of doing or are willing to do. The quantitative estimates of changes in under-employment/un-employment in rural areas have shown differences according to concepts and definitions used. The Fourth Five

Year Plan Draft has, therefore, not subscribed to any estimate nor has it advanced another of its own. The more disturbing part of rural idleness is under-employment; and in the rural context both unemployment and under-employment get inextricably mixed. Either of it can be voluntary or involuntary and this adds to complications in analysing the situation. But statistics apart, in the years since Independence, the developments in rural areas taken together indicate that some relief in terms of more work has already reached them. Its effect may not be significant, but close observers of the rural scene, some of whom appeared before us, have expressed the same view.

28.13 From the evidence at our disposal it appears that the trend towards reduction in under-employment has strengthened since 1961. Our own village studies also point to the same direction. The extent of improvement is admittedly not uniform. In areas where farmers have chosen to take advantage of new agricultural inputs, agricultural labour has been provided with work more or less throughout the year. We consider this a welcome sign, particularly because such areas will go on increasing as a matter of Governmental policy. In the context of the larger number of persons seeking employment in rural areas

due to population increase and the limitations on agricultural development, even these new employment avenues will be inadequate.

28.14 We recognise that it is not within our terms of reference to discuss the problem of creation of employment opportunities. And yet one cannot escape referring to it, because fuller employment for agricultural labour is a major step for minimising under-employment of the ever-growing rural labour force. We deal, therefore, specifically with the possibilities of absorbing labour in rural areas, taking into account the more recent development in agricultural production and the manpower requirements consequent thereon. According to the last Census, the total rural labour force in the age group 15-59 was 136.6 millions. Among them, agricultural workers accounted for 113.8 millions. We concentrate on this age group, because with the expansion of educational facilities in rural areas and rising levels of living, labour force participation rate in the age-groups '0-14' and '60 and above' may decline. The rural labour force will increase from 137.6 to 189.8 millions between 1961-76; about half the increase has already taken place. The above projection has taken into account the possibility of migration from rural to urban areas. This is brought out in the following table.

TABLE 28.4 *Distribution of Additional Labour Force by Sector of Activity*

Particulars	Labour Force			
	1961	1976	Increase 1961-76	Percentage increase in 1976 over 1961
(1)	(2)	(3)	(4)	(5)
<i>All-India</i>	162.2	231.0	68.8	42.4
(a) Agricultural	116.5	138.6	22.1	19.0
(b) Non-agricultural	45.7	92.4	46.7	102.2
<i>Rural</i>	137.9	189.8	51.9	37.6
(a) Agricultural	113.8	135.3	21.5	18.9
(b) Non-agricultural	24.1	54.5	30.4	126.1

NOTE : Agricultural workers in rural areas for 1976 are estimated on the basis of the 1961 population.

Source : Perspective Planning Division Planning Commission.

28.15 An examination of the table will show that in the 15 years between 1961 and 1976, increase in the non-agricultural working force will have to be 102 per cent and over a wider base as against a corresponding increase of only about 36 per cent over a smaller base between 1951 and 1961. This means that the rate of absorption of labour outside agriculture between 1961-76 will have to be roughly double of that witnessed in the years 1951-61, during which at least, for a part of the decade, the stress was on industrialisation. Even then the number of workers depending on agriculture for their livelihood will increase substantially, from 116.5 millions in 1961 to 138.6 millions in 1976 i.e., by 22 millions.

28.16 All this implies that a break-through in agricultural technology leading to higher productivity per acre and per worker through intensification of farming is a precondition for dealing with the problem of agricultural employment at increasing levels of earnings. The 'Green Revolution' is reported to be currently spreading. But its scope and pace may be limited by the present organisation of agriculture that has for long struck a balance with low productivity. We expect that highest priority will be given to all development measures raising agricultural productivity through labour-intensive scientific farming, as these alone can increase the employment and earnings of agricultural workers. We would like to emphasise particularly such organisational and institutional reforms as would make scientific agricultural technology accessible to the small farmers and make its benefits shared equitably by agricultural workers.

Polices Since 1947—An Assessment

28.17 The 1946 Programme for the amelioration of labour conditions included as its components, fixation of minimum wages for agricultural workers and a plea for an inquiry into their level of living. The results of the latter were to be used for formulation of measures necessary to protect and improve agricultural wages. The Minimum Wages Act, 1948 was passed; agriculture was included as one of the employments in the Schedule appended to the Act. The First Agricultural Labour Enquiry (first ALE) was conducted in 1950-51 in about 800 villages with the object of studying the occupational pattern of rural families, their employment, wage structure, income and expenditure, etc. The findings of the Enquiry gave broad statistical support to the then prevailing notions about the con-

ditions of agricultural labour that it was eking out its existence at the lowest level of incomes, and the primary cause of it was inadequate work and also low payment for whatever work was available. The average per capita national income was Rs. 250 in 1950-51; for agricultural labour families it was Rs. 104. The Enquiry brought out that labour was employed only to the extent of about half its potentiality to work. Better enforcement of the Minimum Wages Act, 1948, could have been a partial remedy. When during the years of the First Plan, various forums discussed the problems of agricultural labour and pointed out the inadequacy of the action taken in this regard, it was only this limited issue which was sought to be brought out. Economic development in rural areas through promotion of village industries was but only incidentally referred to.

28.18 The Second Plan (1956-61) viewed the problems of agricultural labour in the wider perspective of rural development programmes. It recognised the limitations of implementing the minimum wage legislation, but reiterated older remedies to reach relief to agricultural labour. Development and diversification of village industries, redistribution of land, provision of housing facilities, encouragement to labour cooperatives and promotion of scientific agriculture were some of its suggestions. A fresh Agricultural Labour Enquiry (the second ALE) was proposed; its results were expected to provide a firmer base for policies in the Third Plan (1961-66).

28.19 When the results of the second ALE (1956-57) were published, it became obvious that because of the changes in the concepts and definitions used, its conclusions could not be compared with those of the first. A detailed technical examination of the two reports by an expert committee set up by the Planning Commission, reached the conclusions *inter alia* (i) the second ALE reflected the conditions of agricultural labour in 1956-57 better than the first ALE did for that category in 1950-51; (ii) no improvement or deterioration in the general conditions of agricultural labour over the period 1950-57 could be established; but (iii) in the light of the increase in per capita income in the country and absence of any marked improvement in the conditions of agricultural labour, an objective of planning in the context of the socialist pattern of society viz., improvement in the levels of living of the lowest category of our working class commensurate with the total development of the economy, was far from being achieved.

Rural Works Programme

28.20 From this analysis and other developments during the period 1956-61 emerged guidelines for the Third Plan (1961-66). The emphasis again was more on provision of employment than on fixation and implementation of minimum wages. Intensive development of rural areas as a part of the process of economic development was considered the only lasting remedy for benefiting agricultural labour. It provided for a substantial outlay on agriculture, community development and irrigation. Further, in view of the large idle labour-time available in rural areas, it envisaged under-employment relief through a Rural Works Programme (RWP) which could harness the large rural manpower resources for economic development. Beginning modestly with the provision of employment for one lakh persons in the first year, the RWP was to reach an employment target of 2.5 million persons in the last year of the Plan. The implementation of the programme did not proceed as originally expected. In real terms, against the target of 2.5 million persons to be employed in the last year of the Plan, only about 400,000 persons found such employment in 1965-66. This slow progress led to a critical re-appraisal of the programme at a Conference convened by the Planning Commission in 1965. In laying down guidelines for the Rural Works Programme for the Fourth Plan, the Conference endorsed the basic character and strategy of the programme which would continue to provide employment on the basis of existing skills and improve and create further skills in the rural working force. It recommended *inter alia* that (i) the selection of areas for setting up a programme would be governed by employment considerations, but once the area was chosen, economic considerations should prevail in selection of projects, (ii) the Rural Works Programme should be an integral part of local-area-plans in which local institutions should be duly involved, and (iii) the administrative and technical organisations involved in the programme should be strengthened. Labour co-operatives, and not professional labour contractors, should be entrusted with the execution of schemes. The recommendations were endorsed at various other forums, but in doing so, each emphasised that the schemes undertaken for the benefit of agricultural labour should be specific and their implementation firm and effective.

These elements of the programme have an important bearing on rural employment.

28.21 In the three years 1966-69, the RWPs were maintained more or less at the same level as in the last year of the Third Plan. The proposal presently under consideration in the Planning Commission is to make the RWP a part of the general programme for rural development. The Fourth Plan as outlined in the Draft, therefore, does not treat the rural works programme as a separate category. It lays emphasis on labour-intensive schemes such as road building, minor irrigation, soil conservation, area development programmes, irrigation, flood control and rural electrification. The outlays on the labour-intensive schemes would be stepped up as compared to the average annual level of investments in such schemes so far. This would certainly enlarge non-farm rural employment and even relieve agricultural under-employment directly by providing employment to agricultural workers on idle days and indirectly by raising the demand for and productivity of labour within agriculture. We, therefore, endorse the strategy of agricultural development and of building its infra-structure to the extent feasible technically and economically through labour-intensive techniques. It is expected that through this strategy direct non-farm employment may be provided to nearly half of the additional rural labour force, excluding migrants to urban areas, in the next fifteen years.

Scientific Intensive Farming

28.22 We have stated elsewhere that agriculture will provide the most natural occupation for persons in rural areas. Since the scope for extending the area under cultivation is rather limited, the main burden of generating additional employment within agriculture will fall on intensive farming. The possibilities of this proposition require to be examined. Some estimates¹ reveal that under the new agricultural strategy, an acre of land under high-yielding varieties will provide 30 mandays of extra work a year; likewise an acre under intensive multi-crop programme will absorb 26 additional mandays. The programme under HYVP is expected to expand to 60 million acres by 1973-74; and over 40 million acres will be under multi-crop programme. On this basis it has been estimated that intensive cultivation may pro-

¹See Annexure III.

²An estimate at the time of drawing up the Third Five Year Plan showed that if dependence on agriculture as an avenue of employment were to decrease from 70% in 1961 to about 60% in 1976, 23 million new employment opportunities will have to be created in agriculture during the period 1961-76.

vide employment to about half the additional labour force in agriculture². Though not a complete answer for rural unemployment, these calculations have to be viewed with two important limitations which are operationally significant. First, while the possibilities of employment generation may be impressive in terms of numbers for the country as a whole, their distribution will need careful planning. As it is, all the experiments envisaged under the new strategy go to the areas that have developmental possibilities and it is in these very areas that labour has already started looking up. In some, agricultural labour is becoming more conscious and organised. Second, within agriculture, while there will continue to be many operations that will be labour-intensive, a degree of mechanisation with advances in agricultural technology is unavoidable. This, if carried to extremes, may displace labour. Actually, however, such fears are largely unfounded, since mechanisation of certain operations in agriculture would create a larger demand for labour through more intensive cultivation and adoption of labour intensive techniques in other operations. But all this should not be construed to imply that there is any ground for complacency in regard to rural unemployment on account of recent developments in agricultural technology or that a lasting solution to the problem can be found within agriculture itself.

Labour Corps

28.23 It is not necessary for us to present data on the extent of chronic under-employment and poor living conditions of agricultural labour. The magnitude and gravity of this problem are obvious even without precise statistics. What needs to be stressed is that programmes and developments envisaged so far fall far short of requirements and the situation is gradually developing into an emergency needing treatment on that scale. There has been an acceleration in the rate of growth of the rural labour force, and even after taking into account its absorption within agriculture and outside, direct and indirect employment, and migration to urban areas, the prospects for employment and earnings of agricultural labour are not encouraging. We have already assessed in the preceding paragraphs the direct programmes and policies adopted hitherto in this respect. Among other plan proposals and programmes that have a bearing on agricultural labour the following may be specifically stated:

- (i) changes in the agrarian structure, including development of co-operative farming and land resettlement programmes;
- (ii) industrial growth, and more specially diffusion of industry into small towns and rural areas;
- (iii) provision of house sites for Scheduled Castes;
- (iv) effective implementation of minimum wage legislation;
- (v) creation of a special cell within Government for watching closely the progress of development programmes which have a particular bearing on the welfare and development of agricultural workers; and
- (vi) study of special problems which confront them in different parts of the country.

It is true that these measures will make some contribution in providing relief to agricultural labour. It is also true that rural electrification and diversification and dispersal of industries, development of agro-based industries, encouragement of ancillary and rural industries, increased outlays on infra-structure and construction in the rural areas, as well as emphasis on labour-intensive techniques in the flexible production areas besides adoption of scientific farming and priority development of agriculture, will enlarge farm and non-farm employment in the countryside and raise productivity and earnings. But even when all this has been taken into account, unemployment and low earnings of agricultural labour will continue to be a serious problem. We recognise that the ultimate solution lies in industrialisation which is also necessary for agricultural development. But this will take its own time, however much its pace may be quickened. Meanwhile we suggest that the building up of the agricultural infra-structure through labour-intensive techniques be undertaken through organisations of labour cooperatives to provide employment to the surplus rural labour force. This may be integrated with a progressive building-up of the educational social overheads to provide employment to the educated youth who have migrated mostly from the countryside. These programmes have the merit of

enlarging the development base through the unemployed and hence at little cost to the economy.

28.24 The concept of generation of employment on an emergency basis is not new nor that of organisation of workers into a labour corps to migrate within certain limits from locality to locality where work may be available. Several instances of this type of organisation were brought to our notice during our observation visits. The suggestion to organise a 'land army' belongs to this category. The obligation to provide gainful employment to distressed population in times of famine has long been accepted, and in such emergencies, large labour force has been given employment on relief works. Our view that the Government should undertake provision of rural employment to build the infra-structure amounts to a recognition by the State that the present unemployment situation is such as would require a solution on emergency basis. It is important that the offer of employment should not be made to appear as if it is a measure of relief, but that it should emerge out of a recognition of the right of every citizen to gainful work. A firm declaration of public policy in this matter and in pursuance of the Constitutional provision is long overdue.

28.25 To begin with, pilot programmes should be introduced in selected areas. The various steps involved after the initial recognition of the obligation are: (a) drawing up the conditions of work, (b) enlisting persons who need work on these conditions, (c) discovering and planning productive works for them to be employed on, and (d) efficient execution of these works. The programme will have to be organised and administered at the district level as an integral part of rural development. We expect that at the district level, the labour corps will not be too large to handle nor too small to be put to constructive work. The organisation of the corps on a district basis will give an area wide enough to discover and plan productive works on a continuous basis, and small enough for labour to migrate for accepting employment.

28.26 The organisation of rural labour in such corps should not mean their permanent and irrevocable withdrawal from agriculture when enough employment is available in agriculture, or when agriculture suffers because of shortage of labour. The corps should be able to adjust its operations to suit the peak time needs of agriculture, such as sowing, harvesting, and the like and accept such work on contract.

We envisage that major problems in this field are administrative and organisational. If emergency situations can be tackled by our administrative system with a fair measure of efficiency, why can it not take on this task too? In some States, distress works have become a permanent feature in the rural areas in the 'sixties'. This recommendation amounts a recognition of the need for them elsewhere. An authority at the district level, such as the Zila Parishad, should be willing to undertake the administrative and organisational responsibility, create a labour corps, find productive works in which to employ the persons and execute the works efficiently and economically through labour cooperatives rather than contractors. Adequate support on an agreed basis should be made available to this body. We are not unaware of the financial implications of the proposal, but we recommend that finance for this programme should be arranged within the total resources of the community.

Minimum Wage

28.27 When the Minimum Wages Act, 1948 was taken up for implementation, the Government came under pressure for making arrangements for its enforcement, particularly in agricultural employment. This was about the time when the formal process of planning was initiated in the country. The planners got the issue examined by a Committee headed by the then Economic and Statistical Adviser to the Ministry of Food and Agriculture. The Committee's recommendation, which was accepted by the Government, required the application of the Act to certain areas which were considered to be established low wage pockets and to farms above a particular size. Though the application of the Act was subsequently extended, there are still some States which have not brought large tracts of agricultural employment within the ambit of the Act.

28.28 In the States where the Act is being implemented, the machinery for the fixation and enforcement of minimum wages is not uniform. Each State, understandably, has its own pattern. In some, it is the Revenue Department, the traditional custodian of rural areas, which implements the Act; in others, it is the Labour Department which has been entrusted with this onerous task. But whether it is one Department or the other, our uniform experience has been that it has remained a 'dead letter' in every State. This complaint has been voiced by several witnesses who have appeared before us and indeed by every central organisation of workers. Minimum wages in

agriculture have not been revised over long periods for either the agricultural season as a whole or for different operations. Almost everywhere the actual wages rule higher than the minimum during the peak season and tend to fall in slack seasons. The machinery for enforcement is much too inadequate to cope with the task of effective implementation. The institution of proceedings under the Act is almost negligible. The total number of successful prosecutions is even more disappointing. Other difficulties in implementation arise mainly from poverty and illiteracy of agricultural labour, and from such structural constraints as the scattered nature of agricultural farms, casual nature of employment, and the unorganised character of agricultural labour. Our studies further reveal that awareness of the existence of this legislation and of the protection it can offer is also wanting among large sections of agricultural labour. It is only in recent years when agriculture has become prosperous in certain areas that labour has acquired consciousness of its rights. In these areas, however, the ruling rates are so high that enforcement of the statutory minimum becomes meaningless. The real difficulty is in regions away from urban or developmental influence; and there are several of these in every State.

28.29 It is difficult to understand the relative trends of agricultural and non-agricultural wages over the period covered by our enquiry. Firstly, the data on agricultural wages are not as extensive as for industrial labour. Secondly, in the case of the former, the earnings of the family rather than wage rates assume significance, and these can be estimated on the basis of the two ALEs and the RLE; for intermediate years, no organised information exists, whereas in the case of organised industry, annual information is tabulated by various agencies. On the assumption that the average number of earners in the rural labour households has not altered between 1956 and 1963—and this can be a safe assumption—there is evidence to show that between 1956 and 1963 the incomes of agricultural labour families increased faster than wages of workers drawing Rs. 200/- and less in the establishments covered by the Payment of Wages Act, 1936. This is mainly due to the fact that the average income per earner in the rural areas is increasing significantly. But the relative improvement is primarily due to the low level of rural earnings in 1956, against which the 1963 increases are calculated.

Our Approach

28.30 It is against this background that we have to seek answers to the questions connected with agricultural labour. At the outset it has to be recognised that the problems are indeed complex, since employment is mostly casual, seasonal or non-regular and wages are governed to a substantial extent by non-economic elements such as tradition and caste. Wages are not always paid in money; the degree of monetisation or payment in cash varies according to the crop and has been on the increase. Both the farmer and his labour seek to choose the combination which is individually most advantageous; and where organisation has reached labour, it succeeds in getting a good bargain. By and large, however, agricultural labour is not able to employ methods which are now common to industrial labour. As pointed out in a recent report,¹ there are considerable disparities in wages between regions, between different crops as well as between the wages paid to men, women or children. Although Government has attempted to fix minimum wages through legislation, its implementation has been beset with a number of difficulties which arise mainly from the basic ills of poverty and illiteracy and from such structural factors as the small and scattered nature of agricultural farms, the casual character of employment, and the dispersal of farms. Any policy for agricultural wages will have, as its components, sustained improvement in the productivity of agriculture and the ensuring of a stable and reasonably remunerative price for agricultural products.

28.31 We have heard arguments that enforcement of minimum wage legislation in agricultural operations should be stayed. The reason advanced is that at the peak of the agricultural season, labour can dictate its terms except in some really bad patches and wage rates rule above those statutorily fixed so that enforcing of minima becomes meaningless. In the slack season, on the other hand, so much labour is available that implementation of the minimum becomes impracticable. Apart from these two connected issues, the basic difficulty in enforcing any legislation in so diffused an area is also pointed out. The general rule, according to this line of argument, should be not to bring the law into disrepute by attempting its application in circumstances which are known to be difficult.

¹The Report on a Framework for Incomes and Price Policy, Reserve Bank of India, 1967, pp. 26-27.

28.32 We recognise the force of this argument. At the same time, the application of the Minimum Wages Act, howsoever defective it may be at present, will help agricultural labour. Labour may not be conscious of its rights at present except in isolated pockets, but to expect that the present position will continue is unrealistic. Notification of minimum wages under the legislation helps the evolution of 'norms' and will provide a basis for persons who propose to work in the interests of agricultural labour. The arguments advanced against the continuation of agriculture in the Schedule to the Minimum Wages Act are not that agricultural labour does not need the protection it enjoys. All that they amount to is that there should be more effective implementation.

28.33 Part of the criticism from the labour side about the ineffectiveness of the legislation is its static nature. The minimum wages fixed do not get revised for long. But this is a general malaise. We have recommended elsewhere a periodic revision of all such wages and this will also hold good for wages in agriculture.¹ The other recommendation that wages should be fixed on the advice of a tripartite committee should also be applicable in this case.² The provisions of the Minimum Wages Act 1948, should be extended gradually, beginning with very low wage pockets to other areas. This is necessary because, though many years have passed since the enactment of the legislation, some States as mentioned earlier, have yet to extend its benefits to some sections of agricultural labour.

28.34 The existing administrative machinery has been unable to cope with the task of implementation. This would mean strengthening of field staff engaged in the enforcement of minimum wages. A way should be found to involve the village Panchayats in the task of implementation of the Act. Two objections have been voiced against this suggestion: (i) The experience of enforcement of the Shops and Establishments Act by local bodies is not very happy; the enforcement machinery of the local bodies is exposed to pressure from the elected wing in the local bodies which derives support from employers against whom the legislation is enforced. The same situation is likely to arise if Panchayats are left to deal with the implementation of the Act; (ii) Because of factions in a village which are reflected in the Panchayats, this constructive activity will be given a secondary place. We are not impressed by either of these arguments. It is

possible that in the early stages, when this work is entrusted to Panchayats, labour may experience difficulties; but eventually such disadvantages as there are can be balanced by having a machinery which is ready at hand. The village Panchayat is an organ of grass-root democracy, and we hope that with the passage of time, it will increasingly reflect the aspirations of the economically backward communities, and will prove to be an instrument for their uplift.

28.35 There is also need for giving wide publicity to the wages so fixed. With some measure of literacy reaching agricultural labour, notification of wages at a public place will make the employer cautious in denying to his worker the notified wage.

Organisation and Leadership

28.36 In the wake of the freedom movement, many socio-political organisations came into existence in the late twenties for the benefit of agricultural communities. These were known under various names such as 'Kisan Sabhas', 'Krishak Sabhas' and 'Peasant Unions'. In 1931, the Kisan Sabha in Bengal demanded abolition of 'Permanent Settlement' and 'forced labour'. In 1935 the All India Kisan Sabha took shape. A mass peasant movement developed after the Second World War in some parts of the country led by local Kisan Sabhas. By 1945 the Sabha claimed an enrolled membership of about 8.25 lakhs. Peasant organisations spread to other parts of the country to protect the interests of the small farmer and labour from backward communities and tribes such as *halis* and *warlis* in Bombay, and *pannaiyals* in Madras. The Kisan Sabha in 1953 called for abolition of landlordism without compensation, free distribution of land among agricultural labour and poor peasants, stoppage of eviction of peasants and substantial reduction in rent. The All India Kisan Sabha is currently agitating against evictions of small peasants and for radical land reforms, distribution of waste land, provision of irrigation facilities for all cultivators and for unity between poor peasantry and agricultural labour who constitute the bulk of the population in the countryside. Besides this politically-oriented organisation, there are many small organisations which are largely non-political. None of them, however, has been able to bring together large sections of unorganised and scattered agricultural workers and weld them into a force for concerted action. A weakness of the Kisan Movement arises out of the dual character of

¹See Para 16-13.

the leadership of the organisation. This in turn is the consequence of the operation of parallel interests of the leadership as small land-owners in villages and as salaried employees or their colleagues in urban areas. While they fight for their own democratic rights and economic uplift in towns and cities, they hesitate to raise their voice to secure higher wages for agricultural labour in rural areas in view of their own involvement there as employers.

28.37 The situation described above may not last long; there are already signs that it will not. We envisage that with the development of agriculture, spread of education and political consciousness, agricultural labour will become more organised and conscious. It will naturally take time to make its existence felt. The State Governments, as a special measure, should provide such facilities as may be necessary to organisations of agricultural labour when these come into being. The type of encouragement which an industrial worker got in the twenties needs to be extended to agricultural labour now. The Assam Government for instance, has enacted the Assam Shramik Vahini Act (1959) to facilitate formation of voluntary association of workers and registration for better and regular supply of labour for execution of development works. Any twenty-five or more workers in an area may constitute a Shramik Vahini. This legislation may have some points for other States to consider. Apart from such legislation, in backward areas where weaker sections preponderate, an efficient administrative arrangement by the State alone can secure justice and ensure employment opportunities to labour at fair rates. A departmental agency should be provided under officers with suitable experience and aptitude to execute and supervise development and employment programmes in these areas. The work of this authority should be closely linked with that of the revenue authority.

Sarvodaya Movement

28.38 Another movement being carried on through peaceful and non-violent means, by Gandhian workers under the leadership of Acharya Vinoba Bhave, is making its impact felt in the country. The Bhoodan Movement for distribution of lands to the landless started in 1951. Since then, it has developed into an integrated programme and philosophy of Sarvodaya, which aims at reconstruction of rural society, and at placing agrarian relations on a more egalitarian basis. This philosophy

has important implications for agricultural labour. The elements of its programme are: (a) setting up of a village government (*gram sabha*) which will acquire proprietorship of land, though the cultivating possession of lands may remain with cultivators; (b) formation of a village fund (*gram kosh*) out of a certain percentage of contributions from the village community; and (c) non-alienation of lands to persons outside the village and distribution of lands out of the pool of lands gifted at a fixed rate by land-owners in the village. The programme does not aim at complete 'villagization' or communization of lands. While the title vests in the *Gram Sabha*, the cultivating possession of land remains with the individual land-owner. The movement aims at converting the village community into a family in which every member, whether landless or otherwise, has a share in the village land.

28.39 According to the leaders of the movement, there is no organisation to 'look after' agricultural labour or truly represent its interests. Because of its scattered nature, it has little voice in the development of the country, though admittedly it occupies a position of importance. Development programmes in rural areas as a whole or land reforms have not made an appreciable impact on agricultural labour. This provides a logic for Gramdan. Land has to be distributed or re-distributed. Labour must have land because land gives security, no matter how small the holdings may be. This may be supplemented by adequate wages and wage-paid employment. Wage should be paid in kind, because this will provide a cushion against rise in prices. Intensive farming on small land-holdings is ideally suited to our conditions. Local industries based on local needs and locally available raw materials should be organised. Agriculture, according to the Sarvodaya leaders, should be organised like industry, and protective and welfare measures should apply to agricultural labour as well.

28.40 The movement has spread; thousands of villages and many districts have been 'gifted away'. The impact of the Movement on distribution of land, despite all criticism about the character of the land given away, is not less significant. About 4.2 million acres of land were donated upto March 31, 1968, of which two-thirds is either cultivable or culturable waste. The Gramdan movement has been able to redistribute about 1.19 million acres as Table 28.5 will show. As a result of imposition of ceiling on land holding, over 2 million acres of land were declared surplus; of which

about 1 million acres have been distributed by the Government.¹

28.41 Bihar, Gujarat, Jammu and Kashmir, Maharashtra, Tamil Nadu, Mysore, Orissa, Punjab, Rajasthan, Uttar Pradesh, West Bengal

and Madhya Pradesh have enacted legislation to provide sanction to the basic tenets of the Movement. These States have also provided financial assistance to schemes for settlement of the landless on Bhoodan lands.

TABLE 28.5 *Distribution of land under the Sarvodaya Movement*

States	Land received (in acres)	Land distributed (in acres)	Land rejected (in acres)	Land to be distributed (in acres)	Number of Gramdan Villages
1	2	3	4	5	6
1. Assam	23105	509	8	22588	1463
2. Andhra Pradesh	241952	103309	86385	52258	3588
3. Orissa	189139	113345	19846	55948	6364
4. Uttar Pradesh	435574	201642	173564	60368	753
5. Kerala	26293	5774	7999	12520	409
6. Tamil Nadu	80433	51519	..	58914	3319
7. Delhi	900	180	120	..	74
8. Punjab	14739	3601	3380	7758	1280
9. Gujarat	103530	50984	27994	24552	751
10. Maharashtra	150802	107111	38346	5345	2681
11. Madhya Pradesh	405402	156506	174531	74365	2116
12. Mysore	20086	3181	53	16852	96
13. West Bengal	12960	3898	8426	636	627
14. Bihar	2121462	331842	1067006	722614	13198
15. Rajasthan	432868	84781	122788	225599	1011
16. Himachal Pradesh	5420	2531	..	2709	..
17. Jammu and Kashmir	211	5	..	206	..
TOTAL	4264096	1190718	1730146	1343232	37775

Source : Land Reforms Division Planning, Commission.

28.42 To sum up, the Sarvodaya movement has an impressive achievement to its credit; it has re-distributed more lands than the State agency has been able to do under the ceiling legislation. Where the landless or the semi-landless people have been settled on these lands, they have gained security, and acquired a source of income, and what is more a status symbol. The surveys of such settled communi-

ties reveal a perceptible improvement in their economic and social conditions. Even so, there are complaints about (i) delay in distribution of the land that has already been gifted away, (ii) quality of the land distributed (barring exceptions), (iii) absence of a programme for directing the flow of credit and inputs and other resources for development of the land by small cultivators or landless labour, and (iv)

¹The Report of the Sub-Group on Land Reforms of the Ministry of Food, Agriculture, Community Development and Cooperation for formulation of proposals for agricultural development relating to land reforms under the Fourth Five Year Plan 1969-1970 to 1973-74.

lack of a vast, well-organised and motivated cadre of workers who could carry out the programme on the scale that is required. It is also contended that after the first flush of fervour, the Sarvodaya movement has entered placid waters, and despite impressive figures of the villages and larger territories gifted away, it has not been able to grow into a peoples' agrarian movement or generate their collective will (lok shakti). In areas where villages have been given away, little of the post-Reconstruction Programme has begun. Therefore, to some, the movement is more a patriarchal gift impelled by humanitarian motives rather than a peoples' movement from below. Even so, the potentialities of the movement are of profound significance to the reconstruction of the rural polity.

28.43 We feel that the distribution of lands, particularly where the statute recognises these gifts, should be speeded up. Similarly the pace of 'resettlement' schemes should be accelerated. The 'post-Declaration Reconstruction Programmes' which have a bearing on agricultural labour in areas covered by Gramdan or Ziladan should now begin.

Impact of Changes in Rural Society

28.44 Since Independence, the two most important changes in the countryside that have impinged on agricultural labour have been (i) land reforms and other allied measures, and (ii) the role of the State in a developing rural economy. We now discuss issues connected with these. The second change has to be discussed in its three aspects *viz.*, (a) rural development, (b) agricultural development, and (c) programmes for scarcity and famines.

Land Reforms

28.45 There are two aspects of land reforms: one relates to the changes in the system of land holding through tenancy reform and abolition of intermediaries, and the other to the system of land cultivation as affected by ceiling on land holdings, cooperative farming, and distribution of lands through official agencies or through other movements. The policy of land reforms aims at removing 'motivational and other impediments' in the process of increasing agricultural production and at creating conditions for evolving an agricultural economy with better levels of efficiency. It seeks to remove elements of exploitation and social injustice

within the agrarian system. Land to the tiller is a cardinal feature of the policy. Land reforms have attempted to abolish forced labour which was imposed on small peasant and workers with no land of their own. They have put an end to the administrative and political authority of ex-intermediaries. Large sections of agricultural labour and small cultivators have benefited from distribution of lands and from the provisions for security of tenure under these reforms. They figure as tenants and have now acquired occupancy rights. About three million tenants and share-croppers have acquired ownership of more than seven million acres. Enforcement of the ceilings legislation has yielded over a million acres of surplus land; it could have yielded even more if properly implemented. Surplus land is distributed to tenants, those with un-economic holdings and landless agriculturists. Rents have been regulated. Records of tenancies have been opened. Reclamation of sub-marginal land has resulted in the expansion of area under cultivation, but mainly through primitive agricultural techniques.

28.46 While the changes discussed above are egalitarian in their content, there have been other developments also. Several old feudal landlords and former big cultivators have turned themselves into 'new-style landlords'. This was facilitated by the continued and undisturbed possession of *khas* or *khud-bakashi* lands by ex-intermediaries and payment of compensation and availability of institutional credit to them. Attached labour has been replaced by casual labour, payment in kind by payment in cash, traditional relations between master and servant have been replaced by contractual relations between employer and employee. The new rural elite today perform the functions of direct cultivator and also money-lender. A study of the rural leadership pattern reveals that it is heavily dominated by the ex-landlords, new owner cultivators or peasant groups and the money-lender class.¹ The land reforms did not result in complete abolition of non-cultivating ownership of land.

28.47 Agrarian reforms and distribution of lands have, however, not been followed up by a policy designed to protect and secure the interests of small peasants and agricultural labour. No tenurial reforms to protect the interests of share-croppers have been carried out. Farm studies have pin-pointed tenurial bottlenecks to agricultural development in some package districts. Tillers are not prepared to invest in lands

1. For instance, a survey of rural leadership in the district of Palamau (Bihar) revealed that 41.86% of the Mukbias of Gram Panchayats came from the families of ex-zamindars, 11.91% from the category of money-lenders and 43.31% from the rural cultivators both big and medium, and 2.90% from other sections of the rural community.

which they do not own. Small farmers are not able to take advantage of the development programme, because they are not considered credit-worthy. Rural indebtedness and exploitation of agricultural labour by petty traders continue. Eviction of tenants and share-croppers following resumption of lands for direct cultivation has of late been on the increase. The Homestead Tenancy Legislation which permits a landless worker to have possession of the small strip of land on which he has built his home has not been uniformly implemented in all States. Ceiling on agricultural holdings has not been imposed on a family basis and exemptions provide short-cuts to evading the law. Concentration of lands in the hands of a few big ex-intermediaries has not really been broken. Consoli-

dation of holdings has made some progress, but still many areas are to be brought under it. The programme of resettlement of labour has not made much headway; by 1966-67 only 96,000 families could be resettled on about 3.54 lakh acres, much below the target set by the Third Plan.

28.48 The pattern of land holding has remained almost undisturbed. A study in U.P. shows that some change occurred in the 5-15 acre group rather than in the below-5 acre group to which cultivator workers belong. A comparison of the data from the 8th and 17th rounds of the National Sample Survey reveals almost a *status quo*, as the following table would indicate.

TABLE 28.6: Pattern of Landholdings

Holding size (acres)	Agricultural holdings			
	8th round (1954-55)		17th round (1961-62)	
	Number	Area	Number	Area
(1)	(2)	(3)	(4)	(5)
Below 0.50	11.71	0.30	8.55	0.38
„ 1.00	19.72	1.07	17.13	1.27
„ 2.50	39.14	3.43	39.07	6.86
„ 5.00	60.00	15.44	61.69	19.18
„ 7.50	72.17	25.34	74.53	30.91
„ 10.00	79.73	34.06	81.49	39.88
„ 20.00	91.81	56.53	93.19	63.66
„ 30.00	95.73	69.19	96.79	76.35
All sized	100.00	100.00	100.00	100.001

Source.—Report of the Sub-Group on Land Reforms of the Ministry of Food, Agriculture, Community Development and Cooperation, p. 11

28.49 We recognise that several aspects of land reforms discussed above are not directly within our terms of reference. They have to be brought in because of the effect they have on agricultural labour. In what follows in this section, therefore, we propose to confine ourselves to issues which directly impinge on labour. Stricter enforcement of land reforms will mean distribution of land. This is likely to benefit agricultural labour in the form of increase in the size of the existing small holding, but some land will pass on to landless labour. Unfortunately, not enough is available for distribution, and in many cases where it has been distributed, the size has proved to be so small or the quality

so bad that cases have come to our notice where the recipients of such lands have sold them away or are otherwise made to part with them.

28.50 A reason for inadequate availability of land through the operation of land reforms is clever evasion of the ceilings legislation, apart from the high ceilings prescribed in some areas. Besides, the basis of 'individual' holdings adopted in most cases has encouraged nominal transfers to near relatives. Exemptions under the law are liberal and liberally interpreted too. The possibility of reducing the ceilings where they are too high and also adopting the family

holding as the basis for ceiling should be explored. In making this recommendation, we recognise that the gain is likely to be more social and psychological than real. Any feasible reduction of the ceiling is unlikely to release sizeable additional land for distribution.

Curb on Eviction

28.51 A fair section of agricultural labour consists of small cultivators. Of late, eviction of small cultivators, who are also in several areas share-croppers, has been on the increase as a result of resumption of land for direct cultivation by land-owners. Such evictions should be stopped.

Rural Development

28.52 The second important change has been the coverage of the countryside by a network of Community Development Blocks. From 1959 onwards, the three-tier Panchayat Raj institutions have been set up at village, block or taluk and district levels in the process of democratic de-centralisation of administration and as a part of the strategy to involve the people in planning and execution of development programmes. A noteworthy change has been the execution of rural development programmes through these institutions. The Community Development Programme evoked greater popular enthusiasm in the beginning and provided some measure of employment by creating and building up community assets. In tribal development blocks, larger financial outlays and more intensive execution of development programmes created expectations. But though these institutions built up a channel of communication with villages, their early promise was fulfilled but only partially. Execution of development programmes benefited mainly the well-to-do sections. Financial stringencies of Government slowed down the pace of the programmes. These schemes, along with the rural works programmes which came up during the Third Plan, provided a measure of employment relief for agricultural labour, and more importantly, set in motion a process of change and development in rural areas.

Agricultural Development

28.53 From 1960-61 a more intensive phase of agricultural development opened with the Intensive Agricultural Development Projects (IADP). It aimed at achieving rapid and significant increases in agricultural production

through integrated and intensive use of improved agricultural techniques and inputs. There were two important aspects of the IADP: (i) multi-cropping programme (MCP) and (ii) high-yielding varieties programme (HYVP). By the end of 1964-65, the programme included 230 out of 311 blocks, and in terms of cultivated area, the coverage accounted for about 7.5 million acres representing 35 per cent of the gross cropped area of the districts brought under it. Projections for the future indicate substantial increases in farm output through intensification of the IADP programme in its twin aspects.

28.54 As the new strategy developed, it acquired new dimensions. Short-term high yielding varieties of seeds have been found to be drought resistant. Shortening of the period of growth of crops under these programmes has proved to be an 'insurance against spells of drought' as revealed by the experience during the scarcities of the last two years. Ground water support is being developed. Intensive field operations including levelling of lands, contour bunding and construction of field channels in some areas have begun. Mechanisation of a part of agricultural operations has also got a modest start; in a way this is unavoidable. But the pattern for future will continue to be a combination of labour-intensive and intermediate technologies.¹

28.55 A study of the newly developing farms shows that even a three acre farm can be economically viable and have a surplus. The return per acre in intensive agriculture is substantial both on account of higher yields and remunerative prices for agricultural produce. A second important aspect is that these new farms require larger mandays per acre of operational holding than traditional farms, and the degree of intensive employment on the first is much greater. Observation visits to IADP districts also reveal that agricultural labour in these areas is more intensively and continuously employed than ever before. Reports from States indicate that the agricultural production programme has resulted in more employment, reduction of under-employment, increase in wages (both in cash and kind) above the minimum wages fixed under the Act, and general improvement in the economic condition of labour.

28.56 These farms also represent the emergence of 'capitalist agriculture' encouraged by remunerative prices for foodgrains and by the agricultural strategy followed by Government which makes large-scale scientific agriculture profitable.

¹ While this will make some type of labour redundant, it may generate opportunities for new skills in rural areas. And evidence of this is already there in the agriculturally more prosperous tracts.

Before 1960 there were only a few pockets of genuinely capitalist agriculture in parts of Punjab and Western U.P., Central Gujarat, parts of Tamil Nadu and coastal Andhra. Now it is spreading into other IADP areas. There is an emergence of well-to-do sections among peasant communities at the intermediate level. The IADP has also created conditions for rural industrialisation. With remunerative prices for foodgrains, there has been a progressive shift of income in favour of agriculturists. This may lead, as in Punjab/Haryana, to a progressive rural orientation of new industries.

The New Strategy

28.57 A point that has been repeatedly emphasised before us is the uneven effect of the new strategy of agricultural development on agricultural labour. The present arrangements put a somewhat heavy emphasis on the credit-worthy character of the applicant for loans or other assistance for agricultural inputs. Absence of inputs takes persons, whose only assets are a patch of land and labour, beyond the pale of the new strategy. Suitable arrangements should be made to direct the flow of a part of the co-operative or other institutional credit to the small cultivator worker to enable him to benefit from new agricultural developments.

28.58 Delay in the enactment of tenurial reforms has acted as a damper to the new strategy, because the land is not recorded in the name of the tiller. Tillers who belong to the category of small cultivators cannot invest their meagre savings under this new programme in the land for which they have no title. The tenurial reforms should be implemented so that this section of farmers is fully involved in reaching targets of higher production. These two recommendations are expected to benefit small holders who are a shade better than landless labour in the rural hierarchy. It is doubtful whether the improvement of the former will mean either additional employment or better payment to the latter. Its impact has to be viewed only in relation to such small landholders who fall within the category of 'agricultural labour' by our definition. Traditional farming is highly labour-intensive. Agricultural labour as a class also consists of a substantial portion of small cultivators who own petty holdings of their own and who directly or indirectly work as share-croppers. For this category, the prices fixed for agricultural commodities have the same functional role as wage rates or money wages have for workers outside agriculture. Land tenures pertaining to this category have, therefore, to be examined and rationalised. In formulating agricultural price policies, the wage content of agricultural costs has also to be given due weight.

28.59 A landless worker is not in possession of the land on which his hut stands. Since a hut provides the worker with a bargaining capacity, and this is borne out from our inquiries, we recommend that landless labour should be put in ownership of the house site. A drive should be launched to achieve this within the shortest possible time. Colonies of agricultural labour, away from the present insanitary and unhygienic conditions, should also be established, keeping in view the integrated character of the rural community and the need for promoting social equality.

Scarcities and Famines

28.60 Agricultural labour, as the most vulnerable section of the rural community, suffers under conditions created by scarcities and famines. Scarcity results from deficient, ill-distributed or ill-timed rainfall. In 1965, as many as 125 districts with a population of 47.6 millions in eight States were affected by drought; in 1966, 157 districts with a population of 102.6 millions in seven States were so visited. In 1966-67, a famine occurred in Bihar; a terrible scarcity depended into a famine and it was the first famine to have been declared as such in post-Independence India. During 1968-69, areas in Andhra and Rajasthan came under the lengthening shadows of scarcity.

28.61 Scarcity and famine conditions witness new developments in organisation of agricultural labour, and new experiments with different types of schemes, agencies for execution of schemes, fixation and revision of wages, and distribution of foodgrains to the landless through a chain of fair price shops. Extraordinary measures are undertaken to provide work for the unemployed and to take care of the children, nursing and expectant mothers. Welfare measures are introduced on a large scale. Lessons of famine or scarcity are, however, lost when these conditions pass away, and both the administration and the people tend to slide back to the normal routine. But there is a good deal in these experiences to draw upon to tackle the problem of the rural unemployed on a permanent and continuous basis. Since famine conditions, when declared, always evoke wide public sympathies and support, the burden on public authorities to that extent is shared. As a long-term measure, there should be an intensive approach to development of the areas that are chronically susceptible to drought or famine.

28.62 We also recommend that the implications of crop insurance should be examined as a means of stabilisation of agricultural wages,

particularly in relation to small landholders. The need for crop insurance to overcome the serious dislocation caused by crop failure owing to natural calamities has to be recognised.

Bonded Labour—Its Disintegration

28.63 Bonded labour can best be described in terms of debt bondage fixed for a time or a lifetime or hereditarily descending from father to son in some cases. The system grew out of acute indigence and helplessness of tribal and semi-tribal communities in the grip of a precarious subsistence economy. There was a combination of reasons for the depression of this section of the rural population: uneconomic holdings, meagre income from forest produce, high incidence of rent, insecurity of tenure and so on. To these were added the social compulsions which constitute the 'ostensible' and immediate causes of the system. These are: the necessity of incurring expenditure over marriage, avoidable expenditure on birth and death and general economic depression. Bonded labour is known by various names such as *Halia* and *Muliyas* or *Nag-muliyas* in Orissa, *Nil-majoor* in Bengal, *Harwais* and *Baramasiyas* in North Bihar, *Kamia* in South Bihar and Chotanagpur, *Harwashee* in parts of Madhya Pradesh, *Sewak* and *Haris* in U.P., *Adiammars* in Travancore, *Che-rumas* in Malabar, *Holyas* in South Kanara, *Pannyals* in Tamil Nadu, *Palerus* in Andhra, *Hali* in Gujarat, *Sagri* in Rajasthan, *Jeetha* in Mysore and *Seri* or *Sanji* in the Punjab.

28.64 The earlier efforts to deal with this problem were through legislation. The Bihar and Orissa Kamianti Agreements Act, 1920 declared the agreements entered into between *Kamias* and their masters void unless (i) full terms of the agreement were duly embodied in a document, (ii) a copy of the document was given to the *Kamia*, if the period of agreement exceeded one year, (iii) the *Kamia's* remuneration under the agreement was fair and equitable and (iv) his liability was completely extinguished within the terms of the agreement. But the Act remains a dead letter. The *Kamia* system continued under a different name called *Harwai* in other parts. This only emphasises that mere legislation is no remedy for difficulties arising out of economic compulsions. With slow improvement in economic conditions, enforcement of tenancy laws, security of tenure and opportunity for employment, the system has shown signs of disintegration. Growing monetisation of the agricultural economy, development of agriculture, availability of institutional credit, spread of education and greater awareness have also somewhat mitigated the evils of this system.

Administration

28.65 We have noticed a considerable variation in institutional arrangements for formulation, execution and enforcement of policies and programmes relating to agricultural labour. The Revenue Department in every State has its agencies spread all over the rural areas. Apart from normal administration, the Department also implements famine or scarcity relief measures. Owing to developments in the countryside, agricultural labour has come in contact with various other departments, such as Agriculture, Community Development and Panchayat, Cooperation and Labour. As conditions about reaching relief to agricultural labour vary from State to State, the administrative set-up for effective implementation of the relevant policies and programmes will have to be left to the State Governments. Having said this, we suggest that it would be useful to distinguish between different groups of recommendations that have been made and the responsibility allocated for their implementation. For instance, there are (i) functions relating to enforcement of wages, and (ii) functions for development and employment. There should be suitable arrangements for ensuring such coordination as is necessary. In the years to come, as mentioned above, agricultural labour will become organised and conscious, with development of agriculture and operation of such processes as spread of education. Formation of labour corps, organisation of agricultural labour, and fixation, revision and enforcement of their wages have important policy and administrative implications and they have to be spelt out. All this underlines the need for coordination at suitable levels of the vertical administration. We recommend that it is advisable to have one coordinating agency at the Centre and another at the State level. The location of the agency should be best left to the discretion of the Central and State Governments.

Tripartite Consultation

28.66 There should also be tripartite consultative bodies consisting of the representatives of agricultural labour, employers and State Governments at the State and district levels to review periodically the conditions of agricultural labour, revise and enforce minimum wages, and take stock of the impact of development programmes on their employment. At present, the voice of even organised rural labour is feeble, and in several parts of the country it is non-existent. It should be the function of the Government to encourage the employers' and workers' organisations at the Central, State and district

levels to come together for a meaningful dialogue on problems which crop up from time to time in regard to conditions of work of agricultural labour.

Social Change

28.67 There is, however, an equally important aspect of agricultural labour that calls for attention. As has been pointed out earlier, a major section of this class of labour comes from scheduled castes and scheduled tribes. The question of giving them social status has to be a part of the measures to be recommended for improving conditions of agricultural labour. National consciousness in this regard was aroused by Mahatma Gandhi, the Father of the Nation and by other leaders, some of them belonging to these communities themselves. The experience during the last twenty years has shown that this, by itself, has not been adequate.

28.68 Attitudes towards change are conditioned by economic compulsions or improvement. A greater measure of social acceptability for agricultural labour, irrespective of caste, is evinced in developing areas rather than in those where no development has taken place. In the former, the cultivator-employer is in need of labour and is prepared to offer social concessions as a matter of enlightened self-interest. Where such need for labour is inconsequential, old attitudes continue to prevail. But social change consequent on improvement in economic status is necessarily slow.

28.69 As it is, the period for special concessions for these communities had to be extended. The inquires preceding this extension witnessed a clamour among backward communities to get themselves notified in the Schedule. This reflects either poverty among these backward communities or the attractiveness of concessions. If it is the latter, one could hope that a further extension of such concession for a limited period would help these groups to acquire a greater measure of self-confidence. Also, the development of agriculture itself through the new strategy will make the cultivator-employer respect labour. Beyond expressing this hope, we are afraid, we have no short-term solution for the social problem, which is so deep-rooted. It can only be tackled by continued processes of strict enforcement of social legislation and conscious and sustained efforts at education.

FOREST LABOUR

28.70 Our forests are spread over 73 million hectares out of 327 million hectares of the total

geographical area of the country. The national forest policy stipulates that our aim should be to maintain at least one-third of the land under forests. The present area under forests, which is 23.3 per cent of the total area, is not only inadequate but also unevenly distributed, the percentage varying from 9.5 in Jammu and Kashmir State to 43.7 for Orissa. Forests have played and will continue to play a vital role in our economy. They yield a variety of products which are conventionally classified as "major" and "minor". Forestry is an important industry in the public sector, about 90 per cent of it being State-owned, State-managed and worked by specially created Departments. According to the 1961 Census, labour engaged in forestry, fishing and livestock constituted about 6.4 millions out of the working force of 137.5 millions in the agricultural sector. Forestry and logging are a primary source of livelihood for a relatively small but significant section of workers (0.4 million) in rural areas, and a secondary source of income for a much larger section of the community engaged in construction, wood work, furniture making and the like.

28.71 In what follows, however, we propose to confine ourselves only to labour engaged for forest work of all types. In view of the special problems involved, the Madhya Pradesh Government helped us by asking two of its experienced officers to prepare a report for our consideration. We have benefited from this report, as indeed from the valuable information received from other States and the personal visits paid by some of us to make related investigations on the spot. The conclusions of our Study Group on Tribal Labour were also useful.

Recruitment

28.72 Forest labour is ordinarily employed by (i) the State Forest Departments on departmental works such as afforestation, protection of forests, working of coupes, collection of forest produce, construction and maintenance of forest roads and buildings; and (ii) contractors who take forests on lease on the conditions prescribed by the State Governments. The contractors can be (a) individuals, partnership firms or corporate bodies, (b) forest labour cooperative societies, and (c) quasi-government organisations such as cooperative development corporations. The Madhya Pradesh Tribal Cooperative Development Corporation is an example of (c). Skilled workers are required for specialised jobs such as charcoal burning, *catechu* making, and sawing; the semi-skilled for logging and felling; and unskilled for stacking, loading,

unloading, and collection and transporting of forest produce. Contractors engage without any restriction labour of their choice from forest villages or from villages in or around the coupes to be worked by them. They have to give preference to forest villagers in the matter of employment. Forest labour can be divided into three categories, *viz.*, (i) local labour, (ii) migratory labour, and (iii) labour from the forest villages or settlements. Local labour is recruited by the local forest agencies from surrounding villages regularly every year for operations such as construction of forest roads, clearing fire lines and arranging departmental burning. Unskilled and semi-skilled labour for ordinary forest works is plentiful throughout the year, except when agricultural operations are in progress. Migratory labour is brought into the area, for work extending over a year or more, for extraction and conversion of forest produce during the working season. Labour in forest villages or settlements is permanent.

Forest Villages

28.73 Exploitation of forest resources gave rise to the need for maintaining a regular supply of labour. The response to this need, in the early stages of forest exploitation, was through establishment of forest villages with a view to securing permanent and regular supply of labour for forest operations and for providing employment to the 'Adivasis'. These villages, unlike revenue villages, are not meant for extending cultivation. The terms on which people are allowed to settle in forest villages are: (i) the Forest Department and the Contractors have the first claim to the labour of forest villagers on payment of the market rate; (ii) the villagers will not accept any other employment without obtaining prior permission from the Forest Departments; and (iii) they can be summarily evicted for non-compliance with orders.¹ Preference is given to local people in the matter of settlement, because they have experience in the extraction or handling of forest produce. The settlers enjoy the right to free grazing of their cattle and to free supply of wood required for *bonafide* agricultural purposes, house building and repairs. A headman elected by each village advises the forest officials in the organisation and employment of forest labour. The system of forest villages has been criticised on the ground that the workers do not enjoy tenancy rights on lands which have been cleared by them and can be evicted for refusing to work.

Working Conditions

28.74 The problems faced by the forest workers in regard to employment, wages and working conditions have not been systematically tackled. Even in States which have a predominance of such labour, it has by and large remained unorganised. Various pieces of labour legislation do not cover forest labour. A measure of protection is provided through the application of the Minimum Wages Act, 1948 to agricultural labour, but forest labour does not get relief under this legislation. Seasonal operations do not assure full-time employment to the forest workers all the year round. Afforestation is taken up during the rainy season; felling of trees and charcoal burning are carried on during the dry periods. Shortage of labour is experienced during agricultural seasons, because labour which is mostly drawn from the ranks of the small cultivating landholders or landless agricultural workers prefers to go back to agricultural operations. These factors explain the difficulties in building up a 'specialised and stable' labour force for forest operations. Working hours for labour employed by contractors are not fixed. They range from 10 to 12 hours a day, with a break of an hour or two in the afternoon. Workers employed by the forest department report to work-sites in the morning and return home after putting in eight hours of work. They do not have to stay inside the forests at night.

28.75 Conditions of work in forest operations are not satisfactory. Labour has to work in remote areas, away from home, under difficult conditions. Accommodation at work-site is limited; supply of drinking water, bathing and washing facilities are inadequate. And so are medical facilities, transport and rations. While this is the general picture, Government and in rare cases the contractors, have arranged for medical and educational facilities and made provision for drinking water. We have been told that the facilities are qualitatively better only where a union is organised or where labour is in chronic short supply. But these represent only a beginning and vast areas remain uncovered by them. One of the distressing sights in the forest areas is lack of attention to prevention of accidents and treatment when they do occur. In the forest areas visited by us, the first-aid arrangements if they existed at all, were very poor. The agents of contractors whom we met could not say whether there were any cases within their knowledge where a

¹These terms appear to be inequitable since there is an element of compulsion in (i) and (ii), but the contractor has merely to give preference to forest villagers and is not compelled to employ them.

worker received payment in case of employment injury.

28.76 Workers are employed on a daily basis but they are not time-rated. Piece-rate is the common pattern, though at times a group of them take on work as sub-contractors. Piece-rate is often resorted to in departmental operations for extraction of timber for local use and occasionally for road work. For quality work, contractors employ workers on job contract.

28.77 No special machinery is in operation for fixation of wages of forest labour; fixed principles under which wages are regulated and settled are also absent. In some areas, for forest labour employed on departmental works, daily wage rates are fixed by the Collector or the Divisional Forest Officer. The wages paid by contractors vary and are dependent on the availability of labour during different periods, skill of the workers and the urgency of the job. Wage rates are not uniform; they differ not only from State to State but also from region to region and period to period. They vary in neighbouring areas even for the same operation. Though wage rates have increased in recent years, they have not kept pace with the increase in the price of foodgrains and other necessities. Piece-rates for felling and logging of timber are determined by the size of the trees and the labour involved. Workers engaged in collection of minor forest produce such as gum, *rosha* grass, honey, wax, *tendu* leaves, and *mahua* flowers are paid on the basis of the quantity and average quality of the produce collected. During years of drought and scarcity, forest labour is anxious to be paid wages in kind rather than in cash, a phenomenon not uncommon with agricultural labour. It prefers to work with a contractor to being engaged for departmental works. This preference is shown only if the former can arrange to supply foodgrains at work-sites at reasonable rates. To remove such difficulties in the way of labour, the Madhya Pradesh State Tribal Cooperative Development Corporation has opened a number of fair price shops at convenient locations. Workers are usually paid once a week on the market day. Complaints are common about manipulation of accounts and taking advantage of their illiteracy and ignorance while adjusting advances against the work done by them. Work done is measured in such a manner that the worker is always the loser. All malpractices consequent on a weak state of organisation prevail in forest work also. Allegations of undesirable practices by officials at different levels of the forest department were made, but by and large, they were not substantiated in the course of our enquiries.

28.78 Forest labour is not a regular stabilised labour force because (i) the nature of work is casual, (ii) opportunities of employment in agriculture during the peak agricultural seasons draw them away from forest operations, (iii) accidents, illness and other domestic worries claim their presence at home, and (iv) the labour lacks the urge to earn and save for the rainy day. Forest labour is not organised except in certain pockets where trade union workers have found it feasible to operate. The reasons for apathy towards organising themselves are (i) illiteracy, ignorance and indifference of the tribal forest labour, (ii) non-existence of a regular forest labour force, (iii) instability of employment due to shifting of work-sites and locations; and (iv) remoteness and lack of easy accessibility for trade union workers to work areas and forest villages. Here again, a close parallel can be noticed between agricultural labour and forest labour.

Forest Cooperatives and Nationalisation

28.79 Against this background, we take note of the more recent developments which are not yet common to all States but which will have an important bearing on conditions of forest labour in future. These fall in two groups—(a) cooperatives, and (b) nationalisation. Forest labour has been organised into labour cooperative societies to eliminate the exploitation by middlemen and traders and to ensure not only fair wages to labour, but also a share in profits out of the contracts for utilisation of forest resources which are entrusted to these bodies. The formation of cooperative development corporations is another variation of the same theme. Such societies have thrived, but only in areas where social workers with considerable past experience have taken interest in their formation and day-to-day working. In some others, they are reported to have operated as agents of contractors. The other development is nationalisation of a major forest produce, *viz.*, the collection of *tendu* leaves. Though by no means common to all States, this activity has paid rich dividends at least in one. It has increased appreciably the revenues accruing to the State exchequer. It has replaced the exploitative system dominated by middlemen, traders and contractors, who arbitrarily fixed prices for the forest produce, by a departmental agency which not only pays an increasingly higher price for the produce but also makes regular payments. Because of the advantages this operation has brought to forest labour, there is a demand that the State should take over the exploitation of other forest produce as well.

Recommendations

28.80 Forest labour is largely made up of labour from tribal communities who have deep ecological and economic links with the forests they live in. Tribals have been sensitive in their reaction to the reservation of forest areas, and this reaction has been an important element in their movements. We do not propose to enter into a discussion of the measures for amelioration of the conditions of tribal communities in forest areas in general, because these have been covered by the Commission on Scheduled Tribes (1961). We recommend that forest labour in general and tribal forest labour in particular should be treated with due understanding. There is a greater scope for employment of the members of these communities as fire watchers, forest guards and rangers if they are qualified and sufficiently experienced.

28.81 The welfare of forest labour cannot be divorced from that of other communities similarly placed. All operations connected with the exploitation of forest produce in which these communities are engaged and trade in major and minor produce should be nationalised to ensure enduring benefits to forest labour and the State.

28.82 A permanent labour corps divorced from agriculture and available for employment on forest works should be organised on the same lines as the agriculture labour corps recommended earlier. In the years to come, exploitation of forest resources and establishing of forest-based industries will make organisation of such a force necessary. A beginning should be made in selected areas in each State.

28.83 Forest labour cooperative societies, through which workers are trained and equipped to organise themselves, should be encouraged and streamlined. In any case, they should be kept away from the pale of influence of contractors. There should be coordinated support for them from different departments of the State Government. Such managerial assistance, training and marketing facilities as they need should be made available in the initial stages.

28.84 The procedures for grant of compensation on account of disability and injury to the worker during the course of employment should be set right to obviate rigidities in the matter of payment.

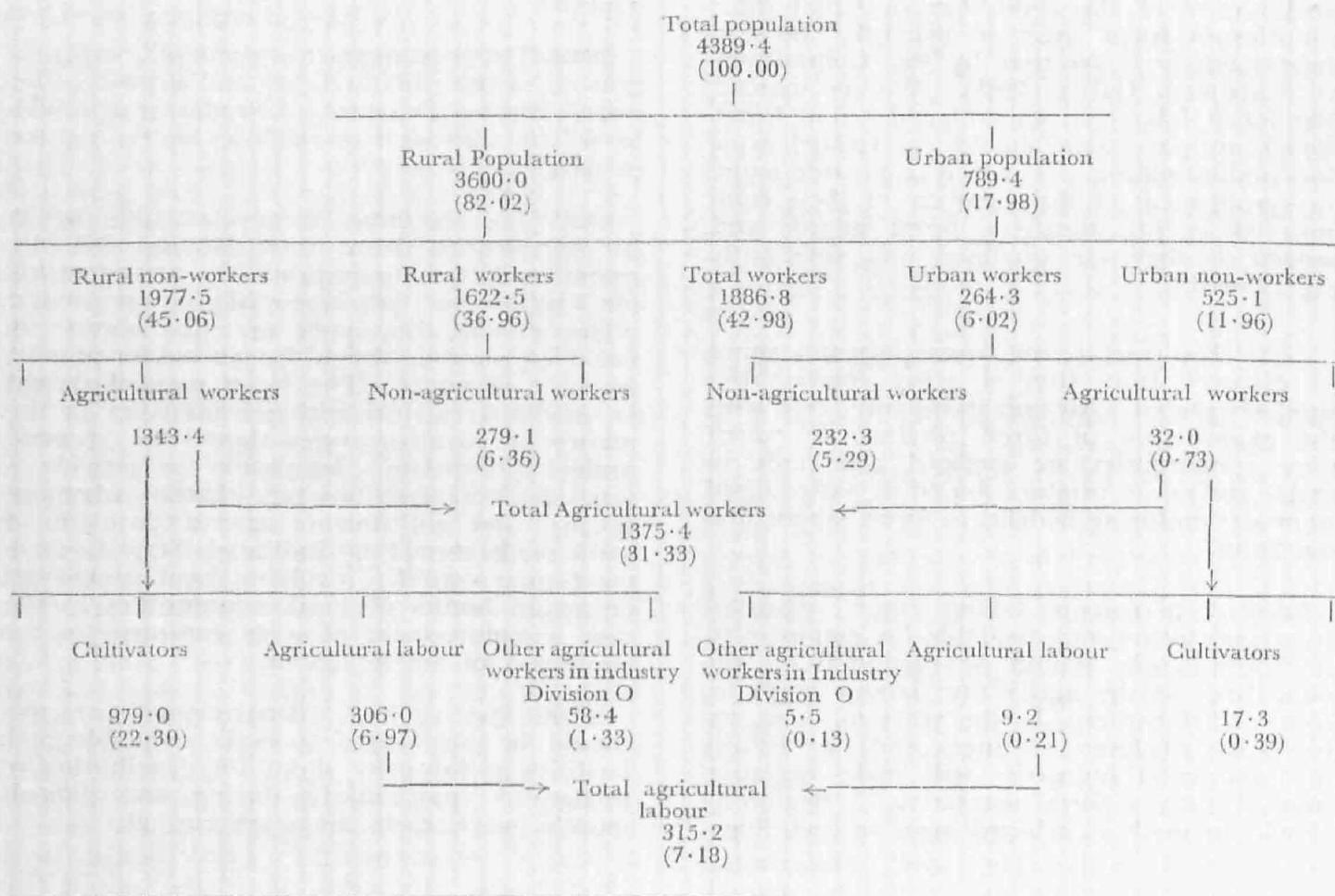
28.85 The Minimum Wages Act, 1948 should be extended to cover forest labour. All our recommendations to improve the arrangements for fixation and implementation of minimum wages should also apply to such labour. A suitable procedure should be evolved for prompt payment of wages. The forest manual should be modified to deal with irregularities in the matter of payment; rules should be framed under appropriate legislation to provide a wage card to each worker wherein advances, if any, and adjustments against payment of work made should be indicated. State Governments may consider involving local panchayats or action bodies of local communities in the task of enforcement of wage contracts on the employers of forest labour.

28.86 The forest department/contractors should be encouraged to make available such facilities as fair-price shops for distribution of foodgrains, particularly during the difficult months when these areas are cut off.

ANNEXURE I
(Ref. Para 28.1)

Chart showing Distribution of Population and Workers for All-India by Rural and Urban Areas and also by Sectors of Activity according to the 1961 Census.

(Figures in lakhs)



NOTE—Figures in brackets give percentages to total population

Source:—Based on Census of India 1961, Vol. I, Part II B(i).

Distribution of land¹ to landless agricultural workers through State agency.

Name of State	Extent of land distributed (in lakh acres)
(1)	(2)
Andhra Pradesh	13.090
Assam	3.020
Bihar	5.064
Gujarat	3.332
Jammu & Kashmir	Not available
Kerala	0.484
Madhya Pradesh	23.457
Madras	3.111
Maharashtra	6.407
Mysore	7.226
Orissa	1.663
Punjab	1.679
Rajasthan	28.350
Uttar Pradesh	9.442
West Bengal	1.220
TOTAL	107.545 (10.7 million acres)

Source : Land Reform, Division, Planning Commission.

¹This does not include land declared surplus as a result of imposition of ceiling on land holdings.

Requirement of Mandays in Agriculture

Region	Crops	Intensity	Mandays per acre of the holding	
			Local varieties	HYP
<i>I. Single Crop Cultivation (intensity of cultivation about 1)</i>				
Orissa (Sambalpur)	Paddy	0.92	43	63
West Bengal (Hooghly and 24 Parganas)	Paddy Jute	1.05	55	75
Maharashtra (Ahmednagar)	Jowar Bajra & Wheat	1.09	19	29
<i>II. Intensive Multi-crop Agriculture (intensity 1.5-2.0)</i>				
Punjab (Amritsar & Ferozepur)	Wheat Wheat, Gram, Cotton	1.50	24	54
Andhra Pradesh (West Godavari)	Paddy	2.00	97	137
Uttar Pradesh (Meerut & Muzaffarnagar)	Wheat Sugarcane	1.50	73	103
<i>III. Intensive Multi-crop Agriculture with Mechanisation (intensity 2.00)</i>				
Punjab	Wheat Wheat, Gram Cotton	2.00	21	47
Andhra Pradesh	Paddy	2.00	72	98
Uttar Pradesh	Wheat Sugarcane	2.00	63	89

- Source* : 1. For mandays per acre of the holding under local varieties in Statements, I & II: Reports of Farm Management Studies, Ministry of Food and Agriculture.
2. For Mandays on HYP: On the basis of cash expenses on additional labour in the Report on the High Yielding varieties Programme, Kharif 1966-67.
3. For Statement III : On the basis of the above two sources, after making allowances for displacement of labour due to mechanisation of ploughing, harvesting and threshing.

CHAPTER 29

UNORGANISED LABOUR

We now take up for discussion the issues connected with another group of workers, who cannot be identified by a definition but could be described as those who have not been able to organise in pursuit of a common objective because of constraints such as (a) casual nature of employment, (b) ignorance and illiteracy, (c) small size of establishments with low capital investment per person employed, (d) scattered nature of establishments, and (e) superior strength of the employer operating singly or in combination. We do not propose to cover every sector of such employment, but take up categories where the number of workers is large and where information about them is available in some form. The categories naturally will be illustrative rather than exhaustive. These are: (i) contract labour including construction workers; (ii) casual labour; (iii) labour employed in small scale industry; (iv) hand-loom/power-loom workers; (v) bidi and cigar workers; (vi) employees in shops and commercial establishments; (vii) sweepers and scavengers; (viii) workers in tanneries; (ix) tribal labour, and (x) other unprotected labour. There will be a certain measure of overlap between them. For instance, bidi and cigar establishments can fall under (iii), (v) and (vi); contract labour will be found in (iii); and so will casual labour and so on. These categories will include workers who are protected by some labour legislation and others who are not. We expect that between them, the categories of workers dealt with will throw up a range of issues which will cover the rest of unorganised/unprotected labour as well.

Sources of Information

29.1 We have to tread warily in an area where first-hand studies of different categories of unorganised labour have not been undertaken, and where such information as is available is not adequate. During the course of evidence, the representatives of State Governments and some unions shed light on the conditions of casual and contract labour. Employers of shops and commercial establishments met us and explained their stand and so did unions organised by their workers. We also arranged for a special study of labour conditions in small-scale industries in one State and used it as a model for understanding, through the help of Education Officers of the

Central Board of Workers' Education, the position in selected employments in other States. We set up three Study Groups especially to understand the problems of (i) construction workers, (ii) sweepers and scavengers, and (iii) tribal labour. Their reports have been of considerable assistance in reaching our findings.

29.2 The 1961 Census puts the total number of non-agricultural wage-earners at about twenty-four millions. If from this number the total number of workers employed in the organised sector, namely, registered factories, mines, plantations, government and quasi-government bodies, ports, insurance, banks, etc., which number about fourteen millions is deducted, one gets a rough estimate of workers in the unorganised sector. Besides the ten million workers so arrived at, there are a large number of workers other than 'employees' in the cottage and household industries and handicrafts; according to the 1961 Census, the number of such workers is eleven millions, and these latter we cannot cover because of the absence of employer-employee relationship in them.

Assessment of Policies

29.3 Beyond a mention in the 1946 Policy Statement, Government have hitherto paid inadequate attention to these workers despite the fact that they constitute a fair proportion of those who produce goods and provide services. Even in the organised sector, a section of the total labour force has to be left out of the purview of legislation, because some establishments employ workers less than the minimum number prescribed in the law. In the absence of proper organisation, they are not able to establish their reasonable claims and secure proper working conditions. It is a common complaint that the benefits of labour legislation have not reached rural and unorganised labour. The Minimum Wages Act, 1948 was the first attempt at statutory regulation of wages, and to some extent, working conditions of labour employed in the sweated trades. Labour engaged in these employments, being unorganised, had weak bargaining power and had been deprived of reasonable wage and working conditions. Apart from the ineffectively implemented Minimum Wages Act, they do not have any other legislative protection. The Factories Act, 1948 and the Industrial Disputes Act, 1947, which contain 'specific and

detailed provisions for items within their purview, were not designed to meet the conditions of and requirements in unorganised industries and employments. In taking cognisance of the plight of such labour, the Third Plan mentioned: "while considerable improvements had occurred in the living and working conditions of employees in large and organised industries, owing both to State activity and trade union action, a great deal of lee-way remained to be made up in respect of the workers engaged in agriculture and unorganised industries and that their conditions should become a matter of special concern to government as well as to labour organisations".¹ A reference was also made in the Plan to the building and construction industry in which programmes of expansion called for greater attention to safety standards. The informal meeting of Labour Ministers in August, 1962 endorsed the Plan Statement and called for (i) greater attention to be paid to the conditions of labour in unorganised industries which could not be governed by legislation effectively; (ii) formulation of a separate code for laying down minimum service and working conditions for them; and (iii) appointment of labour officers to assist in the proper enforcement of the code in (ii) above. In spite of this decision, no satisfactory machinery has been reported to have been set up for taking cognisance of labour disputes in several States. It is against this assessment of policy that we examine the matters in regard to the specific categories referred to in the opening paragraph.

Contract Labour/Construction Workers

29.4 'Contract Labour' can be distinguished from 'direct labour' in terms of employment relationship with the principal establishment and method of wage payment. Unlike direct labour which is borne on the pay or muster roll of the establishment and entitled to be paid wages directly, contract labour, by and large, is neither borne on pay-roll nor is paid directly. The establishment which farms out work to a contractor(s) does not owe any direct responsibility in regard to his/their labour. In several contracts the wage rates to be paid to labour are stipulated, but whether payment is made on that basis or not is hardly the concern of the contractor himself or of the person/organisation for whom the contractor works.

29.5 The advantages to the employer in employing contract labour are (i) production at lower cost; (ii) engaging labour without having

to extend fringe benefits such as leave wages, Employees' State Insurance or Provident Fund contributions, and bonus; (iii) general reduction of the overhead cost and the administrative burden of maintaining an establishment; and (iv) the sheer 'economics' of farming out contracts for manufacture of certain components rather than investing capital and installing plants for their manufacture. Contract labour can broadly be divided into two set categories; those employed on job contracts, and others on labour contracts. Large establishments give out contracts of jobs or of particular operations, e.g., loading and unloading, to contractors on lump-sum payment. The contractor engages his own workers. The contractor can be an individual or an establishment or even a senior worker like a maistry or a mukadam or a sirdar. The protection received by contract labour varies according to the situation.

29.6 **Review of Trends:** The Whitley Commission recommended the abolition of contract labour by implication. The Bombay Textile Labour Enquiry Committee stated that "if the management of the mills" did not "assume responsibility for such labour", there was "every likelihood of its being sweated and exploited by the contractor"; it also recommended the abolition of the "contract system of engaging labour" as soon as possible and "that workers for every department in a mill should be recruited and paid directly by the management." The Bihar Labour Enquiry Committee condemned the practice of recruiting labour through contractors because they said: "the contractors ordinarily lack a sense of moral obligation towards labour which the employers or the managers are expected to have, and, therefore, do not often hesitate to exploit the helpless position of labour in their charge". The Rege Committee (1946) found that the system of contract labour was very much in vogue.

29.7 As a result of these findings, the scope of the definition of "worker" in the Factories Act (1948), the Mines Act (1952) and the Plantations Labour Act (1951), was enlarged to include contract labour. Contract labour in some sectors became entitled to the benefits of working conditions and hours of work admissible to the labour directly employed. The definition of the term "immediate employer" under the Employees' State Insurance Act (1948) extended health insurance benefits to contract labour.

¹The Third Five Year Plan, pp. 259-60.

All it means is that in providing working conditions as required under the statute, the strength of contract labour is to be taken into account. The Dock Workers' (Regulation of Employment) Act, 1948 protected the employment, wages and welfare conditions of specified categories of contract labour employed at major docks. As a result of the recommendations of the Industrial Committee on Coal Mines, contract labour was abolished in railway collieries in 1948. The Central Public Works Department (CPWD) Rules for contractors became operative in 1948; job contracts were to be given only to contractors who were on the "Approved List" and who agreed to pay "fair wages" to workers and provide welfare services and housing of the specified standard. Non-compliance with those provisions would result in cancellation of contract. The 'fair wage' is notified at the time of inviting tenders. A similar system was introduced by the railways for its contractors. The provisions of the Minimum Wages Act (1948) applied to contract labour in scheduled employment. The Bombay Industrial Relations Act (1946) and similar Acts in Madhya Pradesh and Uttar Pradesh cover contract labour. They are thus entitled in these States to bring up issues in dispute and enjoy protection and benefits as are available to directly employed workmen under the said Acts.

29.8 Incidentally, the benefits available to contract labour under these measures tend to vary from industry to industry, area to area,

and even from one category of labour to another employed in the same industry and located in the same city. There are also differences in interpretation of the term 'contract labour'; inadequate procedures and poor implementation are other constraints. The Second Plan stressed the need for improvement in the working conditions of contract labour and pointed out that in the case of contract labour "the major problems relate to regulations of their working conditions and ensuring them continuous employment". Surveys of selected industries were undertaken to ascertain the extent and nature of the problem in different industries. The problem also came up for discussion in the Indian Labour Conference and the Industrial Committee on Construction; the upshot of these was a general agreement on the need to abolish the system of contract labour wherever possible and to regulate it in other cases.

29.9 Employment: The practice of employing contract labour prevails in varying degrees in almost all industries and services; it is more prevalent in mining and in the construction industry to which there will be a reference later. With the expansion of construction activity following substantial investment in the Plans, the size of contract labour has significantly expanded in the post-Independence period. The extent of contract labour in certain selected industries where it exceeds 20 per cent is brought out in the following table:

TABLE 29.1: *Percentage of Contract Labour in Selected Industries*

Industry	Percentage of contract labour to total labour in the industry	Reference Year
1	2	3
1. Ports and docks	38.6	1957
2. Construction (PWDs only)	60.0	1957
3. Metal extracting and refining factories	25.2	1959
4. Metal founding	22.6	"
5. Metal rolling	27.0	"
6. Limestone quarries	36.7	1962-63
7. Iron ore	73.9	1956
8. Manganese ore	65.8	1960-61
9. Rice mills	21.7	1963

TABLE 29.1—*Co td.*

1	2	3
10. Dal mills	26.4	1963
11. Salt	49.1	"
12. Breweries & Mfg. of malt	28.6	"
13. Cotton, ginning, cleaning and pressing	21.8	"
14. Jute pressing	73.8	"
15. Tarpaulin, tents, sails, etc.	63.7	"
16. Joinery and general woodwork	23.1	"
17. Fire bricks	24.0	"
18. Agricultural implements	24.8	"
19. Toy manufacturing	34.3	"

Source : (S. No. 1) Ports and Docks—Report of an Enquiry into Demands of Labour, Ministry of Transport.

(S. No. 2) Indian Labour Year Book, 1957.

(S. Nos. 3—5) Survey of Labour Conditions, Labour Bureau, Simla.

(S. Nos. 6—8) Contract Labour Surveys, Labour Bureau, Simla.

(S. Nos. 9—19) Annual Survey of Industries, 1963.

While the data are for years that are somewhat remote, we believe that the percentages obtaining currently may not have gone up because of the pressure that has been building up against engaging labour in this manner.

29.10 Occupations on which contract labour is employed range from purely unskilled work categories as loader, unloader, cleaner, sweeper and khalasi to skilled employment as polisher, turner, gas cutter and rivetter in oil distribution and driller, blaster, blacksmith, carpenter and fitter in the mining industry. Apart from these, there are certain regular processes such as nickel polishing and electro-plating in engineering establishments, dyeing, bleaching and printing in some units in textiles, and designing and 'raising' work in almost all carpet manufacturing units, where contract labour is common.

29.11 Judicial awards have discouraged the practice of employment of contract labour, particularly when the work is: (i) perennial and must go on from day-to-day; (ii) incidental and necessary for the work of the factory; (iii) sufficient to employ a considerable number of whole-time workmen; and (iv) being done in most concerns through regular workmen. These

awards also came out against the system of 'middlemen'. However, middlemen got a new lease of life when in February 1958 the Supreme Court¹ in Shri Chintaman Rao and another Vs. the State of Madhya Pradesh held that the 'Sattedars' and their "coolies"² engaged in the bidi industry were not workers within the definition in S.2(1) of the Factories Act (1948). This judgment resulted in the principal employers disowning responsibility in respect of contract labour and depriving them of the benefits of the legislation.

29.12 Wages and Working Conditions.—There is wide disparity in the wages and working conditions of direct labour and contract labour. Wage Boards constituted for different industries have recommended extension of uniform wage rates for both direct and contract labour. But in the absence of an effective implementation machinery, contract labour is generally paid wages below the rates prescribed for regular workers in the industry. Often, they do not get any payment other than the basic remuneration.

29.13 Conditions of work are also far from satisfactory. Working hours are irregular and longer. The period for which payment is made varies from a day to six months. There

¹The Supreme Court Reports, 1958, p. 1340.

²The use of this word is now officially banned.

is no security of employment; the job ends with the contract. If contract labour is employed on jobs within the premises of an establishment covered by the Factories Act, 1948, they get weekly rest like direct workers. Leave with wages is not available to contract labour. In the matter of housing facilities, contract labour is not treated on par with direct labour. It is entitled to benefits under the Employees' State Insurance Scheme, but few establishments extend this facility. Similarly, facilities under the amended Employees' Provident Fund Act, 1968 are not available to contract labour, because they do not fulfil the qualifying conditions of "regular employment of twelve months in the establishment". In some areas, where the practice of the contractor making advance payments to his labour obtains, contractors are reported to take advantage of the illiteracy and ignorance of workers and manipulate accounts so that at the end of the season the worker still owes to the contractor almost the same amount as initially advanced.

29.14 As against these complaints about the manner the contractor treats his labour, some points brought out by the contractors require to be mentioned. Basically, they are: (i) uncertainty about the work they have to do; (ii) the dispersed areas in which they have to get work done; (iii) the reputation they have to maintain to attract labour; (iv) the sheer cost involved in providing amenities of the standard meant for regular workers and so on. While we do not attach importance to the first factor, others contain elements which require to be recognised. At the same time, judging from the way contract labour of even some of the best firms lives and works, we consider a stricter regulation of contract work is called for, where it is essential to engage such labour, the general direction of policy being its abolition altogether in due course. Where for some unavoidable reasons, it has to stay, such facilities which other regular workers enjoy should be made available to contract workers.

29.15 With a view to removing the disabilities of contract labour, a Bill for regulation and abolition of employment of contract labour was introduced in the Lok Sabha in July 31, 1967. The Bill provides for (i) the registration of principal employers and licensing of contractors; (ii) the setting up of advisory boards of a tripartite character, representing various interests to advise the Central and State Governments in administering the legislation; (iii) the regulation of conditions of work, payment

of minimum wages and other essential amenities relating to welfare and health of contract labour; and (iv) a comprehensive definition of the terms 'work', 'principal employer' and 'workmen'. We endorse this measure and recommend its follow-up.

Construction Workers

29.16 The building and construction industry covers a variety of works and operations. Its activities range from construction of dams and bridges, and roads and tracks to factories and offices, schools, hospitals and ordinary residential buildings. Together with the workers required for maintaining 'construction', this forms a major sector of employment. Most of these operations are seasonal, and at times involve fluctuations in the employment pattern largely due to climatic conditions. Building activity is at its peak during winter months, but is at a standstill in the rainy season. In minor construction projects, work is of short durations and workers are required to move from place to place where construction may be in progress. Big projects may employ workers at a stretch for many years; even so re-deployment of workers poses a problem. There has been rapid expansion in building and construction activity during the last twenty years. The last Census estimated that over two million workers were employed in major sectors of construction and maintenance. According to the estimates of the Planning Commission, the construction industry was expected to have added about 2.3 million work opportunities during the Third Five Year Plan.¹

29.17 Agency.—The Central and State Public Works Departments and Railways are major employers of contract labour; in the public sector, such agencies as the National Buildings Construction Corporation and the National Projects Construction Corporation also employ contract labour. There are in addition many building and construction agencies in private hands; some of them are well organised, but a large number operate on a small scale. Most of the construction works are actually executed by big and small contractors, the latter usually working as sub-contractors under a principal contractor. Our Study Group on Construction Industry has pointed out that unregulated entry of persons in this industry, regardless of qualifications or resources, has been a major cause of chaotic labour conditions and sub-standard or slipshod work. A classification and registration of building contractors may be a remedy against this malaise.

¹The Third Five Year Plan, p. 159.

29.18 Recruitment.—There is no agency specifically to regulate employment of unskilled workers. Technical and skilled workers are directly employed by Government and usually recruited through the employment exchanges. A contractor generally maintains a small nucleus of skilled workers for his operations and he deploys them at work sites. Most of the recruitment of labour, particularly of the unskilled type, is made through middlemen near about the place of work. The bulk of labour is employed through labour contractors, Government, whether it is Central or State, is the largest principal employer in the construction industry. It should be possible, by a suitable phasing of the programmes undertaken, to ensure a reasonably steady volume of work and employment. Simultaneously, to ensure greater security of employment, possibilities of introducing decasualisation schemes of the type described earlier should be explored.

29.19 Working Conditions.—Construction or maintenance of roads or buildings is one of the scheduled employments under the Minimum Wages Act. There is, however, no law to regulate service conditions, annual leave, safety provisions and social security benefits. The need for greater attention to safety conditions has been emphasised from time to time. In view of the casual and seasonal character of operations spread over large areas, it has not been possible so far to adopt safe working practices and facilitate adequate labour inspection. Many works are too small to provide for the services of a safety officer. Working and living conditions are also depressing in the absence of any specific legislation. Improvements cannot be enforced; and the enactment, though discussed from time to time in tripartite meetings, has not yet materialised. We would suggest that there should be no further delay in this matter. The absence of any regulatory and protective legislation applicable to the construction industry is responsible for several abuses, such as employment of child or female labour under conditions which are not permissible in factories and mines. Though the Central and State Governments prescribe certain standards in respect of wages and other amenities to be provided by contractors on Government contract, these are not usually observed. The enforcement machinery consisting of CPWD Labour Officers, or their counterparts in the respective States, is inadequate to look after a large number of contractors in their jurisdiction, and they cannot visit these establishments as frequently as they should. The failure to take prompt action to check and rectify irregularities, pointed out by them, en-

courages not only defaulting contractors but also makes law abiding elements among them negligent. To ensure that labour gets proper amenities, we recommend that the cost on them is accepted as a permissible item in the tender. And where this is already so, it should be the responsibility of the agency which supervises the work to see that the expenditure allowed is actually incurred and amenities provided. Mobile dwellings should be provided to labour at work-sites.

29.20 Wages.—The system of wage payment in the industry is not uniform. Minimum wages have been fixed for certain categories: these vary from State to State and even from district to district within a State. A reason for this is multiplicity of authorities. Some elementary protection is available in the form of a fair wage clause in the contract for Government works, but this is inadequate and is made more so because of the absence of any statutory enforcement machinery. Under CPWD Regulations for contract labour, which cover extensive work of building operations, fair wage is wage for time or piece work notified at the time of inviting tenders. A worker is entitled to lodge a complaint against a contractor paying wages less than the minimum fixed. Under the provisions of the Minimum Wages Act, 1948 and the Minimum Wages (Central) Rules, 1950, the contractor is bound to allow to the workers he employs one day's rest for six days of continuous work and pay wages at the same rates as for duty. In the event of any default, the Engineer-in-charge can deduct the sum not paid to labour and pay the same to the persons entitled thereto, from any money due to the contractor by the engineer or SDO concerned. However, in the absence of any effective implementation machinery, these safeguards, quite often, have had only an academic value. The worker can complain only at the risk of losing his job. While recording the evidence at State headquarters, we made enquiries about the operation and enforcement of the fair wage clause. In one State, the senior officer of the Department had no knowledge of the inclusion of any such clause in the contract. Even where the officers had knowledge, instances of departmental or punitive action against defaulters were few and far between. The payment of wages is made on the basis of piece-rate to the head of a group of workers through the jamadar/petty contractor, and in such cases, the rate fixed includes the jamadar's commission or petty contractor's profits. This system of wage payment by contractors to sub-contractors on piece-rate basis and of payment by the latter to individual workers

on daily rates is prone to abuse. There are complaints by workers about non-payment, short-payment, short-measurement of the work done and harsh deductions.

29.21 **Recommendations.**—We recommend strict enforcement of the 'Fair Wage Clause' by the departmental agency, and a review of the fair wages from time to time. Specific target of inspection should be laid down for all categories of inspecting officers as one of the steps to secure enforcement.

29.22 To guard against non-payment or delayed payment of compensation to the worker or to the next of kin in case of fatal accidents, maintenance of attendance registers showing permanent and local addresses of labour employed by the principal contractor or the sub-contractor should also be enforced.

29.23 We cannot help recording that a number of the ills which construction labour has to suffer from are due to lack of organisation on its part. In several advanced countries construction workers have come together so well that, in the scale of wage rates, their standing has been fairly high. Pressures from such workers has led to mechanisation of construction industry in the same way as pressures from other industrial workers have encouraged automation. We believe that at least the urban component of construction workers will attract greater attention of trade union movement.

CASUAL LABOUR

29.24 The incidence of casual labour is determined by the nature of the task to be performed. In engineering industry, casual labour is employed to fill vacancies caused by absenteeism and temporary pressure of work. Employment of casual labour is a common feature in the Railways, the Public Works Departments, both Central and State, the State Electricity Corporations and employments in the private sector where the nature of work is similar.

29.25 Employment of casual labour in several categories of work is well recognised and not objected to. It is taken exception to mainly when such labour is continually employed for long periods to circumvent the provisions of law, which confer benefits to permanent workers through better working conditions, more amenities, and the like, and what is more, when used deliberately to restrict the scope for regular employment. Though de-casualisation has made some headway in State Government Departments, Railways and Ports and Docks and

some industrial centres where several units of the same industry operate, there is still a large volume of casual labour which is engaged for varying lengths of time; not in all cases are they kept casual for bona fide reasons.

29.26 Though casual labour comes under the scope of some labour enactments relating to wages and regulation of hours of work and conditions of service, it is deprived of the advantages accruing from legislation which stipulates continuous employment for being eligible. Casual labour is thus denied annual leave with wages, maternity and sickness benefits because under the law a worker must complete a minimum period of work in an establishment as a pre-condition for eligibility. Under the Factories Act, 1948 annual leave with wages is admissible only to workers who work for 240 days or more; under the Mines Act, 1951 to those who complete one calendar year's service; under the Maternity Benefits Act, no woman is entitled to maternity benefit unless she actually works in a particular establishment for a period of not less than 160 days (150 days under the Plantations Labour Act, 1951) in twelve months immediately preceding the date of expected delivery. The Employees' Provident Funds Act, 1952 is applicable only to workers who have put in 240 days of continuous service in one year. The sickness benefit under the Employees' State Insurance Act, 1948 is available to those who pay 13 weeks' contribution in a period of 26 weeks. All such stipulations are an invitation to an unenlightened employer to maintain a large complement of casual labour than is absolutely necessary. During the course of our inquiries many unions complained that employers arbitrarily terminated the services of casual workers to prevent them from completing the prescribed period of service and thus deprived them of the benefits. We have also come across cases particularly in smaller establishments where within a week of termination of service, the same person is engaged afresh for the same job, making the employer's intention obvious.

29.27 In Central Government establishments and a few State Electricity Boards, however, interests of casual labour in the matter of payment of wages and other benefits such as weekly holidays, hours of work, night shift, payment of overtime, have been somewhat protected. In Railways, an employee after six months of service is entitled to the same wages and conditions of work as are admissible to regular but temporary employees; a casual worker is not to be deliberately discharged with a view to causing an artificial break in service, which

will prevent him from becoming a temporary employee; but even with such instructions, the manner of their observance at times has caused irritation to workers. There are some complaints of discrimination in the matter of payment of wages to casual labour in the Railways. During the course of evidence, Departments of State Governments such as the Public Works Department, the Irrigation Department, Transport Corporations and State Electricity Boards mentioned to us that employment of casual labour was inevitable because of the very nature of their work. Several of them, however, accepted the need for reducing the complement of casual workers as also for providing some of the benefits available to regular workers to those who have to be continued in their casual capacity beyond a specified period.

29.28 Complete decasualisation of labour is not a practicable proposition in the immediate future and may entail a large measure of idleness and render the operations inconvenient and uneconomic, but in the long run it is a goal worth striving for. It should be possible to evolve and introduce some kind of decasualisation scheme in stages in such sectors as construction industry in urban areas and departmental schemes in State Government departments, such as the PWD, Irrigation, Transport and Electricity. We recommend in the meanwhile a better regulation of conditions of work of casual labour. A beginning should be made in this direction in all undertakings, public and private, through periodic review and consultations among representatives of employers, Government and workers.

29.29 Casual labour should be restricted to work which is truly of a casual nature and it should be employed only where regular workers cannot be employed. For this purpose, every enterprise should determine well in advance the strength of its labour force, both permanent and temporary, in consultation with representatives of labour. Wherever possible there should be a standing order which should, against the 'normal' strength of the enterprise concerned, fix the strength of casual labour. We consider the prevailing practice of discontinuing employment of a casual worker for short periods and again re-employing him to debar him from enjoying the benefits of a permanent worker as pernicious. We recommend that if employment is discontinued for a short period and the worker is re-employed, this short period should not be treated as a

break in service. We also recommend that after a casual worker has completed a stipulated period of service, he should be allowed the same benefits which a permanent worker enjoys.

SMALL SCALE INDUSTRIES

29.30 Small-scale industries (small industries) include industrial units with investment in plant and machinery not exceeding Rs. 7.5 lakhs irrespective of the number of employees; in case of ancillaries to large industries the limit is extended upto Rs. 10 lakhs. Small industries occupy an important place in our economy both in view of the employment they generate and the contribution they make to the national product. There has been a phenomenal growth of small industries in the last fifteen years. In 1960, some 92 per cent of the registered factories in India with 38 per cent of total employment were run as small-scale, each with a capital of less than Rs. 5 lakhs. Unregistered units are estimated to have more employees than those engaged in all factories, both large and small. The 36,400 small factories registered under the Factories Act employed in 1960 over 13,30,000 persons and accounted for 17 per cent of the fixed capital of all registered factories, and produced 33 per cent of their gross output and 25 per cent of the net output. Besides the numerous units registered with the various State directorates of industries, many unregistered units manufacturing a variety of products also operate and contribute substantially to industrial production. While the latest data are not available, it would be a safe guess that in terms of economic activity their current position may not have suffered much. The investment in small and cottage industries has gone up from Rs. 43 crores in the First Plan to Rs. 264 crores in the Third. The increasing investment is itself a recognition of the role of this sector in (i) economising use of scarce capital and managerial and supervisory skill, (ii) absorbing profitably a large mass of unemployed workers, (iii) training unskilled workers and transforming them into self-employed entrepreneurs. Owing to shortage of raw materials, under-utilisation of installed capacity has been reported in the last three years, but we expect that this temporary set-back will be overcome soon.

29.31 Our Survey.—Data on conditions of labour in small enterprises could at best be considered deficient. Our special inquiries¹ in this area reveal the following interesting features: (1) The relationship between workers and

¹Rapid Survey of labour conditions in small-scale industries conducted on behalf of the National Commission on Labour by Education Officers, Central Board of Workers' Education.

owners is largely personal. Effective operations and better efficiency depend largely upon adequate recognition of this factor. (2) Though the Factories Act and Industrial Disputes Act apply to several units, their enforcement leaves much to be desired. The procedures laid down in the laws are cumbersome according to employees and are reported to be unhelpful to labour. For an employer, they involve several complicated administrative formalities to be complied with. A small entrepreneur is manager, salesman, accountant and supervisor rolled into one; he cannot afford to employ specialised staff to ensure compliance with such legislation. Labour too is not well organised for the purpose. (3) Recruitment practices do not differ from those prevailing in large establishments. Direct and indirect recruitment is usually resorted to except in very small establishments which are run by family workers and relatives. Skilled workers gain experience and move towards large undertakings for seeking higher wages and continuity of employment or establish on their own. (4) Working Conditions in their several aspects leave much to be desired, even the bare requirements are not provided. The State inspectorates are no deterrent to them because of infrequency of inspections. All this creates hazards for workers but there is no evidence to suggest that the rate of accident is necessarily higher. (5) The entrepreneurs split up larger units into small ones to evade law. Sign-boards dividing a unit into two or more parts even within the same premises are not unusual, particularly in handloom and powerloom factories. Quite often the entrepreneur is helpless against the middleman who supplies raw materials and markets the finished product and usually gets the cream of the joint effort of the small-scale owner and his employees. (6) The Payment of Wages Act, 1936, may be technically observed but weighing of the product or measurement of work will require a greater measure of vigilance on workers' side. It is here that an employer or his shop floor agent has opportunities to secure undue advantage. (7) The attempt at forming a union as an outlet for grievances of labour is sporadic. The interest shown by a union organiser is as transitory as that of workers who approach the organiser. A feature of trade union activity has been the emphasis on acquiring legal expertise by organisers. The older type of union leadership with its broad social sympathies is being replaced by one with a mere legal background. Unions in small units cannot afford to engage lawyers: lawyers get nominated on the union executive. Such leadership, barring exceptions, is unable to cope with the increasingly onerous task of organising workers diffus-

ed in small units. The result of such ephemeral unionisation is described in one of the reports prepared for us as follows:

"Strikes are frequently resorted to and the extreme result of strike is either dissolution of the union in the unit or closing down of the factory. In one of the units a 20-day strike fizzled out, the workers returned to work unconditionally and the union in the unit subsequently withdrew. Since then the unit works satisfactorily and peacefully, it is claimed. Another unit was closed down because of frequent victorious strikes conducted by the union securing increased facilities like leave with wages, holidays with pay, double wages for the overtime work, etc. In either case workers have lost."

29.32 In the visits paid by some of us to centres of small-scale industry and to units working in the bigger industrial centres, several of these conclusions were borne out. Many unfair labour practices have developed in the wake of rapid expansion of small industries. Here again the strength of the labour inspectorate and its efficient functioning can only be inferior remedies. More devoted leadership from among the ranks of workers, if possible, and outsiders, if necessary, can be the answer. But this is bound to take time.

29.33 In cases where the cost of the improvement of working conditions cannot be borne by the enterprise, alternative solutions which will not put the entire financial burden on the owners of the enterprises require to be explored. One line of action has been the establishment by the Government or private corporations of industrial estates on which workshops and other buildings of satisfactory standards are constructed and provided with water, power, compressed air, drainage and transport facilities. While encouraging development of small industries, such estates should enable the small employer to provide a satisfactory working environment, without requiring him to undertake heavy capital expenditure. A number of such industrial estates have already been established. In many cases the financial working of these estates has encountered difficulties because of paucity of raw materials. But for labour, even in the units which do not have such difficulties, the standards are not encouraging.

29.34 There is conflicting evidence in regard to the effect of wage regulation on the fortunes of such undertakings. Very often the nature of

awards and the nature of employer-employee relationship which is built up at the unit is the main determinant of the effectiveness of such regulation rather than the enforcement machinery which the State can provide. In any case the latter will be ineffective in a situation where labour is willing to 'contract out' of its legal benefits.

29.35 As two typical instances of small industries, we propose to refer to handloom/powerloom industry and bidi/cigar industry. In terms of employment, both these account for a major portion of employment in small industries.

HANDLOOM/POWERLOOM WORKERS

29.36 Handloom/powerloom industry is an important section of household industries and handicrafts, which together, according to the 1961 Census, provided employment to 1.4 millions. Our observation visits have revealed that:

- (i) A large proportion of workers in these enterprises are family workers. The co-operative form of organisation which extends to areas of small enterprises is a more recent development;
- (ii) The owner operator would be concerned with the speed of operation and workers with the maximisation of earnings and consequently such questions as holidays, weekly rest and annual holidays, tend to assume less importance;
- (iii) The handloom/powerloom units operate in urban and semi-urban areas. Working conditions and safety provisions are far from satisfactory. The wage rates are also considerably low; and
- (iv) By their very nature such units should have a comparatively easy problem of labour-management. The closer contact with the employer—very often the employer himself works with his employees on the shop floor—helps the employees to understand management problems better as also the employer to comprehend better the workers' difficulties.

29.37 A third of the total number of handlooms in the country is concentrated in Andhra Pradesh and Tamil Nadu. Within the textile industry, the incidence of mechanisation is about the lowest in the handloom sector; not much is required by way of capital for owning a loom and other incidentals; nor long training for operating a loom either. Returns are related

to this low level of mechanisation so that while the expectations for better life have reached handloom weavers as much as other industrial workers, their earnings have hardly improved because of inadequate mechanical support. Handlooms have in many cases a rural setting. Many work relations which are found in the rural context prevail in the handloom sector also. Entry in the occupation at an early stage in life is but one instance; women, children and old men work looms at their convenience on a part-time basis. Persons engaged in manufacture also fall in distinct groups—those not possessing a loom; others owning one or more and taking up work on piece rates; and still others, middlemen and financiers. All these have a bearing on the earnings of handloom weavers. About working environments, there is little difference between handloom and powerloom units, the conditions of which are described in para 29.43.

29.38 Since Independence, attempts have been made on traditional lines to reach more benefits to handloom workers through co-operatives, for purchase of yarn and other accessories, for sale of cloth, and spinning units, and the like. It was felt that with these improvements in the sources of supply of raw material and marketing facilities, the condition of handloom weavers will look up. All such encouragement has no doubt helped the handloom industry but only in a limited way. And here too, as in the case of many cooperative activities, the institutional facilities have turned out to be selective in the distribution of benefits.

29.39 When in the early fifties the schemes of decentralised production and constraints on large scale production through mills were announced, facilities for setting up powerlooms was also a part of Government policy. In reviewing the changes in conditions of work in the powerloom industry, a distinction has to be made in each case between (a) units which are run by the owners as family concerns, and (b) units which employ labour. The bigger units under (b) have again to be distinguished between (i) those which maintain their size in the belief that the inadequacy of factory inspectorate will in any case help them in not being touched, and (ii) those which evade the law by splitting into smaller units.

29.40 The Powerloom Enquiry Committee has viewed the industry as a "symbol of vast country-wise process of economic transition and techno-social change". By this it suggests the silent transition which is taking place from a less mechanised to a more mechanised process, improving thereby the productivity and earning capacity of the worker. About the nature of

ownership and persons employed in the industry, the Committee has the following to say:

“Ownership of a powerloom was to many the key which opened the door to a somewhat less burdensome and dreary life. Employment on a powerloom, even without ownership, yielded in most cases higher earnings than on handloom. Not only the handloom weaver, but also the low-paid agricultural labourer, the industrial worker, the refugee, the small trader, the educated young man of the middle class, the cured leper and the physically handicapped were all attracted to powerloom as a source of livelihood. In the process, bonds of occupational caste, personal prejudices and social inhibitions were cast aside. Powerloom was thus, in its own limited role, the usher of a new social order waiting on the old.”

29.41 The dominant pattern of ownership of looms is about 4 per family, though one finds larger units which are covered by the Factories Act and some which could have normally attracted the provisions of the Factories Act but which have been artificially divided with nameplates of different owners. This phenomenon is common to all small-scale units. The Powerloom Enquiry Committee observed that in the last 15 years, growth of the industry “was rapid and when administration intervened to regulate it, it (the industry) proceeded in an unauthorised manner and because of the deep economic urges behind it, it was found difficult to curb or regulate it”.

29.42 Labour in some powerloom centres has been organised; but even with organisation, the benefits it has secured are marginal, mostly of the type which could be expected *i.e.*, improvement in earnings as a result of the switch-over from handlooms to powerlooms. And these too have accrued where the employer has shown fairness in not splitting his unit. Where units have been split—and such cases are the majority—labour, and in some cases the small entrepreneur too, has suffered at the hands of intermediaries.

29.43 The condition inside the loom-shed (in many cases it is a residential place) is far from satisfactory. The sudden growth of the industry had its ill-effects not only on housing for men who run the looms, but also on the space available for the looms. Owners have tried to make use of the limited accommodation to the fullest extent by installing as many looms as possible and the whole place looks so crowded that there is hardly any space to pass

through. Since for a majority of looms, beaming is done outside, a weaver saves space on that account and uses it for another loom. The construction of the huts that house the looms, wherever this is essential, is purely of a temporary character; the surroundings are filthy and insanitary conditions prevail. In many places the walls are dilapidated, the lighting and ventilation inadequate, and the temperature oppressive, exposing the workmen to unhealthy and dangerous consequences. And yet, weavers keep on working without any apparent damage to their health. The deleterious effects in the system will probably show up in course of time, but since there is no health check, this could be only a surmise. Where the looms are installed in a dwelling place, one finds weaving accessories all lying about. Conditions of housing which were none too good before have deteriorated further. Some centres of powerlooms present the picture of industrial slums, with industrial waste littered on the streets. Municipal authorities, with their limited resources and always over-committed to other activities, cannot hope to cope with sanitation problems, though octroi on yarn yields them good revenue.

Bidi Workers

29.44 Employment in tobacco processing, including bidi manufactories, is included in the Schedule to the Minimum Wages Act, 1948. According to 1961 Census there were nine lakhs of workers engaged in the industry, of whom about 5.5 lakhs were in the household sector. In 1964-65, the number of registered trade unions in tobacco manufactories was 1811 with a membership of 97,000. Working conditions prevailing in the bidi and cigar establishments as reported earlier have been unsatisfactory for the reason that although the labour laws, like the Factories Act, 1948, apply to such establishments, some employers, particularly bigger ones, circumvent the provisions of the Act by splitting their concerns into smaller units. Most of these units are ill-ventilated and workers are crowded in dark and dingy rooms. There are also no fixed hours of work or any permanency benefits for workers; victimisation in small units is common.

29.45 Apart from workshop or factory system of production, manufacture of bidis is organised through contractors or by distributing work in private dwellings where workers take raw materials given by the employer or his contractor and hand over the finished product at the stipulated place. At home women and other members of the family help in rolling the bidis. The system of payment in the bidi

industry is mainly on piece-rate basis, except in the case of workers like wrappers, labellers, and sorters who are normally employed on a monthly basis. Deductions from wages in the industry are frequent and on various counts. Wages are deducted for preparation of substandard bidis and misuse of leaves or tobacco. Where workers have organised themselves, the incidence of deductions is lower and so is the rate of rejection. A complaint voiced by workers was that no payment is made for rejected bidis.

29.46 The profit margin in the bidi industry can be lucrative when the brand is established in the market. With modern salesmanship entering the bidi industry, it is the brand which sells and this makes it difficult for newcomers to enter the industry. Since the employer-employee relationship is not well defined, the application of the Factories Act has run into difficulties in this industry as in other small scale units. Some State Governments have passed special laws to regulate the conditions of work in bidi establishments but are unable to enforce the law owing to mobility of the industry. The Central Government has, therefore, enacted the Bidi and Cigar Workers (Conditions of Employment) Act, 1966 to regulate the system of work and licensing of premises on which the manufacture of bidi and cigar is carried on, and also to deal with matters such as health, hours of work, spread-over and annual leave. Minimum wages have been fixed in most States but to prevent migration of units, a welcome step has been taken to set up Inter-State Committees for wage fixation.

29.47 One of the ways in which workers in this industry can get relief is through organisation of co-operatives. Attempts made in this direction have not yielded results so far. In one centre where work is organised on this basis side by side with the units of a traditional employer, the organisers of the cooperative complained of marketing difficulties which have become the main deterrent for spreading the co-operation form of organisation. Secondly, all bidi workers irrespective of their place of work should be treated as workers for being covered by the Minimum Wages Act. Thirdly, appropriate steps should be taken to safeguard the interests of the workers in cases where bidis are rejected during inspection and the cost of materials used in the rejected stuff is deducted from their wages. This works as a hardship on employees particularly when substandard bidis are also sold in the market.

WORKERS IN SHOPS AND COMMERCIAL ESTABLISHMENTS

29.48 Labour employed in Shops and Commercial Establishments is sought to be protected by the Shops and Establishments Act, a State legislation which regulates working hours, spread-over, rest intervals and annual leave. Where the size of the unit permits, the workers have the benefit of other labour legislation also. The complaint as in all cases is about inadequate implementation. The present arrangements by which the administration of the Act is left by the State Government to local bodies is reported to be unsatisfactory. It is alleged that the inspectorate set up by the local authorities in charge of implementation of the legislation is unduly influenced by shop owners through the elected representatives on the local bodies. The allegation is not adequately supported by facts nor is rebutted by information supplied by the employers.

29.49 In the evidence before us, both employers' and workers' organisations in the concerned employment have suggested a comprehensive Central legislation which will take care of all aspects of conditions of work in shops and commercial establishments. The existing Act, they argue, should be made more comprehensive to provide for settlement of disputes, social security, and other facilities available to industrial labour. There are no standing orders for shops and commercial establishments. The present Act which applies only to establishments engaging more than a specified number of workers, does not cover most of the establishments in this sector. Workers contend that, depending on the nature of business, even small units can have a large turnover and a fair margin of profit. The capacity to provide better benefits to workers should be an alternative criterion for making workers eligible to the statutory benefit to be provided.

29.50 Employers have urged on the other hand for a more sympathetic treatment of small trading shops. Many of them constitute a trade and not an industry.

On this analysis the following recommendations emerge:

- (i) The Central Government should consider enacting a comprehensive legislation about working conditions in shops and commercial establishments;
- (ii) the proposed legislation should be applicable to units which have a stipulated minimum number of employees or have an annual turnover above a stipulated limit.

The implementation of Act should be transferred to the Office of the State Labour Commissioner. The implementation arrangements should not only be just but should appear to be just.

SWEEPERS AND SCAVENGERS

29.51 The 1961 Census estimates the number of scavengers and sweepers at about eight lakhs. Most of them are engaged by public authorities. Their difficulties are both social and economic. Mahatma Gandhi and several social workers including those belonging to these communities awakened the country's 'social conscience' to the conditions of this class of workers and yet we find that the social stigma of untouchability continues to stick, because of the 'unclean' occupation of handling and carrying of night soil, in which workers in this category are mainly engaged. A number of committees constituted by the Central and State Governments between 1949 and 1961 for studying working and living conditions of sweepers and scavengers have made recommendations about improvement in working conditions, housing facilities and wages. But with all these, the conditions continue to be distressing where workers have not been able to organise themselves. The committee set up by us examined these recommendations and also made first hand studies on the basis of which it reached certain conclusions. In what follows we set out our analysis of the more important among them.

29.52 **Assessment of Past Programmes.**—Most of the important recommendations about working conditions, housing and wages, made by previous committees have been accepted by the authorities. Funds for implementing them have been provided by local bodies to the extent their other commitments permit. Even so 'the results achieved in terms of the objectives of the programmes for improvement in the methods of handling and disposal of night soil' have been 'far from satisfactory'. The reasons are: (i) the prevalence of the *Jagirdari/Jajmani* system (customary rights) for scavenging among the sweepers in various cities, (ii) inadequate organisational and financial resources of municipalities and local bodies, (iii) inability of the State Governments to provide adequate aid for getting the action programme implemented and (iv) indifference on the part of scavengers themselves towards any improvements in their way of work. Supply of wheel barrows to carry night soil has caught on in some areas and the practice of head-loads has been partly or substantially done away with. Where underground sewer facilities are avail-

able or where sustained efforts have been made to replace the old service privies by flush-out latrines, conditions have improved. On the whole, progress in this direction has been tardy.

29.53 **Recruitment.**—The local bodies maintain waiting lists of applicants for posts of sweepers and scavengers, which include persons who may be working as substitute workers in a temporary capacity. There are numerous complaints about prevailing malpractices in matters of recruitment. A large number of workers, even after years of service, are not made permanent and disciplinary action is launched in an arbitrary manner. There is a growing trend among municipal bodies to discourage the recruitment of women in view of the liabilities involved in their employment in the shape of maternity benefits and other conditions of work.

29.54 According to the information collected by our Committee, in 52 of the 68 local bodies which supplied data, the consolidated pay exceeded Rs. 80 per month. The additional facts that emerge are: (i) the basic pay scales are often low and unrealistic and have an adverse effect on retirement benefits in the shape of provident fund or pension; (ii) in the States where the pay scales have been left to be fixed by the local bodies themselves, they are generally low; and (iii) high wage rates in some States have been secured by collective bargaining or adjudication due to the existence of well-organised unions. Some States have laid down rules ensuring greater uniformity in the emoluments of employees in local bodies; Railways, ports and hospitals have also by and large standardised the pay scales. Complaints about irregular payment of wages, arbitrary deductions and irregularities in disbursement of salaries also exist on a large scale.

29.55 **Social Security.**—Provisions for social security measures for a large majority of scavengers and sweepers are almost non-existent. While those employed by the Government and larger corporations are eligible for retirement benefits, employees of local bodies, except where workers are organised, are not entitled to such benefits. Except in larger municipalities and corporations, such security generally takes the form of contributory provident fund; the rate of contribution is usually 6.25% of the basic pay by the employee, a similar amount being contributed by the local body. This amount is admittedly too meagre. To make matters worse, a number of municipalities do not deposit their own contribution and the contribution deducted from the pay of the employees

is not deposited into the provident fund account regularly, resulting in loss of interest to the employees. Moneys are withdrawn from the provident fund accounts for 'ways and means' adjustments. Gratuity schemes are in existence in still fewer local bodies. When a sweeper or scavenger meets with an accident, he does not get any compensation; whereas a large number of workers in other occupations in local bodies are covered under the provisions of the Workmen's Compensation Act, 1923.

29.56 Trade Unions.—Sweepers and scavengers in large towns and cities are fairly well organised. Unions settle their disputes by negotiation or by utilising the industrial relations machinery provided under the law. The state of membership, rate of subscription and the pace of social activity conducted by these unions, barring a few, are far from satisfactory.

29.57 Hours of Work.—Sweepers and scavengers employed under local bodies are governed under the Minimum Wages Act, 1948. Some local bodies have also laid down hours of work of the employees under their rule-making powers. These tend to vary from State to State and from one local body to another. In 17 out of the 48 local bodies for which information was available to our Committee, the hours of work for sweepers and scavengers ranged from five to eight per day.

29.58 Housing.—The most important single factor affecting the living conditions of sweepers and scavengers is housing. Successive committees have laid stress on improving housing conditions. During 1961-65, Government of India (Department of Social Welfare) made a provision of Rs. 1.44 crores under the Centrally sponsored programme for the construction of houses for sweepers and scavengers. But these schemes could not make appreciable headway; few States and local bodies took advantage of them. Even where some progress has been possible, the colonies lack adequate accommodation and facilities provided are indifferent. The condition of private sweepers and scavengers as well as those who have not been provided accommodation by local bodies is distressing.

29.59 In some regions the occupation of scavenging has not been municipalised, and it is performed for private households by a family of scavengers. In Punjab, Haryana, U.P., H.P., Rajasthan, M.P., some parts of Maharashtra and Gujarat, Jagirdari rights in scavenging or 'Brit Jajmani' still prevail; in Delhi Corporation the Jajmani system of customary rights has been further extended in the fast growing

localities which do not have underground sewers.

29.60 Our Committee has made several recommendations. We pick out the following which we consider important:

- (i) State Governments should enact suitable legislation regulating service conditions and set up an adequate inspectorate for the purpose.
- (ii) Recruitment should be strictly regulated and detailed records of seniority of substitute workers, registration of candidates and issue of call-letters and appointment orders should be maintained.
- (iii) The Provident Funds Act (1952) should be made applicable to the sweepers and scavengers employed by local bodies.
- (iv) The applicability of Employees' State Insurance Act, 1948 to sweepers and scavengers employed by local bodies should be examined.
- (v) Efforts towards abolition of practice of carrying night soil as head-loads should be intensified. Emphasis should shift from improved methods of carrying night soil to the abolition of the necessity of carrying night soil itself.

29.61 Our committee has made a number of recommendations regarding provision of welfare facilities and provision for education, liquidation of indebtedness etc. We do not propose to enter into a discussion on them. These should be looked into by the Government. We would, however, recommend that the problems of abolition of 'Customary Rights' should be solved through persuasion with the assistance of social workers and an alternative programme for rehabilitation of affected families should be provided.

WORKERS IN TANNERIES AND LEATHER GOODS MANUFACTORIES

29.62 Our country has an enormous potential for development of the tanneries and leather goods industry. The annual production of hides exceeds 20 million and that of skins is over double the number. Mechanical processing is resorted to only for about 12% of the total of hides and skins. For the rest, it is all small-scale tanning in the vicinity of Calcutta, Kanpur and Madras and near other large towns, while cottage tanning is resorted to in villages. We propose to cover only small-scale tanneries in this section.

29.63 Working conditions in these tanneries appear to have changed for the worse. One has only to see the areas in any large or small town where tanning of hides and skins is undertaken in small establishments, to understand how working conditions could not have been worse. It is true that the industry itself is such that workers engaged in it do expect a measure of unpleasant work in unhygienic surroundings. The place of work and place of stay are not separate—particularly in small tanneries. It is possible that in many such units no labour-management relationship exists, work being on a family basis. But even in such units, lack of arrangements for proper disposal of effluents in the tanning process can be a cause for public concern. Problems to be tackled in this section of industry are many and varied, including resistance from the side of workers.

29.64 Most of the ills which are associated with small industries are also present in tanning units or in units concerned with manufacture of leather goods. In this industry, again, the business is organised on traditional lines: raw material is distributed to workers who take it to their homes and work it into finished products. The agent of the entrepreneur collects the goods and markets them at a reasonable profit. He prefers getting work done in this manner, since he saves on establishment and other charges, and does not have to be answerable to the labour inspectorate. Workers too find the system convenient, because they can adjust their pace of work and do not have to submit to factory discipline. Another system of getting work is even more exploitative. Under it, the arrangement is for the employer to engage eight or ten group-leaders, each of whom in turn seeks the assistance of two or three semi-skilled or unskilled workers to complete the task allotted to him. The names of such workers and their leaders are entered in the muster-roll of the employer; so are papers signed by individual workers that payment should be made to the group-leader. The group leader in turn pays his assistants at rates decided between them. Thus the group leader, though himself a worker, acts as a middle-man; the disparity in earnings of a leader and his assistant is as much as 4:1 for identical work. In some places cooperatives have been tried out, but here again, the benefit has reached the organisers of the cooperative rather than the workers who seem to be in the same plight as their colleagues who work for small employers in other industries. Malpractices of short payments, unwarranted deductions, and even extra deductions for absentee-

ism add to the other difficulties which these workers face.

29.65 Over the last twenty years, the Central Leather Research Institute, Madras and Small-Industries Service Institutes have put in appreciable efforts to popularise scientific methods of tanning. The bulk of the units engaged in this work, however, cannot afford even minor improvements; resistance to change is seen not only in the method of work, but also in the general attitude of the communities which are engaged in the industry, even where finance is no difficulty. Though education is reaching them, many among the workers do not know any other trade. They have shown no inclination either to acquire a different skill. The sentimental attachment to the work traditionally handed out to them from generation to generation is overwhelming. As a step towards making the change acceptable, the Government of Tamil Nadu has set up the Madhavaram Industrial Estate in the area where tanning is a household industry. Such estates require to be multiplied if the unhealthy surroundings in which workers live and work are to be improved.

TRIBAL LABOUR

29.66 Tribal labour as an ethnic group is relatively cohesive and sensitive to changes which appear to its imagination to be almost revolutionary particularly as taking place in its homelands. Since Independence, large scale industries have been set up in the areas the peace of which had not been disturbed over ages. The process of industrialisation has made a vital impact on the tribal economy and its social structure, which are disintegrating. Our Study Group on Tribal Labour has observed that it will be a great loss for development if tribal people are not helped, given time to undergo this cultural mutation and to work out for themselves a synthesis of traditional and modern culture. Large industrial undertakings cannot exist as islands in tribal areas; these have to be integrated with the life of the tribal people at some points. There is thus the need for a basic change in employment policy towards tribal labour, which merely thought in terms of reservation of certain percentage of posts. New dimensions to this policy will be formulation of programmes for recruitment, training and promotion, all of which need to be reviewed and re-assessed from the point of view of actual benefits and effects they produce on tribal labour. Tribals have demanded certain privileges and rights and opportunities as

'sons of the soil': these demands cannot be brushed aside, because the tribals have lost their lands which have been acquired for development and have suffered on many counts to facilitate industrial undertakings to come up.

29.67 We recommend evolving a consistent and integrated policy towards involving members of backward communities in the industrial processes at work around them. Employment of tribal labour has improved of late, but mere reservation of posts will no longer help if steps are not taken to make them fit for the jobs, which are likely to be available. Steps should be taken to ensure that local tribal labour, especially the displaced labour, gets reasonable opportunities for recruitment to unskilled and semi-skilled jobs. It should be the duty of the management to arrange for training and education of these workers for skilled positions when employment opportunities are created or are available. Employment exchanges in tribal areas should ensure that there is a longer time-lag between the arrival of the call-cards at the job-seeker's address and the date of interview. Simplification of registration and placement procedures in the employment exchanges should be undertaken, particularly in the case of tribal candidates who are illiterate or possess very low educational qualifications. The method of record-keeping should be over-hauled. A liaison should be established between employment exchanges and voluntary organisations interested in tribal welfare to secure the help of the latter in spreading employment information and assisting job seekers in filling in application forms.

LABOUR IN THE COOPERATIVE SECTOR

29.68 With the encouragement received in the successive plans, the cooperative movement has spread in the last eighteen years. It now covers fields such as credit, marketing, processing of rural products, consumer sales, housing, farming, construction and banking. Several of these areas of activity are of interest to the working class in its capacity as consumer of goods and services. To the extent the cooperative movement keeps a check on the distribution and pricing of goods and helps the

egalitarian urges in the society, it certainly has a relevance to the task entrusted to us, though its impact could be indirect. In recent years, some forms of cooperative organisation have emerged which employ labour, in small or large numbers, but mainly small. Particularly in the sector which processes agricultural commodities, cooperative running of industry has acquired sufficient importance.

29.69 The Industrial Policy Resolution (1956) stated: "Many of the activities relating to small scale production will be greatly helped by industrial cooperatives. Such cooperatives should be helped in every way". Suitable recommendations in pursuance of this policy were made in the Second Plan for encouraging industrial cooperatives.¹ The Third Plan, while reviewing the progress of developments during the Second Plan in this sphere, recognised that though cooperative processing was a recent development, comparatively greater progress had been achieved in sugar, cotton ginning and pressing units than in the processing of other agricultural products. With regard to the former, it reviewed the achievements and noted with satisfaction the setting up of the National Federation of Cooperative Sugar Factories with the object of improving the operational efficiency of existing units and promoting new units.² At the same time, the Plan emphasised the need for a parallel development on the side of labour in the cooperative sector by stating that in the organisation of large cooperative undertakings for processing and other purposes, attention should also be given to the position of workers and employees. They should have the opportunity to participate in the management of cooperative enterprises in which they serve.

29.70 According to a recent estimate³ nearly 56,000 cooperatives have been organised in the industrial field with nearly 4 million members and a working capital of over Rs. 268 crores. These include cooperatives formed by craftsmen, artisans, workers and small industrialists that either undertake production or offer services to their members. Also included are societies organised by cultivators, milkmen and other primary producers for processing activity. The cooperative processing units, which employ a sizeable labour force, are relatively less in num-

¹Second Five Year Plan p. 229 and pp. 435-438.

²Third Five Year Plan. pp. 208-209. The Fourth Five Year Plan (1969-74) draft has referred to the progress during the sixties in the development of processing cooperatives and has emphasized a more systematic development p. 163.

³"Small-Scale Industries in India", Development Commissioner, Small Scale Industries, Govt. of India. pp. 46-50 (1968).

ber. There were 928 such units as on 30th June, 1967.¹ Information on the number of workers employed by all these cooperative processing units is not available, but in 1964, employment in units employing 50 or more workers with power and 100 or more workers without power alone was about 45,600 workers distributed over 280 units. These included

40 cooperative sugar mills employing about 18,300 workers.

29.71 Cooperative processing is thus an expanding sector of the national economy and so are other related sectors of rural cooperatives. Some indicators of their development and prospects could be seen from the following table.

TABLE 29.2: *Physical Programmes—Levels Achieved and Anticipated*

Sl. No.	Programme	Unit	Levels achieved			Levels anticipated 1973-74
			1960-61	1965-66	1968-69 (estimated)	
1	2	3	4	5	6	7
1	Agricultural produce marketed by cooperatives	Rs. crores (current prices)	175	360	475	900
2	Cooperative Agricultural processing units	Numbers	1004	1500	1600	2000
3	Fertilisers to be retailed by cooperatives	Rs. crores	28.2	80.1	260	650
4	Storage	Mill. tonnes	2.3	2.4	2.6	4.6

It is this proposed expansion and its implications for labour which we propose to consider in what follows.

29.72 Labour employed in the cooperative sector naturally has the same aspirations as other labour has; indeed it should have even higher expectations because of the in-built social values the cooperative movement stands for. To quote: "Along with a growing public sector and a private sector which function with responsibility to the community as a whole, the influence of cooperation extends far beyond the particular activities organised on cooperative lines and gives to the social structure and the national economy, balance, direction and a sense of values."² The basic principles of any cooperative endeavour should be absence of exploitation, a reasonable profit-motive and self-help. In practice, however, it was brought to our notice by workers' organisations that through the cooperative processing units, the primary producers of raw material had come to own the manufacturing establishments. These producers have eliminated middlemen; the cream of benefits which the middlemen used to get has now become the privilege of the producers themselves. At the processing stage the cooperative has to engage workers as any other unit similarly occupied. Since these workers have no

organised strength and the professed objectives of the cooperatives are not followed by the organisers when it comes to their dealing with workers, difficulties have arisen. These were highlighted in a memorandum we received from a trade union leader in Maharashtra who has considerable experience in organising workers in the sugar industry. In substance the memorandum stated that producer cooperatives have helped their members far out of proportion to the investments made. Membership of a cooperative has meant an economic and political benefit, and all this at the expense of workers and the society. Since the memorandum was based only on one industry in one State, we considered it necessary to convene a meeting of a representative group of organisers of industrial cooperatives. The response to this invitation was unfortunately poor. Most of the discussion centred round a specific area, Maharashtra, and a specific industry. To understand the other view we discussed the connected issues with representatives of industrial cooperatives also.

29.73 As would be expected, cooperative processing units will fall into two sections, the larger units coming under the purview of the Factories Act and other labour legislation, and the smaller ones, the labour in which will fall in the same category as other labour dealt with

¹Review of Cooperative Agricultural Marketing, Processing, Supplies and Storage in India, National Cooperative Development Corporation, Cooperative Year 1966-67, page 69.

²Third Plan, p. 200.

in this chapter. For labour in the larger units, the recommendations made by us under different heads throughout our Report will apply with equal force. Merely because the employer happens to be a cooperative unit, it should not seek exemption from the operation of labour laws nor would it be expedient for the Government to grant such exemption. In fact, the organisers of sugar cooperatives mentioned to us that they were paying to workers the wage rates which had been fixed by the sugar wage board. This is as it should be. It is possible that smaller units in the cooperative sector could be distinguished from other small units, since in the former case entrepreneurship is widely distributed. But this by itself should not be a criterion for separate treatment. Beyond this, we do not wish to dilate on the problems of labour in the cooperative sector. We, however, recommend that there should be a comprehensive study of the working and living conditions of labour in the cooperative sector in order to understand their position *vis-a-vis* labour in corresponding units where the nature of entrepreneurship is different. This study would provide guidance for future action.

29.74 A related problem in the producers' cooperatives is with regard to workers engaged by individual members of the cooperative for agricultural operations which help the members to feed raw material into the industrial activity undertaken by the cooperative on their behalf. It is possible that there may be no uniformity in the treatment of such labour by the members of a producer cooperative. Here again, a variation could be as between a small farmer and a comparatively substantial farmer; and we have reason to expect that most of the members will be small farmers in terms of labour each one has to employ. In any case what we have said about agricultural labour in the last chapter will apply equally to agricultural workers engaged by members of the cooperatives.

29.75 There is another issue posed before us about labour in cooperative processing units—should it or should it not be allowed membership of the cooperative. The workers' representatives have urged that the workers should have the right to become members and shareholders of the enterprise. The cooperative entrepreneurs contest the claim. The consideration involved in this issue is the same as that relating to allowing workers of a unit owned by a joint stock company to have shares in the company. All we can suggest is that workers should not necessarily be barred from holding a share. The argument about the difficulties in maintenance of discipline in case a worker becomes a share-

holder advanced by the cooperatives does not appeal to us. It could be said that a worker who has shown initiative in acquiring an interest in the cooperative may work better to improve the return on his investment. But giving worker a share in the cooperative by itself cannot be a complete answer to the problems of labour in the cooperative sector. Even when some of them are given shares, there will still remain several others who will continue to be mere workers and need protection of the type workers in other establishments are entitled to.

UNPROTECTED LABOUR

29.76 Besides unorganised labour, there is a large element of unprotected labour, working in different parts of the country particularly in some of the larger towns and cities. Very little is known about it and much less has been done to ameliorate its conditions of work. The main difficulty in reaching relief to a worker in this category is the ill-defined arrangement he has with the employer or the person for whom he works on a specific job. The Maharashtra Government recently attempted to understand the position about these workers and to explore the possibility of reaching relief to it within the ambit of the existing labour legislation. On the basis of the findings of the committee specially appointed for the purpose, the Maharashtra Legislature has passed a Bill, the Maharashtra Mathadi, Hamal and other Manual Workers (Regulation of Employment and Welfare) Bill, 1968 which is now awaiting the sanction of the President. The background to this legislation and its salient provisions are in Annexure. We expect that on the experience of its operation when enacted, it should be possible for States where the problem of such labour is of some magnitude to take up similar measures.

GENERAL RECOMMENDATIONS

29.77 In formulating the following recommendations about unorganised labour, we are conscious of the difficulties in assessing the magnitude of the task, inadequacy of legislative support and implementation machinery.

(i) Understanding of the problems of different categories of unorganised labour is essential for formulation of suitable ameliorative measures for welfare. First-hand detailed surveys of these categories should be undertaken from time to time to study their problems and conditions of work.

(ii) The State will have to play an increasingly important role in providing legislative

protection for unorganised/unprotected labour. The requirements of legislation and the need for revision of existing measures should be under constant review.

(iii) Legislative and administrative procedures applicable to small establishments should be simplified to facilitate their understanding and implementation.

(iv) With the spread of education, unorganised workers will become organised and will form themselves into unions. This process should be expedited.

(v) There are three difficulties peculiar to the enforcement of law and welfare measures by administrative agencies. First, there is lack of a suitable system of labour inspection to ensure that work-places scattered over a wide area are inspected regularly for watching the actual application of legal provisions, for advising the workers and employers on requirements of the law and how to comply with them, and lastly for instituting appropriate legal action, if necessary, to secure compliance. Secondly, Gov-

ernment finances have come in the way of reinforcing and strengthening the existing implementation machinery. Thirdly, there are difficulties of small employers who have their hands full in running their shops; they find it difficult to employ separate staff to look after various formalities and keep accounts. We have considered these difficulties. We do not see any alternative to reinforcing the implementation machinery. Secondly, difficulties of small employers are genuine and these have to be looked into sympathetically. At the same time small employers should be encouraged to form associations and give training to their staff.

(vi) More vigorous steps should be taken towards protection of workers against exploitation by middlemen and development of self-help among them through cooperatives. The cooperative societies should seek to ensure (i) payment of adequate wages to workers, (ii) bonus to their members out of a portion of profit, and (iii) employment opportunities for the under-employed or unemployed among them.

Background to the Maharashtra Mathadi, Hamal and other Manual Workers (Regulation of Employment and Welfare) Bill, 1968 and salient provisions thereof.

The Maharashtra Government had appointed a Committee on 15th July 1965, consisting of representatives of employers and employees to examine whether and what relief could be given to unprotected labour like mazdoors, fishermen, salt pan workers, casual labour and other manual workers within the ambit of the existing labour legislation and make recommendations as to how such relief could be given.

After making exhaustive enquiries and considering the views expressed by the representatives of the employers and employees before it, the Committee submitted its report to Government on 17th November, 1967. The Committee has in the main observed that the persons engaged in avocations like mathadis, hamals, casual workers employed in docks, lokhandi jatha workers, salt pan workers and other manual workers mostly work outside fixed premises in the open and are mostly engaged on piece-rate system. In a number of cases, they are not employed directly, but are either engaged through Mukadams or Toliwalas or gangs as and when there is work, and they also work for different employers on one and the same day. The volume of work is not always constant. In view of the peculiar nature of the work, its variety, the precarious means of employment and the system of payment, and the particular vulnerability to exploitation of this class of labour, the Committee came to the conclusion that the application of the various labour laws to such workers was impracticable and regulation of their working and other conditions by introducing amendments to the existing labour laws not possible.

The Committee, therefore, recommended that the working and employment conditions of such unprotected workers should be regulated by a special enactment and entrusted to one or more Boards.

The report of the Committee was published by Government for general information, and suggestions, if any, from interested persons were invited with regard to the recommendations made by the Committee.

Thereafter, Government held a series of meetings with the representatives of the inte-

rests affected by the proposed legislation, and after considering all the suggestions made therein and examining the recommendations of the Committee, Government decided to bring this Bill which seeks to regulate the employment of unprotected manual workers, such as Mathadis, Hamals, and those engaged in certain employments to make better provision for their terms and conditions of employment, to provide for their welfare, for health and safety measures, where such employments require these measures, to make provisions for ensuring an adequate supply to, and full and proper utilisation of, workers in such employments to prevent avoidable unemployment and for such purposes to provide for the establishment of Boards in respect of these employments and (where necessary) in the different areas of the State and to provide for purposes connected with the matters aforesaid.

The following are some of the important provisions of the Bill:

For the purpose of ensuring an adequate supply and full and proper utilisation of unprotected labour in scheduled employments and generally for making better provisions for the terms and conditions of employment of such workers whether registered or not, power is taken by means of a scheme to provide for the registration of employees and unprotected workers in any scheduled employment or employments, and to provide for the terms and conditions of work of such unprotected workers, and make provisions for their general welfare in such employments. The matters which a scheme may contain are also specified in the clause and provision is made for penalty. Power is also taken to frame one or more schemes for any scheduled employment or group of scheduled employments in one or more areas and to add to amend, vary or revoke any scheme.

Provision is made for the establishment of a Board. The Board is made a body corporate. Provision is made for the appointment of one or more Boards, for one or more scheduled employments, and for one or more areas. The Board will consist of members nominated by the State Government representing employers, unprotected workers and the State Government.

The members representing employers and unprotected workers shall be equal in number, and the members representing the State Government shall not exceed one-third of the total number of numbers representing employers and unprotected workers. One of the members appointed to represent the State Government shall be nominated by the State Government as Chairman.

It is provided that the Board shall be responsible for administering the scheme framed under the Act and shall exercise such powers and perform such functions as may be conferred on it by the scheme. The Board is required to submit to the State Government annual report on the working of the scheme during the financial year. The Board shall be bound by such directions as the State Government may give to it from time to time.

Children under the age of 14 are prohibited from working in any scheduled employment.

Women are prohibited from working in any scheduled employment before 6 a.m. and after 7 p.m.

The provisions of the Workmen's Compensation Act are applied *mutatis mutandis* to unprotected workers employed in any scheduled employment.

Power is taken to apply the provisions of the Payment of Wages Act, 1936, to all or any class of unprotected workers employed in any scheduled employment.

The legislation will (in the first instance) apply to following employments:—

1. Employment in iron and steel market or shops in connection with loading, unloading, stacking, carrying, weighing, measuring or such other works including work preparatory or incidental to such operations.

2. Employment in cloth and cotton market or shops in connection with loading, unloading, stacking, carrying, weighing, measuring or such other works including work preparatory or incidental to such operations.

3. Employment in docks in connection with loading, unloading, stacking, carrying, weighing, measuring or such other works preparatory or incidental to such operations, but does not include employment of Dock Workers within the

meaning of the Dock Workers (Regulation of Employment) Act, 1948.

4. Employment in grocery markets or shops, in connection with loading, unloading, stacking, carrying, weighing, measuring or such other works including work preparatory or incidental to such operations.

5. Employment in markets, and factories and other establishments, in connection with loading, unloading, stacking, carrying, weighing, measuring or such other works including work preparatory or incidental to such operations carried on by workers not covered by any other entries in this Schedule.

6. Employment in railway yards and goods-sheds in connection with loading, unloading, stacking, carrying, weighing, measuring, or such other work preparatory or incidental to such operations by workers who are not employed by Railway Authorities.

7. Employment in connection with loading of goods into public transport vehicle or unloading of goods therefrom and any other operation incidental and connected thereto.

8. Employment in vegetable markets (including onions and potatoes markets) in connection with loading, unloading, stacking, carrying, weighing, measuring or such other works including work preparatory or incidental to such operations.

9. Employment in markets or subsidiary markets established under Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963, in connection with loading, unloading, stacking, carrying, weighing, measuring, or such other works including preparatory or incidental to such operations.

10. Employment in Khokha making, and in timber market.

11. Employment in salt pans.

12. Employment in fishing industry.

13. Employment in connection with the loading, unloading and carrying of food-grains into godowns and such other work incidental and connected thereto.

Power has been taken to add employments to the Schedule.

LABOUR ADMINISTRATION

We have already discussed the evolution of labour laws and voluntary arrangements covering different aspects of conditions of labour in the respective chapters. In the process, the machinery for their implementation, statutory or otherwise, has also been referred to. We now propose to bring together at one place those arrangements in the administrative set-up for which no specific recommendations have emerged earlier in the report. In a way, therefore, this chapter could be considered as a 'residuary legatee' for issues in labour administration.

Sources of Information

30.1 At an early stage of our inquiry the secretariat of the Commission drew up a working paper on 'Labour Administration', on the basis of replies received to the relevant portions of the questionnaire and the evidence recorded by the Commission till then on these and related matters. The paper posed several issues for which persons in charge of labour administration were required to find answers for consideration by us in framing recommendations. Since the nature of response to these issues differed for different regions, it was considered convenient to appoint four official Working Groups, one each for the States in the Eastern, Southern, Western and Northern regions of the country. The States covered by these regions were the same as those for the four Study Groups on Industrial Relations. Inter-relation between the two sets of working/study groups is obvious. We added one more Working Group for comprehending problems of administration in regard to industries, 'the appropriate Government' for which is the Central Government. The reports of these five Working Groups, the Study Groups on Industrial Relations, the Study Group on Employment and Training which examined the working of Employment Exchange and Industrial Training Institutes and the Conference of Chief Inspectors of Factories convened by us which examined different aspects of working conditions, together with other evidence recorded by us have been used in reaching conclusions and framing recommendations included herein.

Evolution of Labour Administration

30.2 During the last forty years, labour administration has been the responsibility of both the Central and State Governments. When the Whitley Commission reported in 1931, the bulk

of the labour problems within the jurisdiction of the Government of India was dealt with by the then Department of Industries and Labour under the charge of a Member of the Governor General's Executive Council. Its administrative head was a Secretary to Government. While 'Industries and Labour' was a short title for the Department, it dealt with a variety of subjects, such as Posts and Telegraphs, Public Works, Civil Aviation, Patents and Copyright and Broadcasting. The Department, however, did not cover all labour within the jurisdiction of the Central Government. Questions relating to labour in docks, and transport by sea or inland water, were the concern of the Commerce Department; matters pertaining to the railway labour were dealt with by the Chief Commissioner for Railways. The Department of Education, Health and Lands looked after emigrant labour. In the Chief Inspector of Mines, the Department of Industries and Labour had an adequate source of advice on all subjects relating to mining labour. No specialist advice was considered necessary on the conditions of work in factories, workmen's compensation, trade unions and trade disputes. Administration of such legislation as was there on these matters was the responsibility of the Governments of Presidencies/Provinces.

30.3 In the Provinces, the labour portfolio was handled by a Member of the Governor's Executive Council, who was responsible also for other subjects. Labour problems had acquired neither the vastness nor the complexity to warrant the attention of a full-time Member. Except in some industrially advanced Provinces which had their respective Labour Officers for the limited responsibilities they had to carry, no specialised agency existed for administration. It is in this context that the Whitley Commission recommended the setting up of the office of the Labour Commissioner in the Provinces.

30.4 When popular ministries took over administration under the Government of India Act, 1935, labour problems started attracting more attention. The appointment of the Labour Commissioner in industrially important Provinces as recommended by the Whitley Commission did help labour. However, problems of coordination still remained. The Labour Minister's Conference and the I.L.C./S.L.C., which were the products of the forties, partly met this need.

With the impact of the Second World War, the machinery for labour administration at the Centre expanded. According to the Rege Committee, which reported on the eve of Independence, the institution of Labour Officers under the Commissioners of Labour to whom workers could represent their grievances, was well established in most Provincial Governments. Likewise the Government of India appointed, under its Chief Labour Commissioner, a number of Regional Labour Commissioners and Conciliation Officers, who were entrusted with duties of settling labour disputes. The Chief Labour Commissioner's organisation had also an inspectorate for supervising the implementation of labour laws. The Government of India appointed Labour Welfare Advisers in its ordnance factories. An advisory service was built up at the Centre for the factory inspectorates in the States which were operating under the auspices of the State Governments. The Labour Bureau was established. A network of National Employment Service and Training Institutes was getting organised. The Five-Year Programme for Labour (1946) had many elements in it requiring the strengthening of the administration and intensifying its operations. The legislative support given to the Programme resulted in (a) the creation of administrative machinery for the implementation of new enactments and (b) the strengthening of the then existing set-up to cope up with the additional functions entrusted to it. The expanding operations of the tripartite bodies also added new responsibilities.

Policy Statement

30.5 The crucial role of labour administration has been emphasised in all the five year plans. The First Plan, while laying down the framework of labour policy, referred to its administrative aspects including *inter alia* (i) proper equipment and training of supervisory staff, technicians and labour welfare officers, (ii) a review by joint committees at various levels of "developments in industry and working conditions and other matters of common interest" and (iii) sanctions for securing due observance of awards/decisions of tribunals¹. An improvement did take place in the working and living conditions of labour between 1951 and 1956. It was however, generally accepted that the implementation machinery continued to be weak.

30.6 The Second Plan, in taking note of these facts, attributed the deficiencies in reaching benefits to the working class to two factors, viz., (i) inadequacy of staff and (ii) the mild

nature of penalties for non-implementation. It would appear, however, that difficulties in the process of modifying the nature of penalties were soon recognised. Since 1957, moral persuasion has been considered a more effective tool than the imposing of sanctions to help implementation. The Tripartite started working towards this end. As a part of the Government's obligation under the Code of Discipline, the Standing Labour Committee, in October 1958, recommended the setting up of implementation and evaluation cells at the Centre and in different States. This machinery consists of an Evaluation and Implementation Division and a tripartite Implementation Committee at the Centre and Evaluation and Implementation Committees in the States. The Committees have, over the years, (i) examined the extent of implementation of various laws, agreements and awards; (ii) fixed the responsibility in cases of violation; (iii) considered cases for out-of-court settlement; (iv) reviewed the working of the Code of Discipline (Code); and (v) maintained a two-way exchange of experience between State-level Committees and the Central Committee. As originally envisaged, the cells were to cover a wide area of administration, but in actual operation, because the proposed functions in (i) to (iii) above overlapped with (iv), the arrangements made by Governments created a public image that the machinery was set up only for implementing the Code. The Third Plan, in taking note of the "failure to implement awards and agreements" which was "a common complaint on both sides", stated, "if this were to continue the Codes would be bereft of all meaning and purpose."² Complaints about non-implementation were common and so were suggestions from unions for strengthening the administrative arrangements.

30.7 What has been said in different Plans finds an echo in varying degrees in the administrative reports on the working of the Ministry/Department of Labour at the Centre and in the States. We note that in making administrative arrangements for implementing legislation, the approach has been oscillating between persuasion and sanctions, the emphasis being very much on the former. Its implications are two-fold: (i) Persuasion certainly will take time; it can be effective when employers are more conscious about their responsibilities and workers are aware of what to expect. The administrative machinery can help, but the effect of such persuasion should not be exaggerated. (ii) Where the use of sanctions is the answer, the manner in which the sanctions are devised becomes important. When the parties themselves have a hand in

¹First Five Year Plan, pp. 576 & 579.

²The Third Five Year Plan, p. 252.

laying down what should be done in cases of non-implementation, the obligations evolved can have a better chance of success. We do not see this happening on a satisfactory scale. While, therefore, the educative process suggested under (1) has to continue and has to take in its sweep the need for mutually accepted standards of implementation, the role of the Governmental machinery which seeks to enforce sanctions through the process of law will be no less important. We recognise the shortcomings of each of these courses. For a long time to come, therefore, a judicious combination of the two steps can help. Which step should be adopted in a particular case would depend on the nature and size of the unit, the state of organisation of workers and the attitude of the employer.

Agencies for Implementation

30.8 The administrative agencies for implementing the policies adopted by Governments, the laws enacted by the Parliament/State Legislatures, and decisions taken by tripartite bodies at the Centre/States have been built up by (i) the Central Government, (ii) State Governments, (iii) Local Bodies and (iv) Statutory Corporation/Boards. The authority to set up an agency will depend upon the statute to be administered or agreement to be enforced and the decision taken by Governments and parties to the agreement as to how it should be administered. Tradition also has played its part in reaching decisions. Administrative convenience has been stated to be the main consideration behind the decisions so far. The fact remains, however, that no uniform basis is discernible in these decisions. For instance, though the Central Government lays down standards and exercises coordinating functions in the matter of employment and training, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Apprentices Act, 1961, are administered by the State Governments. The Dock Workers (Regulation of Employment) Act, 1948 is administered by a statutory board. The Centre is responsible for the administration of the Mines Act, 1952, and the Indian Dock Labourers Act, 1934, but other enactments having the same objective viz., the Factories Act, 1948, the Plantations Labour Act, 1951, and the Motor Transport Workers Act, 1961, have been entrusted to the State Governments for administration. There is yet a third variation: the enactment for regulating conditions of work in shops and commercial establishments which is a State legislation, is administered in some States through local bodies. Legislation on labour-management relations has been, by and large, the Centre's responsibility, but implementation is with the State Governments except

in regard to industries for which the Central Government is designated as the 'appropriate Government'. The Indian Trade Unions Act, 1926 and to a great extent the Industrial Employment (Standing Orders) Act, 1946, are administered by the State Governments.

30.9 Statutory Corporation administers the Employees' State Insurance Act, 1948, but workmen's compensation cases or cases of maternity benefit not covered by the Corporation are the responsibility of the State Governments. The Employees' Provident Fund Act, 1952 and the Coal Mines Provident Fund Scheme, 1948 have statutory agencies for implementation. The legislation on welfare is administered generally by organisations statutorily created by the Central or State Governments, but administrative departments share this responsibility in some cases. Some aspects of labour welfare are a direct charge on the Central/State resources and the respective Departments of Labour make arrangements for using the appropriations made under this head from year to year. Funds for industrial housing and supervision on the appropriate use of these funds are again provided by the administrative Department.

30.10 Generally, the ownership of the unit, whether public or private, makes no difference to the agency, Central/State, to be entrusted with implementation. Goods or services which the unit provides and the nature of right/duty cast on the party, become a criterion for attracting the jurisdiction of the relevant agency. In the establishments owned by the Central Government, the factory inspectorate of the State Government enforces the provision of the Factories Act, 1948. While for the departmentally run industrial undertakings of the Central Government, the Industrial Disputes Act, 1947, is administered by the Central Government, industrial relations in public sector corporations and companies under the control of the Central Government are a responsibility of the State. Arrangements differ in the case of certification of standing orders. Public sector industrial establishments in which the Central Government has 51% shares or more, get them certified by a machinery of the Central Government.

30.11 The fact that the main consideration for distribution of work among the different authorities is functional has by itself not simplified administrative difficulties. Problems in this area in some sectors of employment were brought to our notice. Operations which directly concern the exploitation of minerals are under the jurisdiction of the Centre; the processing units based on these minerals fall in the State sphere. Mica

mining, for instance, is an industry for which the appropriate Government is the Central Government both for enforcing working conditions and for settling disputes over conditions of work; a factory processing mica under the same management and in the same neighbourhood falls within the State sphere. Cement and iron and steel are other instances where such duality prevails. Labour in a cement/steel factory is under State jurisdiction, whereas persons engaged in extraction of minerals required for the factory, even where the mines are 'captive', are looked after by the Central authority. Under these arrangements, it is possible that the respective industrial relations machinery set up by the two authorities, the Centre and the State, may take different views in the same dispute and create conditions under which industrial relations will become strained. Bringing these within the purview of the same authority seems to be the obvious step.

Conflict of Jurisdiction

30.12 The case we have just mentioned is perhaps a simple illustration of the jurisdictional conflict. Complications arise in settling the areas of Central or State operation with reference to industries which cut across the boundaries of different States. These complications, we are aware, do not spread over the whole range of industries operating in different States. Traditions have been built up over long years and have not been challenged so far. Questions have arisen in the period under review, but these are confined only to the more prestigious industries. Fortunately, not many cases have occurred in which administration with reference to a particular industry was originally vested in the State Government but was sought to be transferred to a Central agency; in the very early years of the Industrial Disputes Act, banks and insurance companies were so transferred. In the last fifteen years, however, conflict of views has not been altogether absent between the Centre and the States when such proposals came up for discussion. Two views have emerged in the evidence before us in this connection.

30.13 According to one view, since law and order situations may arise in handling labour disputes—and law and order is the exclusive responsibility of the State Governments—labour relations, excluding those in sectors like Railways, Banks, the Life Insurance Corporation and Ports and Docks, taking these as illustrative, should be transferred to the State Governments. Most of the disputes will be of a local nature. The local officers of the State Government should be allowed to intervene and settle the disputes, which because of the distances involved, an officer

from the Centre may take even longer to investigate. The argument about uniformity of wage scales and conditions of service urged in favour of transferring industries of all-India importance to the Central charge, in this view, no longer holds. Complete uniformity itself has doubtful merit, but such uniformity as is necessary can be best achieved by constituting wage boards as has been the current policy.

30.14 The other view is that industries in which the Central Government has acquired substantial stakes, should be brought under the authority of the Central Government for purposes of administration of labour laws, except the legislation pertaining to enforcement of working conditions. This will ensure uniformity of service conditions. The Central Government should exercise sole jurisdiction also over basic industries with units in more than one State. Cement, iron and steel, oil refineries and fertilisers—irrespective of their ownership—are the industries which have been cited as instances. It has been urged that:

- (a) Disputes even of a local nature, but concerning a country-wide organisation generally have repercussions on the staff employed in the same industry in other States; it is necessary to follow certain general principles on a coordinated basis in settling them;
- (b) Law and order problems can continue to be handled by the State Government, as in the case of other industrial undertakings falling in the Central sphere. If this arrangement has not created difficulties so far, there is no reason why apprehensions should be entertained on that score now;
- (c) The Central Industrial Relations Machinery, through its regional offices all over the country, can intervene as expeditiously as the State machinery; in any case, if the principle is accepted, this difficulty should not be allowed to stand in the way; and
- (d) The procedure of constituting wage boards is time consuming and, in any case, disputes concerning wages are not the only ones which cause difficulties.

Many unions, frustrated at the intervention or lack of intervention by State Governments, have supported this plea. Some employers, too, have done so for similar reasons. They have urged that industrial relations in centrally-controlled industries of all-India importance should be taken over by the Central Government.

30.15 It is not easy to give a categorical answer to the point thus raised before us. Whether or not in relation to any industrial dispute relating to any industry or category of industries, the Central Government should be treated as the appropriate Government for the purpose of the provisions of the Industrial Disputes Act, 1947 will depend upon several factors, some of which are imponderable in their character. We would, therefore, be content to express our view that the solution to this difficult problem will have to be sought for in the judicious exercise of the power vested in the Parliament to amend Section 2(a) of the Industrial Disputes Act, 1947.

30.16 The next agency for administration is local bodies. Their jurisdiction is limited; it is restricted to providing the inspectorate for implementing the legislation about shops and commercial establishments. Some local bodies manage transport undertakings: many others run a host of services in public interest. But in these functions they are in the position of an employer and not a third party for administering labour legislation. The differences between the local bodies and their employees are labour disputes within the purview of the Industrial Disputes Act. In considering the responsibility of local bodies as administrators of labour law, therefore, it is only the former function with reference to shops and commercial establishments which is important. With the growing consciousness among the employees covered by the Acts, as also the increase in the number of employees in this category, the implementation arrangements will acquire a measure of urgency in the years to come. We have, therefore, to assess the adequacy of this agency and see how its efficiency can be improved.

30.17 Government has set up independent corporations/boards for administering the benefits under the welfare and social security legislation enacted by it. Instances of these have been referred to already. Such corporations/boards have varying degrees of autonomy according to the involvement of public funds in them. The policies for the working of these agencies are settled by tripartite bodies set up for the respective corporations/boards either under the relevant statute or by Government. Some suggestions in regard to their more efficient working have already figured in the earlier chapters. Others which have a bearing on the relationship between these bodies and Government will be discussed later.

The Central Labour Ministry

30.18 The Ministry of Labour and Employment of the Central Government¹ is the main agency for policy formulation and administration in all labour matters. The arrangements it has for tripartite consultations for efficient working of its operative agencies have been referred to already. We describe here the role of the Labour Ministry within the Union Government and as a coordinator of the policies of State Labour Departments. In a democratic framework, within which we are operating, the Ministry's role *vis-a-vis* the Parliament is also important.

30.19 Within the Government, the Labour Ministry *inter alia* initiates action on labour matters, keeps the Parliament informed and seeks guidance from it, advises other Ministries/Departments and the public sector corporations set up by them, keeps in touch with the State Governments, holds discussions with employers' and workers' organisations for settling disputes, organises tripartite conferences, controls the specialised directorates/agencies set up by it and generally looks after the interests of labour consistent with the broader economic and social policies of Government. Other Ministries/Departments have the responsibility of settling their own labour problems. The Labour Ministry comes in only in case of difference of opinion between them and the organisations which represent their labour, as indeed in any important labour dispute in the private sector. This is broadly the approach both in regard to departmental labour and labour engaged in units managed by the public sector. The Labour Ministry is the channel of communication between the Central Government and the International Labour Organisation in all matters of standard setting at the international level and the administering of technical cooperation programmes.

30.20 The functions of the Labour Ministry have expanded with the enlarged responsibilities of the Government as a whole. This is reflected in the increasing size of the Ministry in the last twenty years. We have no desire to comment on this aspect as also on the current arrangements for inter-ministerial coordination, since the Administrative Reforms Commission is presently examining the relevant issues connected with the whole range of Governmental Administration. We will confine ourselves only to one aspect of administration which concerns the role of the Ministry in the efficient running

¹The Department of Labour and Employment is now a part of the larger Ministry of Labour, Employment and Rehabilitation. We propose to refer to it as 'Labour Ministry' to distinguish it from 'Labour Department' under the administrative set-up of a State Government.

of the operative agencies created by it. In view of this position, we are also not going into the merits of a suggestion made to us that additional subjects like industrial housing, housing for agricultural labour, manpower and productivity be transferred to the Labour Ministry. The machinery for discharging the functions entrusted to the Ministry consists of several Directorates/Organisations. A chart showing the set-up in the Ministry of Labour is at Annexure I. We will describe these agencies in brief.

(i) **Directorate General of Employment and Training (DGET)**: This operates as a wing of the Ministry itself. The Director General has the ex-officio secretariat status. The Directorate lays down the policy for the efficient running of its field agencies *viz.*, the employment exchanges and the industrial training institutes. The day-to-day functions in both cases are the responsibility of State Governments. Apart from the coordinating functions, the Directorate General runs seven Central Training Institutes for craft instructors and two research institutions—one for a better understanding of the employment situation and the other for improving the quality of training. Training to equip persons for better efficiency at the supervisory level has been a newly added responsibility of the Directorate.

(ii) **Office of the Chief Labour Commissioner (Central)**: Apart from the administration of some of the different enactments mentioned in para 30.8, the Chief Labour Commissioner (Central) (CLC) has additional duties connected with (i) the verification of membership of registered unions for granting recognition under the Code to unions in industries for which the Central Government is the appropriate Government and (ii) the determination of the membership strength of all-India trade union federations for representation at national and international forums. The responsibility for supervising the implementation of the Code also falls to a large extent on this office. Some of the functions of the Chief Labour Commissioner are advisory, but for the major part, his functions relate to implementation and supervision. His main duties are in regard to the settlement of disputes. Only recently this organisation has started training courses for Central, State Government and public sector corporation officials concerned with the enforcement of labour laws and settlement of disputes.

(iii) **The Director General of Mines Safety (DGMS)**: Working conditions in mines and the implementation of the Mines Act, 1952, and

Maternity Benefit Act, 1961, in mines other than coal mines are the functions entrusted to this office. For a major part of the period under survey, the inspectorial functions were considered important. It is only recently that 'safety' has been specifically included in the name given to the organisation to emphasise the main element in working conditions in mines.

(iv) **The Directorate General of Factory Advice Service and Labour Institutes (Formerly the Chief Adviser of Factories)**: Apart from providing advisory service to the factory inspectorates in different States, the organisation also conducts research in the whole range of problems connected with safety, health, welfare and productivity. It runs the Central Labour Institute and the Regional Labour Institutes.¹

(v) **Labour Bureau**: The functions of the Labour Bureau have been explained elsewhere elaborately.²

30.21 Other organisations connected with the Labour Ministry fall under three categories: (i) Subordinate offices, (ii) *Ad hoc* bodies, and (iii) Autonomous bodies. Under (i) fall, apart from the DGMS, the Industrial Tribunals set up at different centres for industries for which the Central Government is the appropriate Government, the Welfare Commissioners for different minerals and the administrators of welfare cesses. Under (ii) will come the Wage Boards and Commissions and Committees of Enquiry. The Employees' State Insurance Corporation, which looks after social security arrangements, the Central Board of Workers' Education, Safety Councils and the like, fall under (iii). A very large number of these functions have been vested in the Ministry since Independence.

State Labour Machinery

30.22 At the secretariat level, the functions of the Department are more or less similar to those of the Central Ministry, but confined to industries for which the State Government is the appropriate Government. It would appear, however, from the evidence before us that the coordination in labour matters within the Central Government exercised by the Central Ministry of Labour is tighter than that exercised by the State Labour Department in case of its sister departments. Apart from the normal functions several of which are common to the Central Ministry and the State Labour Department, there are

¹Please see para 9.47.

²Please see paras 31.4 to 31.6.

areas where inter-State collaboration for handling labour administration is necessary. This has taken place so far under the auspices of the Central Government. It should be possible for neighbouring States to come together more frequently for evolving a common line of approach on problems to mutual advantage.

The Labour Secretary/Commissioner

30.23 While the Labour Secretary is in overall charge both of policy and administration, the Commissioner of Labour (Commissioner) in the State¹ is the operative arm for the implementation of labour laws. In some States, he combines in himself these functions as also those of the State Director of the National Employment Service or of the Chief Inspector of Factories. In all States, the functions of the Registrar of Trade Unions are performed by the Commissioner. In a majority of these, the factory inspectorate is a part of the office of the Commissioner. While the Commissioner exercises jurisdiction over the administration of labour laws, the adjudicatory functions vest either with industrial tribunals or industrial courts as the case may be. Dealing with complaints about non-implementation of agreements/awards is, by and large, the responsibility of labour courts. Settlement of claims under the Workmen's Compensation Act, 1923 and the Payment of Wages Act, 1936 and similar statutes are mainly dealt with by judicial authorities (though in some States like Haryana, Rajasthan, etc. officers of Labour Department hear the cases), but the inspectorate for the purpose is provided by the Commissioner's office. In States where no separate authority exists for labour welfare, the Commissioner is expected to supervise these activities also. The Commissioner is thus the king-pin of labour administration at the State level. That is why in some States he has been given an ex-officio secretariat status. A disadvantage in this arrangement can be that an independent view over the advice tendered to Government by the Commissioner becomes unavailable. This practice requires to be discouraged.

30.24 The Labour Secretary usually is an officer belonging to the Administrative Service and so is the Commissioner. Both of them are, therefore, eligible for transfer. In some cases, this eligibility of transfer and quick transfers which actually took place affected continuity of tenure in either office. The tenure of Labour Secretary/Labour Commissioner has varied in a number of States, as has been pointed out by the Working Groups appointed by us ; in some

places the same officer has continued to hold the post over a long period. But short tenures have predominated. Delhi had eight Labour Secretaries in the last 10 years. In Jammu and Kashmir the frequency of change was even more. In Tamil Nadu, Labour Commissioners also had short tenure ; there have been twelve Labour Commissioners in the last 14 years. A statement showing the frequency of change in the post of Labour Secretary/Labour Commissioner in different States is at *Annexure III*. There is a case for a longer tenure for the State Labour Commissioner. Shifting him from his post just when he starts becoming useful is obviously not in the best interest of the Department. While we recognise the difficulties of maintaining an officer belonging to the Administrative Service in the post of Labour Secretary/Commissioner for a long time, an arrangement by which the Department can have the benefit of at least two years' experience of either the Secretary or Commissioner at any point of time should be worked out. An officer, who in the early stages of his career has worked as Labour Commissioner, should preferably be chosen as Labour Secretary.

30.25 The same difficulty appears to occur with regard to the post of the Director of Employment of the National Employment Service, though Directors of Training are drawn, by and large, from the technical cadre in the State Government. The National Employment Service has, over the period of last twenty years, diversified its activities and has gone into different branches of investigation for improving the utility of the organisation to employment seekers. The organisation is also staffed with officers who have had long experience within the organisation itself. If even with this cadre State Governments feel that an officer from the Administrative Service is essential for the efficient running of the Employment Service, we suggest that the tenure of the Administrative Service Officer who comes to this post should not be short.

Autonomous Corporations

30.26 We have referred to the relationship between the Ministry and the autonomous Corporations/Boards. Very often a question is raised about the extent of Government intervention in the working of these Corporations/Boards. It is true that where public funds are involved, the Ministry will have a controlling voice in the affairs of such Corporations/Boards. But there are cases where the responsibility of the Ministry is merely to collect funds from employers and

¹A typical administrative chart of a State Government (Government of Bihar) is appended as Annexure II.

workers and the Corporation/Board runs the scheme for the benefit of workers. In all such cases, there is a tripartite body to advise the Corporation/Board. On occasions, a fraction of the total costs is borne out of public funds. We believe that Government's control on Boards/Corporations should be determined in relation to the extent of involvement of public funds. The ultimate responsibility to the representatives of the people, even in cases where funds are created under a statute, will be that of the Ministry. While such independence as we envisage for the Boards/Corporations should be consistent with this ultimate responsibility of the Ministry, there is a case to give to the Boards/Corporations a greater feeling of independence in the utilisation of funds than they have at present.

Implementation

30.27 We now propose to discuss such general aspects of implementation as have not been covered in the foregoing chapters. At the outset, we are happy to note that in the last twelve years emphasis on implementation has been increasing as a matter of policy. The record of implementation, however, is not quite satisfactory. We recognise that while workers have their share of obligations under the law, the main responsibility for implementing awards/settlements/agreements and observance of law will be of the employer. Unions have to show a greater vigilance in this matter in the years to come. The role which the Government should continue to play is to create/strengthen its implementation machinery to which complaints should reach where redress is needed. It is in this context that we frame our recommendations.

30.28 Firstly, the law itself has to be unambiguous. The manner in which a bill is framed and the processes through which it goes before it is enacted makes it difficult to attain the required measure of unambiguity. The law once framed becomes a subject of debate in courts between parties each of which can bring all the ingenuity at its command to suit its version of the law and there can be no limits to this ingenuity. A judicial authority places a certain interpretation on the statute. If either the law or its interpretation leaves some doubts in the mind of an employer or worker, cases do go to higher seats of justice for more authoritative interpretation. Such delays are annoying in labour matters; these can be minimised only with adequate understanding on both sides. There can be genuine need for securing a correct interpretation. At the same time, where higher

seats of justice are approached merely to delay implementation, and this is also reported to happen, it requires to be taken serious note of. We believe that the judiciary in the country is showing vigilance in such matters. With improving social consciousness, we expect that deliberate delays of this type will be avoided by the parties concerned or the courts will show greater firmness in handling such intrasigence.

30.29 The next point arises out of the responsibility we have placed on the employer for implementation. We are not unaware of the fact that employers are a heterogeneous group. There are employers whose scale of operation is large; but many others operate in a small way. In each group one finds varying degrees of compliance with law/voluntary arrangements. On the whole, however, our inquiries have revealed that the standard of compliance is better in larger establishments. In emphasising the need for all-round improvement in implementation, we wish to draw particular attention to the poor state of implementation in small units and suggest greater vigilance on the side of Government in this sector of employment. Problems of labour administration in small units as have come to our notice have arisen not only because of the dispersal of small units over a wide area creating difficulties for the inspectorate, but also because of the exemption of small units from certain provisions of an enactment, lack of awareness on the part of the worker himself of his rights and the like. When the criterion for applicability of the provisions of an Act depends upon the number of workers employed, it is exploited by some employers by showing the strength of workers below the exemption limit. Breaches of the Factories Act, 1948 about which workers are ignorant are not uncommon. Every non-observance of legal provisions is not brought to the notice of the inspectorate by workers, nor can an inspectorate, howsoever efficient, spot it out.

30.30 Financial difficulties of the small employer are known. In this regard, persons operating on a small scale can have a legitimate complaint. Whether it is a piece of legislation, an award of a tribunal/wage board or a voluntary agreement, difficulties of small owners go unrepresented or even ignored when brought to the notice of the authorities. But, when on the same score, such an employer does not maintain proper records and deliberately evades responsibilities, he loses public sympathy.

30.31 We have also to distinguish between:
(i) cases which cause genuine hardship to a

small entrepreneur, and (ii) others where an employer is wanting to deny workers the benefits available under the law by sub-dividing his unit into smaller parts. In the former case, an employer may be wanting to operate on a small scale as a matter of necessity; in the latter, the intentions of the employer cannot be above board. Our inquiries have revealed the existence of both, the proportion of the latter being disconcertingly high. Instances where in the same premises different boards are hung as a token of separate ownership or where an integrated process is carried on under the same roof with artificial division and shown under different names have distressed us. It should be the joint responsibility of persons in charge of administration, and employers and unions to see that remedies are made available to workers for avoiding the resultant hardship.

30.32 Evidence from workers' organisations, employers' associations, individuals and the various Central/State Governments, has been uniformly critical about inadequate, unsatisfactory and delayed implementation of labour laws. Administrative arrangements for enforcement of enactments like the Payment of Wages Act, Minimum Wages Act, Factories Act, Mines Act, Motor Transport Workers Act, Shops & Commercial Establishments Act, and the like have been stated to be inadequate. The officers appointed under these enactments have not been in a position to inspect all the establishments under their charge. Several units are not being inspected even once during the course of a year and that in respect of some enactments they do not get inspected even once during 3 to 4 years. The expansion of the inspectorate has not kept pace with extension in the coverage of enactments and additions to the existing ones. The main reason has been the financial stringency which in our developmental context will be a continuing feature. It cannot therefore be a justification for unsatisfactory implementation; we feel that priority should be given to strengthening the implementation wing of the Labour Departments of the various State and Central Governments.

30.33 Many State Governments have argued that the Central Government should share the expenses on implementation on a mutually acceptable basis; and this argument runs through the whole system and every step in making the machinery of administration more effective: whether it is better payment to officials in-charge, raising their status, providing conveyance for officers to help in their inspection duties or increasing the strength of the staff. We are

reluctant to accept this argument. When a legislation is passed, though on a subject in the Concurrent List, common responsibility in its implementation is assumed. Arrangements for implementation should therefore be a matter of routine. We are satisfied that there is adequate consultation with State Governments in labour matters before any piece of legislation is enacted. This consultation presupposes willingness on the part of the States to implement the law. In any case, finances for running the administration is a matter of periodic adjustment between the States and the Centre.

30.34 The second point which has been brought to our notice is the inadequacy of trained staff at various levels. Several questions which are being dealt with in the offices created by the Labour Ministry/Department have now acquired their own technicalities which require to be understood by persons charged with the responsibility of dealing with them. Arrangements for training are inadequate; by and large, they do not exist. What we have said about induction of a worker to industrial employment¹ equally applies to persons to be initiated to labour administration. But apart from induction, certain aspects of training and retraining in the course of employment are equally important. As a part of training, persons recruited to the junior-most technical posts in the inspectorate under any legislation should be made to spend some time with an office of an industrial association and a well organised office of a trade union. They should also acquire familiarity with the working of industrial establishments. Visits to places where workers live should also be a part of the initial training.

30.35 The other aspect of training is initiation into office procedures. We suggest for this purpose the preparation by each office of the Ministry/Department of a manual of office procedure for the benefit of new entrants. There is a case for giving it wider publicity among those with whom the office has to deal. The manual should contain *inter alia* information about (i) the place of the office within the total picture of the administrative machinery of the Ministry/Department, (ii) the working of the different sections of the office, (iii) inter-relationship between the office and sister offices, and (iv) a synoptic view of the organisations with which the new entrant is likely to come in contact. At the senior level, apart from familiarity with the items mentioned above, the officer should have arrangements to understand the broader perspective within which he has to establish his utility to the public. For new

¹See paras 8.29—8.33.

incumbents in such positions, it may not be out of place, where the parties have no objection, to attend collective bargaining sessions, trade union meetings, and discussions organised by trade unions and professional organisations like management associations, Indian Institute of Personnel Management/National Institute of Labour Relations, local Productivity Councils and the like. Situations which an officer has to meet during the course of his work require to be lived with for their better comprehension. We have mentioned these by way of indicators to show how to equip the person better for his work. With these ideas as a nucleus, details should be worked out for training at the two levels mentioned above.

30.36 We also recognise that officers who have been with the Department for a long time need a breath of fresh air. The normal arrangement for this purpose in the all-India services is transfer to a different area of administrative experience. In view of the specialisation which labour is acquiring, this may not be possible for officers who are permanently located in the offices of the Ministry/Department. For them, refresher courses will be appropriate. There should be institutional arrangements of the type available in the Central Labour Institute, Bombay, the Indian Institute of Labour Studies (formerly known as the Central Institute for Training in Industrial Relations), Delhi, the Central Employment Research and Training Organisation of the Directorate General of Employment and Training and similar institutions or under arrangements which the Labour Bureau has for training statistical personnel. All these institutions require to be strengthened with a view to making them more useful as training grounds for officers at different levels. It is important that the staff strength in different offices, whether Central or State, should be augmented with a view to enabling the offices to send their personnel for utilising these facilities.

30.37 Training for handling labour situations has another dimension. This does not concern the officers directly functioning under the Ministry/Department of Labour. We have noticed during the course of our inquiry that some senior officers from Departments other than Labour are unaware of the responsibility which devolves on them under labour laws. In the Public Works Department particularly, officers have to supervise contracts which include some clauses having a bearing on conditions of work for labour engaged by contractors. In several cases, particularly in case of small contractors, these clauses are observed more in their breach. And what is more distressing, the engineering

staff engaged in supervision does not take adequate notice of such violations. A contract for work has to be supervised as a whole and not merely in its work component. Currently, the contract is supervised with regard to physical output, irrespective of what the contract stipulates as the needs of labour. Efforts have to be made to inculcate this idea among the officials. It should form a part of training to new entrants in the engineering services, whether they belong to the Public Works Department, Irrigation Department or other Departments where construction work is involved. This suggestion should apply to public corporations like the State Transport Undertakings, State Electricity Boards and such other autonomous bodies which are likely to be set up. One of the State Labour Commissioners reported to us of arrangements made by Government by which the Public Works Department consulted him before the contractors' claims were settled. Similar arrangements may be obtaining elsewhere. We commend them to the Central and States Departments where they do not exist.

30.38 A still more poignant case is that of forest labour. Contractors who take work from such labour are callous—we are conscious of using a strong word—about the obligations they have to such labour. Most of the forest labour belongs to Adivasi communities which, though traditionally peaceful and even unconcerned about privileges, can be difficult if continuously provoked by a denial of their rights. Coordination of the type suggested above between the Labour Department and the concerned Department seems to be called for.

New All-India Services

30.39 We have received suggestions for creating two all-India services: one for officers in the National Employment and Training Service in its two wings *viz.*, (i) employment and (ii) training; and another for building up an all-India service for the Industrial Relations Machinery. The arguments in favour of creating these new services are: (a) the all-India cadre strength of the employment and training wings and of the labour inspectorates upwards in the Industrial Relations Machinery is adequate for the creation of the respective services; (b) belonging to an established service makes for better efficiency, loyalties within a service being stronger; and (c) promotion prospects for the officers in an all-India service are better. All these are familiar arguments and require no detailed discussion. The proposals before us have to be considered in two parts, because of the different authorities, Central or State, controlling

the officers proposed for inclusion in the two services.

30.40 The National Employment Service and the training wing of the Directorate General of Employment and Training are now a part of the State administration. The organisation at the Centre, which is now a part of the Labour Ministry, is run mainly with its own officers but it has also officers borrowed from the State Governments, both on the employment and training wings. It has coordinating functions as also those of prescribing standards, laying down procedures, supervising implementation and the like. For this purpose, the experience acquired in the field has indeed proved helpful. While one may not be impressed by arguments like loyalty to a service and promotion prospects of individual officers, the creation of a service can make administration more efficient. As against this, we have to consider the practical difficulties of sustaining an all-India service with all the complications it may create in the new political context which is likely to continue in the future. All things considered, we do not favour the creation of a separate service. A way out would be to establish traditions at the Centre and in the States by which persons in technical services could be made to overcome the feeling of lack of prospects. The Labour Ministry should take the initiative in persuading State Governments to establish a convention which will safeguard the legitimate promotion prospects of technical officers.

30.41 The Industrial Relations Machinery is distributed over the States and the Centre on a different basis. There is no arrangement as in the case of the employment and training organisation for sharing of expenditure. Each State has its own set-up. Such standards as are required for introducing uniformity in the work of the machinery are evolved in the ILC/SLC and in the Labour Ministers' Conferences. There is no periodic get-together of the officers of the Industrial Relations Machinery as exists in the case of senior employment and training officers. Recognising these facts, the suggestion made to us is also limited in scope; it concerns only the Central Industrial Relations Machinery.

30.42 The new arrangements that we have suggested for handling unsettled labour disputes in the Industrial Relations Commission, of which the conciliation officer will be a part, leaves little scope for creating a special service. The present cadre of officers, which includes both the inspectorate and conciliation officers, will itself be split. Most of the advantages which a service can bring to the conciliation officers will

possibly accrue to them when they become a part of the Industrial Relations Commission. Persons in the conciliation branch of the Industrial Relations Commission could aspire to become the members of the Commission. In this manner, their chances of promotion will be safeguarded and so will their status improve. We, therefore, do not see the need for a separate All-India Industrial Relations Service.

30.43 Apart from the suggestions we have made about improving administration, certain other matters which have an effect on better implementation require to be mentioned. All implementation, it will be conceded, will be mostly with a view to reaching benefits to workers. It will be either through persuasion or through penalising the defaulting employer. We want to reiterate our view that labour legislation being mostly social in character, it should develop its sanctions through a process of education. We recognise at the same time the need for penalties; all employers are not alike nor are all unions/workers. Two points which have attracted our attention with reference to the matter of sanctions are worth recording. These are the inadequacy of penalty and withdrawal of prosecution. It has been urged with regard to the former that inspectors do not take the employer to court, and when they do, the penalties which exist in the law today and the lenient view of breaches of law taken by judicial authorities, bring the law itself into disrepute. Penalties are not deterrent enough. Our information about the number of cases of prosecutions launched for violation of the provisions of labour laws and the amount of fines imposed, confirms the impression formed by unions that prosecutions are not frequent, and the impression of both unions and the implementing authorities that penalties are not adequate. Complaints by unions are the result of attitudes of judicial authorities. We feel that if benefits do not reach labour without penalties visiting an employer, the penalties to be written into the law should be such as would deter a habitual defaulter. If a worker held guilty of habitual misconduct is threatened with loss of means of livelihood, a defaulting employer also should attract a penalty harsher than the one the employer is given at present. We do not approve of the imposition of minimum penalties and expect that authorities will take a serious view of repeated breaches of law by the same defaulter.

30.44 There are cases where even after legal action had been initiated by officers in consultation with Government, Government had for unknown reasons changed its mind and the

officers were asked to withdraw the prosecution. Such cases may be rare, but their occurrence even in rare cases is disturbing. Apart from the impression of vacillation on the part of Government, such withdrawals have a demoralising effect on the officers at whose instance the prosecutions are initially launched. We hope that the appropriate authorities would exercise the utmost restraint and discretion in the matter of withdrawal of prosecution once it is launched.

30.45 As we have mentioned earlier, within the Labour Department of a State, the functions of the Labour Commissioner have been of considerable importance. The Commissioner combines in himself the role of the head of the industrial relations machinery, the inspectorates which look after working conditions and the inspectorate set up for the enforcement of other legislation. His office is the store-house of information essential for the formulation and implementation of labour policies. The studies undertaken by his office have a significant impact on labour. A host of miscellaneous activities are a part of the daily routine of his office within the State. In the Central Government, his counterpart, the Chief Labour Commissioner, has several of these functions but not all. He has, however, additional duties which do not fall within the realm of the State Labour Commissioner.

30.46 Of all these functions, the one relating to settlement of disputes has acquired a relatively greater importance in the years since Independence. These functions are partly under the rights created and partly for creating the rights themselves. In regard to the former, we have suggested an independent agency of the type of the labour court and for the latter the Industrial Relations Commission. These will be the formal agencies for the two types of disputes. With the new scope envisaged for collective bargaining in the proposed arrangements, the litigious attitude which the parties have had towards each other in the last twenty years is expected to be less rigorous. It is possible that one party to the dispute or the other may like to have the advice and guidance of the office of the Commissioner on matters where difference of opinion arises. The good offices of the Commissioner or his officers could be utilised for this purpose with some effect. By and large, therefore, in the area of industrial disputes, the office of the Commissioner will be concerned with prevention of disputes, a function which has so far suffered neglect, rather than taking up a formal dispute for settlement. The functions of the Commissioner as Registrar of Trade Unions will continue to be with him. In some

States as in Maharashtra, Gujarat and Madhya Pradesh, there is an officer within the Labour Commissioner's office who undertakes inquiries and registers unions as representative/recognised unions of different types as required by the State legislation. This function, since it involves an inquiry under the statute for settlement of disputes and certification of unions, will form part of the responsibility of the proposed Commission. The basis for a division of functions in the manner suggested is that all cases which require judicial discretion should be either with the I.R.C. or the Labour Court.

30.47 We have not envisaged any special machinery of the I.R.C. type for settlement of disputes where smaller units or unorganised workers are involved. We feel that with the encouragement already given to such units in the years gone by and the possible encouragement to them in the future, cases which will need attention in this area will increase. It will be the responsibility of the Commissioner to intervene in such matters. By and large, we believe that the approach to such disputes will be informal both from the parties themselves and the office of the Commissioner. The help which the Commissioner's Office will offer is expected to be effective. There will also be cases in larger units where labour is not organised and for which labour will require to be represented in the proceedings before the IRC. The Labour Commissioner's Office should have the responsibility in this regard. What we envisage as the industrial relations functions of the office of the Labour Commissioner in the new arrangement are similar to those of the office of the Government Labour Officer under the BIR Act, 1946.

30.48 In view of the diminution of his responsibilities in the field of industrial relations, the Commissioner will be able to devote more attention to the functions of inspection which his office was not able to give sufficient attention all these years. A major responsibility in this regard will be in regard to labour engaged in the Public Works Department, and any department where labour is engaged on a contract basis. It has been the experience in all States that the Commissioner's office has not been able to pay adequate attention to unorganised labour and labour engaged in sweated industries. The inspectorate for this work should be with the Commissioner. We are not happy about the way the Shops and Establishments Act has been implemented in different States, particularly where its administration was left to local bodies. Pressures to which the staff under local bodies are exposed in the implementation of this legislation

do not require to be explicitly stated. We are satisfied that these have distracted the inspectorate from discharging its functions efficiently. We recommend, therefore, that the responsibility for the administration of the Shops and Establishments Act should vest with the office of the Commissioner.

30.49 Elsewhere we have suggested arrangements for implementing our recommendation in regard to agricultural labour. The field agency for the purpose has to be the Zilla Parishad and its functionaries at the village level. Their implementational activities will require to be coordinated by the State Labour Department. The operative agency for this purpose will be the office of the Labour Commissioner. Thus supervisory jurisdiction over all inspectorates which look after conditions of work should vest in the Commissioner.

In the proposed reorganisation, the Labour Commissioner will :

- (1) advise the Labour Department on problems connected with labour policy ;
- (2) advice other Departments which engage labour directly or through contractors in all matters which concern labour ;
- (3) supervise the inspectorates which are in charge of regulating working conditions and wages ;

- (4) administer the Indian Trade Unions Act, 1926;
- (5) certify standing orders under the Industrial Employment (Standing Orders) Act, 1946;
- (6) discharge responsibilities similar to those of the Government Labour Officer under the BIR Act;
- (7) provide labour intelligence to Government ;
- (8) liaise with the Labour Bureau in the organisation of labour statistics and research; and
- (9) undertake inquiries which the State Government considers relevant.

The list is illustrative and not exhaustive.

30.50 The functions of the Chief Labour Commissioner (Central) will have to be defined on the same analogy. The Central Government Labour Officers whose functions are mainly in the field of welfare in the establishments to which they have been allotted by the Ministry, may have to be transferred to the Chief Labour Commissioner's Office. The Evaluation and Implementation functions now located in the Ministry should also be transferred to the office of the Chief Labour Commissioner.

*Organisation of the Department of Labour and Employment and its attached and Subordinate Offices and its
Autonomous Bodies*

(Position as on 1-1-1969.)

MINISTER

MINISTER OF STATE.....(From 14-2-69)

DEPUTY MINISTER

SECRETARY

Attached Offices	Subordinate Offices	Autonomous Bodies
1	2	3
1. Directorate General of Employment and Training, New Delhi.	1. Central Government Industrial Tribunal-Cum-Labour Court No. 1, Bombay.	1. Central Coal Mines Rescue Stations Committee, Dhanbad.
2. The Chief Labour Commissioner's Office, New Delhi.	2. Central Government Industrial Tribunal-Cum-Labour Court No. 2, Bombay.	2. Coal Mines Provident Fund Organisation, Dhanbad.
3. Director General of Factory Advice and Labour Institutes, Bombay.	3. Central Government Industrial Tribunal-Cum-Labour Court No. 1, Dhanbad.	3. Employees' Provident Fund Organisation, New Delhi.
4. Director, Labour Bureau, Simla.	4. Central Government Industrial Tribunal-Cum-Labour Court No. 2, Dhanbad.	4. Directorate General, E.S.I.C, New Delhi.
	5. Central Government Industrial Tribunal-Cum-Labour Court No. 3, Dhanbad.	5. Office of the Controller, Emigrant Labour, Shillong.
	6. Central Government Industrial Tribunal, Calcutta.	6. Bombay Dock Labour Board, Bombay.
	7. Central Government Industrial Tribunal Jabal-pore.	7. Calcutta Dock Labour Board, Calcutta.
	8. Office of the D. G., Mines Safety, Dhanbad.	8. Madras Dock Labour Board, Madras.
	9. Office of the Coal Mines Welfare Commissioner, Dhanbad.	9. Cochin Dock Labour Board, Cochin.
	10. Office of the Welfare Commissioner, Mica Mines, Welfare Fund, Dhanbad.	10. Visakhapatnam Dock Labour Board, Visakhapatnam.
	11. Office of the Chairman of the Mica Mines Labour Welfare Fund Advisory Committee for Rajasthan, Jaipur.	11. Mormugao Dock Labour Board, Mormugao, Goa.

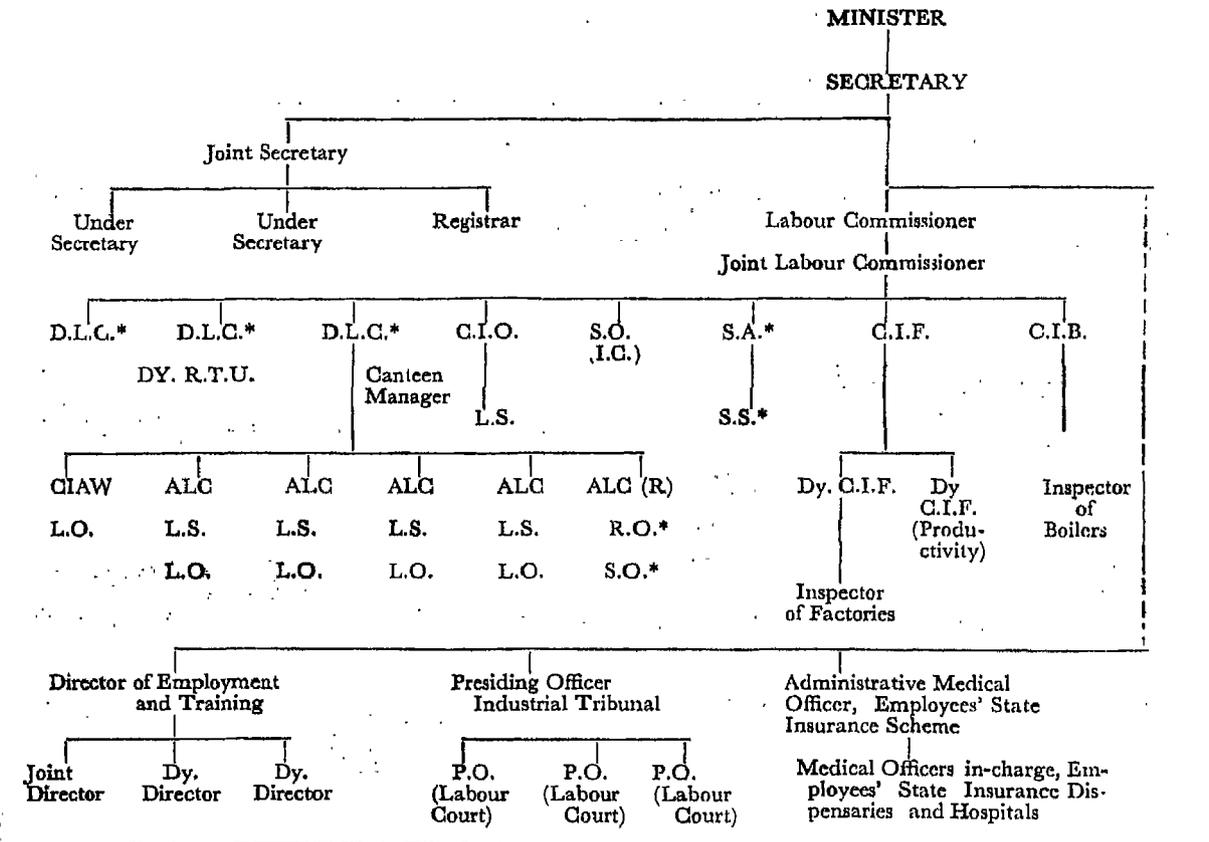
ANNEXURE I —Contd.

Attached Offices	Subordinate Offices	Autonomous Bodies
1	2	3
	12. Office of the Chairman of the Mica Mines Labour Welfare Fund Advisory Committee for Andhra Pradesh, Nellore.	12. Kandla Dock Labour Board, Kandla Port, P.O. New Kandla, Kutch.
	13. Office of the Vice-Chairman of the Iron Ore Mines Labour Welfare Fund Advisory Committee for Mysore, Bangalore.	13. Central Board of Workers' Education, Nagpur.
	11. Office of the Vice-Chairman of the Iron Ore Mines Labour Welfare Fund Advisory Committee for Andhra Pradesh, Hyderabad.	14. Office of the Chairman, National Council for Safety in Mines, Dhanbad.
	15. Office of the Chairman of the Iron Ore Mines Labour Welfare Fund Advisory Committee for Bihar, Patna.	15. Office of the Chairman, National Council for Safety in Industries other than Mines, Bombay.
	16. Office of the Chairman of the Iron Ore Mines Labour Welfare Fund Advisory Committee for Madhya Pradesh, Indore.	
	17. Office of the Vice-Chairman, Iron Ore Mines Labour Welfare Fund Advisory Committee for Maharashtra, Nagpur.	
	18. Office of the Chairman of the Iron Ore Mines Labour Welfare Fund Advisory Committee for Orissa, Bhubaneswar Old Town.	
	19. Office of the Chairman of the Iron Ore Labour Welfare Fund Advisory Committee for Goa, Daman and Diu, Panjim.	
	20. Office of the Iron Ore Mines Cess Commissioner for Orissa, Bhubaneswar Old Town.	
	21. Office of the Iron Ore Mines Cess Commissioner for Andhra Pradesh, Hyderabad.	
	22. Office of the Iron Ore Mines Cess Commissioner for Mysore, Bangalore.	
	23. Office of the Iron Ore Mines Cess Commissioner for Bihar, Jamshedpur.	

ANNEXURE I —Contd.

Attached Offices	Subordinate Offices	Autonomous Bodies
1	2	3
	24. Office of the Iron Ore Mines Cess Commissioner and Mining Engineer, Goa, Daman and Diu, Panjim.	
	25. Office of the Iron Ore Mines Cess Commissioner for Madhya Pradesh, Indore.	
	26. Office of the Iron Ore Mines Cess Commissioner for Maharashtra, Nagpur.	
	27. Office of the Iron Ore Mines Cess Commissioner for Rajasthan, Udaipur.	

Organisational Chart
LABOUR AND EMPLOYMENT DEPARTMENT
(Bihar)
March 1968.



*These Officers are posted at the Head Quarters (Patna).

List of Abbreviations Used

A.L.C.	Assistant Labour Commissioner.
C.I.F.	Chief Inspector of Factories.
C.I.B.	Chief Inspector of Boilers.
C.I.O.	Chief Inspecting Officer.
C.I.A.W.	Chief Inspector of Agriculture Wages.
D.L.C.	Deputy Labour Commissioner.
DY. R.T.U.	Deputy Registrar of Trade Unions.
L.S.	Labour Superintendent.
L.O.	Labour Officer.
I.B.	Inspector of Boilers
P.O.	Presiding Officer.
R.O.	Research Officer.
S.A.	Statistics Authority.
S.S.	Statistical Specialist.
S.O.	Special Officer (Evaluation & Implementation).
S.O.	Statistical Officer.

Number of changes in the Incumbents to the Posts of Labour Secretary and Labour Commissioner in various States

S.No.	Name of the State	Number of Changes in the incumbents to the post of Labour Secretary during the past ten years (1958-68)	Number of changes in the incumbents to the post of Labour Commissioner during the last ten years (1958-68)
1	2	3	4
1	Andhra Pradesh	*4	*5
2	Assam	4	1
3	Bihar	5	4
4	Delhi	7	3
5	Gujarat	N.A.	†5
6	Haryana	‡4	‡3
7	Himachal Pradesh	4	6
8	Jammu & Kashmir	§7	\$100
9	Kerala	6	||1
10	Tamil Nadu	N.A.	@11
11	Madhya Pradesh	4	4
12	Maharashtra	N.A.	No change since 1959
13	Mysore	N.A.	¶8
14	Orissa	4	1
15	Punjab	5	7
16	Rajasthan	6	7
17	Uttar Pradesh	6	5
18	West Bengal	4	4

* in 12 years

† in 8 years

‡ in 2 years.

§ in 7 years.

|| in 13 years.

N.A. Not available.

@ in 14 years.

¶ upto Nov. 1964.

Source : Working Group Reports on Labour Administration.

LABOUR STATISTICS, RESEARCH AND INTELLIGENCE

We have stated elsewhere¹ that a large volume of literature on labour and allied problems has developed in the country during the last thirty five years and particularly since Independence. This, in a way, shows how the demand for labour statistics, labour research and labour intelligence has been growing. Every new statistical series, or new piece of good research and new medium of conveying it to the public has been welcomed by policy makers, as well as those who are affected by such policies, but they are still far from satisfying their need and appetite for more statistics and more information. In the process, the base of statistical information has widened and its interpretation acquired a depth. Labour statistics and labour research have been widely used in recent years for over-all economic planning, as much as statistics in other fields have helped in the formulation of labour policies and programmes. We feel, therefore, that it would be appropriate to discuss the subject within the broad framework of programmes for development of statistics and research in general. Our recommendations, however, will be confined to what are currently recognised, and what in future may acquire recognition, as areas of labour statistics and research.

LABOUR STATISTICS

Historical Review

31.1 Prior to the thirties, statistical development in the country, including that in the field of labour, was confined to the requirements of administration. Outside administrative routine, no organisation specially for statistical information was built up in any field, although expert committees had examined the needs and made recommendations. Labour research was confined to monographic studies about the economic and social conditions of selected groups of workers in urban and rural areas. Family budget inquiries of the nineteen twenties in some centres of the Bombay Presidency, economic surveys in

some districts of Bengal which had an even earlier origin, and studies in some districts of United Provinces, Punjab and Madras are other instances in point. Many of these were used for constructing the cost of living index numbers, now named more appropriately as consumer price index numbers.² We have already pointed out in earlier chapters how the work of the Whitley Commission was hampered in the absence of statistical data and that it underlined the need for collection of labour statistics. That Commission stressed in particular the need for collection of reliable and representative data on income and expenditure of the workers through the use of trained investigators and sound statistical methods. It also recommended enactment of a Statistics Act for collection of data from employers, merchants, etc. From 1937 onwards with popular Governments assuming office under the Government of India Act, 1935, there were several enquiry committees in the provinces which made recommendations to the respective Governments emphasising the need for regular sources of information and statistics. The importance of a coordinated approach to the wider area of other statistics was recognised in 1934 when the Bowley-Robertson Committee³ reported on the possibility of an 'Economic Census of India'. That Committee made a series of recommendations in regard to statistics of production, prices, wages and profits. The creation of the Economic Adviser's office by the Government of India in 1938 gave a further fillip to the implementation of the recommendations of the Bowley-Robertson Committee.

31.2 The inquiries referred to above served as a useful supplement to statistics and research on local labour problems; they did not, however, add to the regular flow of labour statistics on an all-India basis. The Rau Court of Enquiry⁴ (1940) set up by the Government of India to settle the demands of railway employees found itself handicapped for want of data and recommended *inter alia* conducting of family budget inquiries and compilation of cost of living index numbers for important centres in the country

¹See para 1.6.

²Indices based on these older inquiries were in use till recently for determining dearness allowance, an important part of workers' earnings.

³A scheme for an Economic Census of India with special reference to a census of Production and Re-organisation of Statistics by Dr. A. L. Bowley and Mr. D. H. Robertson, 1934.

⁴Report of the Court of Inquiry constituted under the Trade Disputes Act to investigate the dearness allowance of railway employees.

on a uniform basis. A Directorate of Cost of Living Index Schemes was set up by the Government of India in 1942 to hold family budget inquiries and compile cost of living index numbers (working class) for important industrial centres on a uniform basis. These inquiries were undertaken during 1943-45. The demands made by the employees of the Directorate General of Posts and Telegraphs were in the meantime investigated by Mr. Justice G. S. Rajadhyaksha.¹ Simultaneously, a quick survey among middle class employees of the Central Government was organised at various centres in the country for understanding the levels of living of the employees concerned. The entry of Government in the field of industrial relations in the war years (1939-45) necessitated a more systematic compilation of labour information of a somewhat different type. The Industrial Statistics Act was passed in 1942 to facilitate collection of statistics on (a) matters relating to factories, and (b) certain specified areas of welfare and conditions of labour.² Arrangements were also made, within the resources available, for processing the data flowing from the Trade Unions Act, 1926, the Factories Act, 1934, the Payment of Wages Act, 1936, and the like. One of the important terms of reference of the Rege Committee (1944) was "to collect data relating *inter alia* to wages and earnings, employment, housing and social conditions of labour and in particular, of industrial labour, in India."

31.3 In the related field of other statistics apart from the publications of the Directorate, General of Commercial Intelligence and Statistics, compilation of systematic information on food and agriculture attracted attention following the experience of the Bengal Famine in 1943. To secure a coordinated view of statistical information, the Government of India set up in 1945 an Inter-Departmental Committee to consider the material available and to make recommendations for filling up the gaps in available statistics and for effecting organisational improvement in the collection and collation of data.

Labour Bureau

31.4 Attempts to consolidate the gains in the field of statistics and research and to explore further avenues of information continued in the years that followed. In 1946, the Government of India created the Labour Bureau. Its activities were enlarged in the years following its

inception. Its current functions are listed below:—

- (a) collection, compilation and publication of labour statistics on an all-India basis ;
- (b) construction and maintenance of working class consumer price index numbers for selected centres and all-India series of Consumer Price Index Numbers ;
- (c) construction of consumer price index numbers for agricultural workers ;
- (d) keeping up-to-date the factual data relating to working conditions of industrial workers collected by the Labour Investigation Committee ;
- (e) conducting research into specific problems with a view to supplying data required for the formulation of labour policy ;
- (f) bringing out pamphlets and brochures on various aspects of labour legislation ; and
- (g) publication of 'Indian Labour Journal' (Monthly), 'Indian Labour Statistics' (Annual), and 'Indian Labour Year Book' (Annual) giving authoritative and up-to-date statistics and description of labour affairs in the country.

31.5 The Labour Bureau collects its data in three stages : (i) the primary data are collected by State Governments or agencies of the Central Government, (ii) the returns received from individual units are consolidated at the State level or agency level according to the standards laid down by the Labour Bureau; and (iii) the returns received by the Labour Bureau are then consolidated and published in the form of all-India statistics. The Labour Bureau receives statistics compiled by the various agencies under the Department of Labour and Employment *e.g.*, the Director General of Employment and Training, Director General of Mines Safety, Chief Labour Commissioner (Central), Director General of Factory Advice Service and Labour Institutes, the Central Provident Fund Commissioner and the Director General of Employees' State Insurance Corporation. The Bureau processes, in addition, statistics of interest to labour collected by other Ministries of the Government of India. It undertakes surveys and reports on them. (A list of important inquiries conducted by it is at Annexure I). Information for the inquiries is collected either through the field staff of the Bureau or by arrangement with other

¹Adjudication by the Hon'ble Mr. Justice G. S. Rajadhyaksha, ICS (Bombay High Court) in the Trade Disputes between the Posts and Telegraphs Department and its non-gazetted employees.

²This Act was replaced by a more comprehensive law : The Collection of Statistics Act, 1953.

field agencies, Central or State. The work of processing the collected statistics is similarly shared according to the convenience of the concerned agencies.

31.6 The creation of the Labour Bureau was a significant step towards enlarging the field of labour statistics, widening the avenues of labour research and disseminating information for a better appreciation of labour problems in the country. Almost since its inception, this organisation has endeavoured to serve as a focal point of information on the subject and for co-ordinating similar activities at the State level which in turn are mostly carried on by the State Labour Commissioners. Of late the aid of the Labour Bureau is being increasingly sought by Government, Central or State, to understand the different facts of the labour situation in local areas. In short, the Labour Bureau is acting as a storehouse for all labour statistics and intelligence and as a channel for feeding labour statistics into the general stream of statistics.

The C.S.O. and Other Agencies

31.7 In the field of general statistics, the Central Statistical Organisation (CSO) was created by the Government of India in 1949 for laying down uniform standards and for coordinating the activities of various statistical agencies. In many States, a Directorate of Economics and Statistics or a Statistical Bureau was established for a similar purpose but within the State jurisdiction. The CSO sets guidelines for the activities of these Directorates/Bureaux in consultation with them. A multipurpose National Sample Survey (NSS) was initiated in 1950 to take in its sweep most of the investigational work required for a better understanding of the behaviour of the economy. The Indian Statistical Institute, Calcutta (ISI) was recognised as an organisation which could provide technical guidance in this work. The Reserve Bank of India, in this very period, enlarged its research activities but confined itself to the areas of its immediate interest. All these developments added up to an integrated statistical system in the country and provided the necessary machinery for fitting the programmes of labour statistics into the overall programme for statistical development.

31.8 Activities in all fields of research, and statistics received a further impetus in 1950.

New types of statistics were sought through benchmark surveys on different aspects of economic development. Repeat surveys provided information as much for assessing plan progress as for introducing new techniques of planning. Some aspects of labour were covered in the process. While these meant more of statistics, the twin aspects of quality and comparability of statistics within the national framework came into sharp focus, with the increasing demand for scientific time-series and improved economic indicators. Simultaneously, growing statistical requirements of international organisations like the United Nations and its specialised agencies and their attempts to promote statistical standards for international comparability added another dimension to progress of statistical development within the country.¹ India was fast acquiring an international reputation for work in the field of statistics. At about this time, the Planning Commission initiated sponsored research in special areas to help better understanding of the process of development through the specially constituted Research Programmes Committee.

SOURCES AND SHORTCOMINGS

31.9 We may now proceed to analyse some important issues connected with labour statistics. We acknowledge the assistance received in this regard from experts who participated in the Conference on Labour Statistics² (hereafter referred to as CLS) specially convened by us to understand the issues involved.

31.10 In the main, labour statistics, as indeed all statistics, are collected to meet the needs of administration. In some cases the furnishing of such statistics is a statutory obligation on the employer or a trade union; in others they are gathered in the course of normal administration. In either case, several inadequacies come to light. These affect different statistics differently. The difficulties the Department of Labour and Employment has encountered in making its statistics more meaningful, as brought out in its memorandum, are spread over a wide area. The view of the Department, however, is that the statistical series could be used within limits to understand the changes over a period. Other evidence before us is in support or in amplification of these points. In what follows, we do not cover all statistics nor every defect in

¹Attempts at evolving international standards in labour statistics had begun earlier under the auspices of the I.L.O. The I.L.O.'s standards influenced many surveys undertaken by the Central and Provincial Governments even before the Labour Bureau was set up.

²See para 1.7.

them; we propose to be illustrative rather than exhaustive.

Statutory Returns

31.11 A major part of labour statistics is today collected through statutory returns prescribed under the Labour Laws. The Factories Act, 1948 provides for submission of statistics of employment in registered factories, the Mines Act, 1952 for mines, and the State Shops and Establishments Acts/Weekly Holidays Act, 1942 for employments covered by them. Earnings of workers employed in registered factories are available in returns under the Payment of Wages Act, 1936, and for mining workers under the Mines Act, 1952. Statistics of industrial accidents in factories and mines are compiled from returns under the Factories Act, 1948 and the Mines Act, 1952 respectively; and the Workmen's Compensation Act, 1923, provides statistics on compensation paid to workers or their families on account of death or injuries caused by accidents or occupational diseases. The Employees' State Insurance Act, 1948 is also used for securing statistics in respect of units covered by it. The Employees' Provident Fund Act, 1952 helps in providing a range of statistics on the number of units covered, number of subscribers and the amount of provident fund contributions. Statistics of the number of registered trade unions, their membership and their finances are compiled from returns available under the Trade Unions Act, 1926.

31.12 The statutory returns are mostly annual and the statistics get compiled on an all-India basis with a time-lag of 2 to 3 years. Though the returns are statutory, there is usually a large degree of non-response which goes on varying from year to year. The scope of the statistics to be obtained is limited obviously to the scope of the respective Acts themselves and there are differences in this respect from Act to Act. Changes brought about by amendments to the Acts have altered the scope and coverage of the statistics from time to time. We have considered these deficiencies and made our recommendations in a later section.

31.13 The Central Statistical Organisation has been collecting statistics through its scheme of Annual Survey of Industries¹ under the Collection of Statistics Act, 1953. At the instance of the Labour Bureau, a labour schedule was added to this scheme covering monthly data on absenteeism and labour turnover, quarterly data on

working days, man-hours worked and earnings for certain categories of employees, and annual data on wages and salaries paid, bonus and contribution by employers to social security benefits. The statistics are collected from larger factories, those using power and employing 50 or more workers and those not using power and employing 100 or more workers. In 1965, the Labour Bureau took over the responsibility for processing and analysis of the data in the 'labour schedule'; it has issued summary tables for 1963. The present time-lag in the availability of the statistics is, therefore, considerable. With the installation of mechanical tabulation equipment in the Labour Bureau and computer facilities available elsewhere in Government, we expect that the tabulation of results and compilation of statistics and their interpretation will be expedited. We consider timely publication to be an important aim of all agencies collecting data and information.

Voluntary Returns

31.14 Periodic statistics collected on a voluntary basis, such as statistics of industrial disputes and absenteeism, suffer from limitations of a different type. The established series of statistics of absenteeism for the manufacturing sector, for instance, are compiled on the basis of monthly returns from selected units in important industries at a few centres. The statistics are not comprehensive and their representative character is open to doubt. This deficiency will be corrected when these statistics, now being collected on a statutory basis in the 'labour schedule' referred to above, acquire currency. It has been pointed out to us that the meaning of the word 'absent' is not uniform in the various series of absenteeism statistics published at present. If such statistics are allowed to continue, they will introduce an element of unreality. They give some industrial areas a bad name for heavy absenteeism. Since such reputation might adversely affect industrial development of the area, the authorities should be careful in compiling the statistics and should, wherever possible, explain the limitations of the data which they publish. Besides the Labour Bureau, some State Governments and employers' associations also compile absenteeism statistics. The need for standardised concepts and definitions is, therefore, evident.

31.15 Monthly statistics of work-stoppages (strikes and lock-outs) resulting from industrial disputes are obtained by the Labour Bureau from State Labour Departments who in turn receive the primary data from their inspectorates

¹The Annual Survey of Industries is the successor to the Census of Indian Manufactures under which statistics were collected between 1946 and 1958. We have published our analysis of data from these two sources in a separate statistical volume.

and the usual intelligence agencies available to them. In some cases, for which the appropriate Government under the Industrial Disputes Act, 1947 is the Central Government, the Bureau secures them from the office of the Regional Labour Commissioner operating under the Chief Labour Commissioner (Central). Being voluntary returns, the coverage of these statistics is none too satisfactory. In particular, statistics of loss in wages and loss in production due to work-stoppages are incomplete and often not reliable.

31.16 The CLS recommended the following measures to improve the coverage and quality of the existing statistics of industrial disputes:

- (i) These statistics should be collected statutorily under the Collection of Statistics Act, 1953. While publishing the statistics under this new system, more details of the break-up of statistics according to causes should be provided.
- (ii) Arrangements should be made for regular collection of statistics on work-stoppages not connected with industrial disputes, such as stoppages due to breakdown of machinery, shortage of material, lack of demand for products. If necessary, separate Rules under the Collection of Statistics Act, 1953 should be framed for the purpose.
- (iii) Statistics of industrial disputes not resulting in work-stoppages (*i.e.*, those settled by conciliation machinery, Industrial Tribunals, etc.) should be compiled on a regular basis. The Labour Bureau should examine and initiate arrangements for collection and processing of these statistics in consultation with the authorities concerned.
- (iv) Statistics about loss of working time, production and other related details in the case of go-slow, work-to-rule, etc., are difficult to compile. The Labour Bureau should explore, in consultation with the concerned authorities, how these difficulties could be overcome.

31.17 The suggestion at (i) is a necessary reform particularly when these statistics are acquiring wide currency and are used as one of the indicators of the success or otherwise of policies pursued in the labour field. The suggestion at (ii) acquires importance in judging the distribution *inter-se* of mandays lost. We endorse these. We also endorse suggestions (iii) and (iv) with the stipulation that suggestion (iii) should also cover collective agreements registered with the authorities.

31.18 The Labour Bureau has been conducting *ad hoc* surveys to collect statistics in areas where no regular statistics are available. These surveys,

are conducted on a sample basis by employing field investigators who obtain information through personal visits. Important among these surveys were the Occupational Wage Surveys conducted in 1958-59 and again in 1963-64 for 44 major industries, the Survey of Labour Conditions conducted between 1959 and 1966 for 46 industries, Working Class Family Living Surveys conducted in 1958-59 at 50 industrial centres and the second all-India Agricultural Labour Enquiry conducted in 1956-57 and the Rural Labour Enquiry 1963-65. Data collected in these surveys have helped to fill some of the gaps in labour statistics.

31.19 Deficiencies in labour statistics arise *inter alia* from:

- (i) inaccuracy and unreliability owing to (a) poor response, (b) failure of primary agencies to send accurate reports, (c) handling of data by untrained staff; and (d) inadequacy of staff;
- (ii) variety of definitions of the same term in different statutes (we reproduce an analysis of the definition of wages under different statutes in Annexure II as an illustration);
- (iii) varying response from agencies which supply data; and
- (iv) delayed publication. (The time lag for some statistics is shown in the table at annexure III).

While reasons for (i) and (iv) are administrative, (ii) can be a difficulty introduced in the process of legislation; (iii) is a symptom of indifference of the agency supplying data. The deficiencies pointed out are inter-related. For instance, delayed publication is the result of poor response and failure to receive accurate reports and the correspondence consequent thereon. Varying response of primary agencies can result from a variety of definitions and operational concepts as well as from handling of queries by inadequate/inexperienced staff. While some deficiencies can be remedied by Governmental action, others like poor response are a matter of education and training for field staff as much as for persons in the establishments which are expected to fill in the returns. Failure of primary agencies to send accurate reports requires for its cure a long-term reform; legislative sanctions can hardly be operative. The quality of primary returns received from establishments depends upon the size of the establishment; the larger among them being better equipped for putting in the work needed. On this assumption, the CLS has suggested that arrangements should be made for giving assistance to smaller establishments in compiling the returns. While this can

be a way out, we feel that before taking a decision on this issue and deploying technical personnel for work, it is necessary that the authorities should visualise for themselves the use to which the information can be put when finally processed.

31.20 Connected with this aspect are two other issues referred to at (i) (c) and (i) (d) above. Recognising these deficiencies, the Labour Bureau has taken up a training-cum-liaison scheme which may in due course provide trained staff to State Governments for compiling and interpreting information received, and so on. Since this is a recent development, we expect that their influence in improving statistics will be felt in the years to come.

31.21 It was urged before us that the forms prescribed by authorities for seeking information are cumbersome; considerable rationalisation is possible in them. In several cases, by only marginal addition to information collected on some forms many others could be made redundant. An exercise in this regard was attempted by the Maharashtra Government on the basis of recommendations by an expert Committee which concluded that the load on employers and trade unions for submission of statistical returns can be substantially reduced through this process. We feel that similar steps should be taken by other State Governments. To secure uniformity in the work of such Committees, when set up, it would be useful to associate a technical officer of the Labour Bureau. We recommend that this matter should receive expeditious consideration from the Central and State Governments.

31.22 We have been told that some statistics collected by the Central and State agencies, purely to fulfil the statutory and administrative requirements, never see the light of the day nor are they used by policy-makers. They occupy much-needed space in Government offices for long years and are then destroyed. We consider this to be a waste of national effort and national resources. Advance planning is needed in this regard. For this purpose we recommend the constitution of a Standing Council consisting of agencies of Government in charge of collection of statistics, representatives of employers' and workers' organisations and research institutions which will periodically review the requirements of statistics to be collected.

Availabilities and Gaps

31.23 As an agency organises itself for collecting certain statistics or information, it discovers new gaps and realises the need for filling them up. The more refinements it introduces in its work, the more crude the existing data appear to be. And in each case, the attempt at improvement has its financial implications. This indeed is the difficult choice which confronts every agency

charged with collection of information in any country. Government may, therefore, spend a fair amount in compiling data and still find itself in the unfortunate position of not being able to satisfy public demand for information. Availabilities and gaps in labour statistics, as in the case of all other statistics, have to be viewed in the context of how much the community can afford to spend on satisfying its thirst for information. We would like to cite but one area of labour information to establish the point. Statistics of wages and earnings, for instance, are regularly available for many of the organised industries. These data are collected both under the Payment of Wages Act, 1936 and under the Collection of Statistics Act, 1953. The scope and concepts for the two sources of information are different. Occupational wage data are available mainly in respect of the manufacturing sector and on an *ad hoc* basis through the Occupational Wage Surveys conducted by the Labour Bureau.

31.24 In the case of shops and commercial establishments, practically no regular flow of information exists for large areas of the country. Small-scale industries have wide informational gaps. In their case, there is the additional difficulty that a uniform definition of small-scale industries is not available. Internal discussions within Government, but at a technical level, under the sponsorship of the Ministry of Industry a few years ago were not conclusive for evolving a suitable sampling design for securing meaningful information. For plantations, regular data on wages are available only for West Bengal and Assam. In the case of agricultural labour, enquiries have been *ad-hoc*, and because of delays in publishing data, they become obsolete by the time they are made available. The coverage of employees and the components included in the statistics of earnings vary from sector to sector in all areas of economic activity.

31.25 Taking all these factors into account the CLS has made two recommendations on this issue:

- (i) There is a pressing need for bringing out important economic indicators like the index numbers of employment, wage rates and earnings at quarterly intervals. Expeditious action should be taken to organise these series on a statutory basis. Obviously, timely preparation of these series can be ensured by collecting data from a well-designed sample of establishments;
- (ii) In regard to employees in the unorganised sectors, such as, in small shops and commercial establishments and small-scale industries, there are gaps in labour statistics

The question of filling up these gaps is of high priority and the matter should be examined by the Central Government in consultation with State Governments.

We endorse (i) which has been long overdue. We have been told that a scheme for compiling these indices has been held up owing to financial stringency. We hope that these difficulties will be overcome in view of the importance the indices have for framing economic policies in general and labour policy in particular. We should be cautious about (ii) since an earlier attempt in this direction had to be given up after months of experimentation. Notwithstanding the earlier failure we recommend that the subject be further examined. Gaps also exist in another important and more diffused section of the Indian working class viz., rural labour. We recommend that the periodic surveys undertaken by Government to understand the rural situation should be continued and intensified. We recognise the need for action-oriented statistics for this section of labour than for any other. We recommend that when Advisory Bodies draw up a programme for statistics or indices, they should bear in mind the requirements of labour.

Social Statistics

31.26 We now turn to a discussion of social statistics which to some extent overlap labour statistics. The CLS stressed the need for collection of information on aptitude to work, reaction to work environments and study of the problems of displacement of workers, especially in tribal and backward areas where industrialisation is in progress. Sociological aspects of workers' life are better understood through case studies of a diagnostic type. Provision for such studies on an intensive basis should be made both at national and State levels. Social and sociological data should be collected in the course of the proposed working-class family living surveys to be conducted by the Labour Bureau in 1969-70 and also in the rounds of the NSS at least once in five years. Data on social aspects, already collected by the NSS, should be made available to the public as early as possible. We recommend that collection of social and sociological data on workers' life should find a place in the future programme for development of statistics.

CONSUMER PRICE INDEX

31.27 We now come to the more controversial part of the statistical work done in the Labour Bureau at the Centre and in the offices of the Labour Commissioner and Director of State Statistical Bureau, in different States, viz., the compilation of the Consumer Price Index (hereafter referred to as 'the index'). Though the index at certain centres is old, its compilation did not attract attention almost till the eve of Independence. The index fluctuated within a small range and even where fluctuations were wide, nothing of importance in employer-employee relations was dependent on these fluctuations except in certain centres. The consumption pattern did not undergo any major variation either¹. The criticism against the index as not reflecting the reality of price change is a more recent phenomenon; and this criticism is voiced in many quarters.

31.28 With the rise in prices as a consequence of the Second World War, a part of the workers' emoluments (dearness allowance) in certain industries got linked with the local index where available, or the index of a convenient centre acceptable to the parties. In the early years of this linking, employers did not appear to be unduly concerned about it, but towards the close of the war and thereafter, the size of dearness allowance became so disproportionate to the basic earnings that the index attracted serious attention. Employers felt that it overstated the rise in price; workers equally strongly complained of deliberate under-estimation. The Government also has a primary interest in the authenticity of the index, as a bias one way or the other, if any, is not conducive to industrial harmony and its correction for any supposed error may adversely affect its own revenues and expenditure. On occasions the controversy did not confine itself within the constituents of the tripartite; it acquired a political dimension. The high stakes which the index has acquired in recent years call for a more detailed discussion of the various processes which build up the final index. Since the all-India series is built on the basis of indices for individual centres, it is the latter which require detailed examination.

31.29 It is important to recognise that the index merely measures the relative change in the value of a fixed basket of goods and services consumed by that part of the population for which it is relevant—in this case the working class. The

¹Even a major change in the compilation of the index consequent on introduction of distribution control in certain essential commodities in the food group did not attract attention when it was introduced during the years of the Second World War.

basket is initially valued at the base period, or a period as near the base as possible. To determine its composition a family budget inquiry in the working class localities is undertaken. Such an inquiry has necessarily to be on a sample basis and spread over a period of one year to remove seasonal variations in consumption. The sample itself is so chosen as to keep the errors within pre-determined limits. The number of items on which consumption expenditure is recorded is necessarily large.¹ However, for determining the relative proportion of total expenditure on different items in the base period, a smaller list is considered adequate. Items left out are either unimportant or their price behaviour could be linked with similar items included in the basket. Once the relative importance of different items in the basket, technically known as 'weight', is ascertained on the basis of expenditure on them in the base period, it is only the monthly changes in the prices of these items that are needed for working out the index.

31.30 The main elements which have a bearing on the index and around which the controversy centres are: (a) the base period which determines the weights, its distance from the year it is in usage; (b) the machinery and manner of price collection; (c) the method of compilation; and (d) the disappearance from the market of commodities included in the basket. We now examine the criticism against each of these elements.

31.31 (a) It is accepted that as one moves away from the base, particularly in situations of shortages to which the community has been subjected in recent years, the basket itself undergoes a change and working out changes in the cost of buying the old basket may become unrealistic. The interim all-India Index which was current for a major part of the period under reference suffered an additional criticism because it was not compiled on the basis of simultaneous inquiries at different centres, the indices for which were combined into the all-India index; nor did the methods of inquiry have anything in common. The base year adopted for the all-India series was 1949, while the component series had base periods ranging from 1926 to 1944. With effect from the index for August, 1968, the old series has been replaced by the one with the year 1960 as base. This new series is based on a larger number of centres, the inquiries for which were conducted simultaneously and with uniform concepts, definitions and methods. We may refer in passing to the resistance that developed to the publication of the new series (the 1960 series) and discontinuance of the old, which was held up

for over five years due to difficulties in arriving at an acceptable linking factor between the old and the new. The link had to be established by technical studies which were admittedly complex because the old series had currency for long at several centres.

31.32 The Labour Bureau worked out the linking factor for different centres by studying the movement of the two series over a period of time. While this mechanical linking was not objected to the final results were challenged by workers' organisations on the ground that before the link was established the old series required corrections which were long overdue. This criticism led to the appointment by many State Governments of Expert Committees to go into the question of suitable link for the indices current in the State. The Committees did discover deficiencies in the old series mainly arising out of the fact that price changes for some items in the clothing groups and house rent had not been revised over long periods. They corrected these deficiencies and recalculated the linking factor for each centre. It may be added that in the new series of indices (1960-100) steps have been taken to revise the house rent indices at half yearly intervals and also collect alternative prices for articles included in the index, so that deficiencies of the type which arose in the case of the old series may not recur.

31.33 (b) Part of the criticism against the machinery for price collection, we think, is unfounded, though some of it could be valid. A major difficulty in this area has been that in the years since Independence, the varieties of commodities included in the basket have been changing somewhat rapidly; as a result there is a qualitative change in the basket. On occasions, the rates quoted for old varieties could be so high that it would be unrealistic to compute the index on that basis. This apart, the manner of collection of prices has also been a point of complaint from employers and workers alike. To them there appears to be an element of 'casualness' about it. In view of the importance of this issue, we have examined the related evidence. Our conclusion is that if the alleged casualness were true, an examination of the trend of indices at various centres would have thrown up this defect in terms of relative variations from centre to centre, unless the price collection machinery was 'casual' at all centres. Since we do not accept this larger charge and since the relative variations are not wide we consider that 'casualness' is not established. There is even stronger evidence to reject it. The index of wholesale prices is maintained by an entirely

¹In the 1950-59 inquiry some 350 items were included in the budget. In the earlier inquiries the number differed from centre to centre, but the total was about 150 items.

different agency; it has a separate price collection machinery. As an economic indicator, it is considered to be one of the sensitive indices. It is used for major economic policies. Over a period, the price trends of comparable sets of commodities in the two series are not dissimilar. Significant correlation exists between comparable groups in the two series; and such correlation could not have been consistently revealed if the alleged defects existed in the machinery for price collection.

31.34 (c) and (d). The method of compilation, once the prices and weights are known, is mere arithmetic. This point is now commonly accepted, though on occasions complaints are made at individual centres. We are convinced that these are due to inadequacy of communication between the agency that compiles the index and its users. Every interest, which has to live with the index, recognises that in the days of shortages, changes in use of commodities according to availabilities will be quite common. The compilation of the index has necessarily to be adjusted to take account of the inevitability of substitutions. What the users do not appreciate is their being kept in the dark about these changes. We believe that more satisfaction could be given to users in these matters by the authorities showing readiness to supply such technical and other information to parties as is required.

31.35 The CLS concluded that—

- (i) the new All-India Index with 1960 as base constitutes a distinct improvement over the interim series with 1949 as base;
- (ii) at present the index numbers are available only for different centres and for all-India. It is necessary to introduce an index which will be representative of change in prices at the State level.

In endorsing the conclusion at (i), we note that the Labour Bureau has proposals for conducting fresh family living surveys during 1969-70 to bring out a new all-India Index series on the basis thereof. We recommend that the switch-over from the 1960 series to the proposed 1969-70 series should be expedited. We believe that with experience already gained and by using time-saving facilities for tabulation that are now available, the new index will be available early.

31.36 The compilation of State series has found general acceptance in the evidence before us. We would, however, caution that more centres in each State will have to be covered to make the resulting index to be representative of changes in

the States. This will mean additional expenditure. In recognition of this, the CLS suggested that the expenditure to be incurred in compiling the series appropriate at the State level should be shared by the Central and State Governments. We do not recognise any special need for this series in every State, but in regard to States which need it, we do not recommend sharing of additional expenditure between the concerned State and the Centre.

31.37 The fact that both employers and workers have attacked some aspects of the series from their respective view-points, should have been a sufficient justification to accept the validity of the index. We recognise, however, that the stakes involved are high and a stronger justification to establish the technical soundness of the series is needed. The Supreme Court in 1965¹ had an occasion to examine the series and the procedures adopted by the authorities in its compilation. The Court concluded that for the purposes for which the index was used, the series did not suffer from inadequacies of the type attributed to it. Even so, it may be necessary to give to the users of indices greater satisfaction. The main reason for the criticism is that the users do not have a feeling of having been adequately consulted. This seems to be a legitimate feeling. We recommend that arrangements should be made for consultation on the following lines:

(i) A formal avenue of consultation should be provided at the time the family budget inquiries, which are the basis for determining the weights of a series, are planned. It is not sufficient that decisions are taken on sound technical grounds. They must appear so to users who should be reasonably satisfied that (a) the delimitation of industrial areas, (b) the size of the sample, (c) the manner of sampling, (d) the items to be included in the schedule on which information is canvassed, and (e) the type of questions posed in the process of collecting information, are planned with a view to securing dependable results.

(ii) The selection of shops from which price data are collected presents no difficulty. The current arrangements for seeking information, not only on the variety of the commodity which is in use but also on similar varieties, have been made with reasonable caution. They provide data for linking the price changes in a variety which is disappearing with those of the variety which will continue in the market. The users should know what the alternative varieties are and why they have been considered to be so. An arrangement by which they are informed of the prices which are used in the compilation of the index should be made. This could be achieved by displaying

¹Civil Appeals Nos. 167 to 173, 537 and 538 of 1965 dated 10th August, 1965—Labour Law Journal, 1966, Vol. I, pp. 1-34.

a chart of prices collected during the week area-wise in the office of the Labour Commissioner. Users could voice any doubts about the prices displayed before the authority in charge of compilation and the authority should get these doubts clarified through an appropriate check by an officer who is senior in rank to the one who collects prices. The prices used in the final compilation should also be published.

(iii) The work of compilation of the index, though merely a matter of arithmetic, does raise some problems on occasions. It is best, therefore, that the main responsibility for compiling the series of indices should rest with the Labour Bureau. Those State Governments who want to be associated with the compilation of these indices should be allowed to do so; but the initiative and conclusive decisions in regard to the indices should remain with the Labour Bureau. Before the indices are released, they should be checked for their correctness by a committee consisting of the Director, Labour Bureau and a representative each of the Central Statistical Organisation and the Office of the Economic Adviser (Ministry of Industrial Development and Company Affairs). This procedure should not, however, result in delays in releasing the indices.

(iv) There should be a more acceptable procedure for introducing changes in the commodities, the prices of which go into the compilation of the index. It would be of help if the manner of introducing these changes, the technical problems involved and the way they are proposed to be tackled, are explained to the users through the usual channels open to the authority compiling the index.

(v) The family budget inquiries which form the basis of determining the 'weights' should be undertaken once in ten years and the work on linking of the old and the new series should be completed before the old series is discontinued. The process should be ordinarily over within two years of the completion of the enquiry.

LABOUR RESEARCH

31.38 Labour research covers a wide field and will include research on employment, technical skills, working conditions, wages, industrial relations, productivity, job evaluation, work study, social security, etc. It will also cover researches in special problems of groups of workers and even area studies which result in bringing to light the socio-economic issues facing the workers. Apart from the Labour Bureau, the Research Division and the Implementation and Evaluation

Division in the Department of Labour and Employment have regular research staff, whose work is directly connected with day-to-day policies of Government. Many State Governments have small research cells, which carry out socio-economic surveys and inquiries as and when necessary, as also their own units in charge of research, evaluation and implementation. Over the last twenty years, the development of case law in labour matters through the judgments of the Supreme Court and High Courts and the awards of industrial tribunals has added another important dimension to labour research. Though Government and employers' and workers' organisations are vitally interested in this latter work, research activity in the field is confined to the new class of advocates who have emerged for seeking relief to their clients in labour matters. Generally speaking, the interest shown by employers' organisations in research is oriented to specific situations with the aim of putting across the employers' viewpoint to the public. In the same way, detailed research undertaken by any labour organisation so far has been for the purpose of sustaining its claim before a tribunal/court, or giving occasional publicity to the workers' point of view. Among the other agencies are social science institutes, schools of social work, economic research institutes, and centres specially set up for labour research. The interest of some of the agencies named above is direct, for others it is more remote. In an Annotated Bibliography of Select Labour Research in India¹ for the period 1956-62 prepared by the Labour Bureau, 350 research surveys and studies are mentioned. Of these, 117 were conducted by Central Government Departments, 74 by State Government Departments, 86 by research institutions, 68 by universities and 5 by others. Such bibliographies are apt to be incomplete. In spite of the late start of this process, the progress in this field is encouraging. In the last six years research activity has strengthened further. All this is a welcome development.

31.39 Coordination of research in the field of labour has its own problems. Research on working conditions, though useful in understanding a facet of labour problems, may be related to medical research or research in designing safe machines. So may the research undertaken or likely to be sponsored by the Employees' State Insurance Corporation for prevention of sickness or accidents and the like. Investigations undertaken by the Directorate General of Employment and Training tie up with planning and education as much as they help in a better understanding of labour problems. But having said this, we consider that there is still a large area where coordinated research

¹Labour Research—Labour Bureau Pamphlet Series 4 1963, page 55.
60—1 MS/NCL/69

and coordination of research are possible. The Department of Labour and Employment had proposals to start a Central Institute of Labour Research, with 'coordination' of labour research as one of its functions. These have not made any progress perhaps under pressure of financial stringency. The Research Programmes Committee of the Planning Commission had a sub-committee for promoting labour research. Some coordination could have been possible through this sub-committee which, however, is no longer functioning. Recently the Government of India has set up a Council of Social Science Research, an autonomous body which will take in its stride all social sciences for promoting systematic research by providing financial assistance to universities/research institutions for approved schemes. We hope that this Council will recognise labour research as one of its important branches. This will introduce the much-needed coordination in labour research within the overall discipline of social sciences research.

31.40 The CLS after reviewing the whole situation in the field of Labour research, made the following main recommendations:

- (a) Labour research should be purposeful and need-oriented. The emphasis should shift to applied research having a direct bearing on the problems faced in the labour field. This should not rule out methodological investigations bearing on such labour problems as are likely to crop up in the future development of the country.
- (b) For improving the quality of labour research, there should be proper screening and training of research staff.
- (c) While arrangements for research in Government departments need to be strengthened, objective research in the labour field can best be conducted through universities and research institutions. They should receive grants from the sponsoring agencies on a project basis. Project directors from the universities/research institutions should at the same time be in close touch with appropriate authorities in Government and organisations of employers and workers in the conduct of research oriented to needs.
- (d) The personnel in Government departments and in employers' and workers' organisations should be encouraged and given opportunities for training and participation in research projects. Universities/research institutions should provide necessary facilities for such collaboration.

- (e) Trade unions should be encouraged to undertake research studies in their spheres of interest. This can be achieved, wherever necessary, by associating in the first instance interested union leaders and research workers sponsored by them, in the operational programmes of studies to be conducted by specialised agencies.
- (f) There should be effective arrangements for ensuring a broad-based coordination in the field of labour research. The whole programme in this field should be fitted into the wider framework of social research.

31.41 Most of these conclusions have a bearing on the general field of research, particularly social research. We do not comment on these suggestions because they have an obvious appeal. However, we wish to underline that in the field of labour research there is greater need for making such research acceptable to the concerned interests. Both employers and unions as indeed even Government have a tendency to underrate conclusions reached by research workers. And this is particularly so, in the field of social research where new methods are continuously being evolved. We recognise that a new method of research becomes acceptable to one group or another if it suits the user, not otherwise. And in this case the interests of users are in conflict.

31.42 In Britain, research is being increasingly used as an aid in reforming industrial relations. In other developed countries the situation is not different. At one time industrial relations proceedings were conducted without adequate information and the participants—managers, trade unionists, arbitrators, and conciliators—were only concerned to settle specific problems, the rate of pay here or the settlement of a strike there. Those days are now gone. Industrial relations all over are being drawn into the area of systematic Governmental and other researches and inquiries. The employers' organisations and the unions also are setting up programmes to get information themselves. The signs are that in future industrial relations will be carried on under the searchlight of continuous survey and research, all of it ultimately to be made public and designed to encourage changes for the better. We recommend such a development in our country also and hope that there will be a wider collaboration among government, universities, research institutions and employers' and employees' organisations in the field of labour research.

31.43 We have already pointed out that at present there are no effective arrangements for

broad-based coordination in the field of labour research. The setting up of a Central Institute of Labour Research and its proper functioning, as contemplated by the Department of Labour and Employment, would have filled this gap. This Institute was to have functioned as an independent public body with nominees of Government, employers, workers, universities, research institutes and experts with the following main objects:

- (i) to undertake, aid and promote research in the field of labour, particularly on problems having a bearing on (a) development of harmonious relations between employers and employees; (b) creation of an atmosphere suitable for improvements in productivity; (c) promotion of better working and living conditions for labour; and (d) evolution of national wage and benefit policies;
- (ii) to identify and define labour problems that call for research with a view to discovering possible lines of solution to these problems;
- (iii) to undertake training programmes for the benefit of research workers in fields related to the object of the Institute, and for those who may be expected to carry on research outside the Institute;
- (iv) to disseminate the results of the research studies;
- (v) to encourage and stimulate research on topics with a bearing on labour through the agency of existing organisations engaged in labour research and to give grants-in-aid, where necessary, to such organisations and others interested in labour research;
- (vi) to cooperate with national and international agencies and research workers abroad engaged in labour research, in carrying out comparative studies and in the exchange of ideas and information;
- (vii) to establish and maintain centres for research in labour problems; and
- (viii) to undertake, organise and facilitate study courses, conferences, lectures, seminars and the like to promote the objects of the Institute.

In view of the comprehensive functions proposed for the Institute, its proper working would have been a step in the right direction for undertaking, coordinating and encouraging labour research on an all-India basis. The responsibility for providing the necessary leadership and resources in this field should rest primarily with the Department of Labour and Employment, Government of

India. There have been precedents for such arrangements in other Ministries/Departments in the Government of India for conducting research studies through either their own agencies or appropriate research institutes by giving them grants-in-aid. Farm Management Studies organised by the Ministry of Food, Agriculture, Community Development and Cooperation; research on family planning organised by the Ministry of Health; and research and surveys undertaken by the Programme Evaluation Organisation of the Planning Commission are instances in point. We recommend that the Department of Labour and Employment should re-examine the difficulties which cropped up in the way of proper functioning of the proposed Central Institute of Labour Research and activate the Institute.

31.44 The scope and activities of the Institute should be enlarged so as to enable it to play an important role in providing consultancy services and promotion of arbitration. The consultancy services should be provided to those who seek such services. Such consultancy will be of benefit both to industry and labour and, at the same time, will give the Institute a more practical bias. The Institute should, in due course, also develop an Arbitration wing which will work in close collaboration with the National Arbitration Promotion Board. There could be situations where, in its promotional work, the Board will require assistance from the Institute or it may count on the services of qualified senior personnel of the Institute to arbitrate in certain matters if their names are accepted by the concerned parties. Such arbitration work brings the staff of the Institute in contact with live problems and this orientation to the Institute's work can turn out to be invaluable.

LABOUR INTELLIGENCE

31.45 We now describe in brief the arrangements for keeping the public informed about developments in the field of labour. As in other cases, such arrangements for publicising labour statistics and research studies centre round institutions/organisations which publish their own reports or bring out periodicals. To some extent, the Labour Bureau acts as a central clearing house in this matter through its own publications like the Indian Labour Journal (monthly), the Indian Labour Statistics (annual), and the Indian Labour Year Book (annual), apart from the annual reports on the working of different labour enactments. The Department of Labour and Employment places every year its annual report before Parliament; and so do the Labour Departments of States before the State Legislatures. These

contain an account of important events during the period they cover. Many State Governments publish monthly Labour Gazettes or Bulletins; some of these are in regional languages, e.g., the Shramik (Hindi) in Bihar, the Shramdeep (Gujarati) in Gujarat, the Shramjivi (Hindi) in U.P., the Shramik (Oriya), in Orissa and the Shram Patrika (Hindi) in Delhi. Newspapers and periodicals publish in popular form research articles on subjects of topical interest. Central organisations of employers and workers use circulars, newsletters, journals and periodicals for the purpose of communicating their views and activities to their members and to the public. Some research institutions have their own journals. Seminars and conferences are held to focus attention on specific labour problems and their conclusions are publicised. Apart from the special notice

taken by newspapers through their editorials on many occasions, other mass media like radio and television have played the role of educating the public on matters of interest to labour. Because of the development of labour law in the country, journals, solely devoted to case law in labour matters, are also in demand.

We note with satisfaction that since Independence the avenues for understanding issues involved in labour matters through statistics and research are improving constantly. We are aware that forcing the pace in this regard would result in loss of quality. We hope that labour intelligence will develop on its own in response to the changing situation and therefore make no special recommendation in this regard.

ANNEXURE I

(Ref. para 31.5)

Important surveys conducted by the Labour Bureau during the Plan periods

- (1) Second Agricultural Labour Enquiry—1956-57.
- (2) Occupational Wage Surveys 1958-59 and 1963-65 in 45 major industries.
- (3) The Survey of Labour Conditions in 46 selected mining, plantations and factory industries (1959-66).
- (4) Study of Labour Conditions in Public Undertakings in certain selected manufacturing and mining industries (1959-66).
- (5) Working Class Family Living Surveys at 50 centres, (1958-59).
- (6) Family Living Survey of the Tea Plantation Workers in Tripura (1959-60).
- (7) Family Living Surveys among Industrial Workers in Himachal Pradesh (1964-65).
- (8) Family Living Survey at 5 selected centres—namely Bhilwara, Chhindwara, Rourkela, Bhilai, Kothagudium (1965-66).
- (9) Family Budget Inquiry in Goa (1966-67).
- (10) Survey in non-coal mines for purposes of collecting data in connection with formulation of an attendance bonus scheme for workers employed in Iron Ore and Manganese and Mica Mines Industries (1962-63).
- (11) Rural Labour Inquiry (1963-65).
- (12) Surveys of conditions and problems of contract labour in selected industries (1957-61).
- (13) Rapid Survey in non-coal mines for examining the question of extension of the Minimum Wages Act, 1948 to such mines (1965-67).
- (14) Sample Survey of indebtedness among workers in Iron and Steel Industry (1965-66).
- (15) Survey of Housing Conditions of Workers in Coal Mines (1967).
- (16) Study on how workers manage to make both ends meet during periods of lay-off and temporary unemployment and their indebtedness (1968-69).
- (17) Family Budget Enquiry of Railway Porters and Vendors (1966-68).
- (18) Survey of Working and Living Conditions of Circus Employees in India (1968-69).
- (19) Intensive type Study of Rural Labour in India (1967-69).

ANNEXURE II
(Ref. para 31.19)*Components of Wages under Various Acts*

S. No.	Name of the Act	Basic Wage	Dearness Allowance	Money value of other benefits and concessions	Bonus	Travelling concessions	Arrears
	1	2	3	4	5	6	7
1	Payment of Wages Act, 1936	*	††	—	*	—	*
2	Payment of Wages (Railway) Rules, 1938	*	*	—	*	—	*
3	Payment of Wages (Mines) Rules, 1954	*	*	—	*	—	*
4	Employees' State Insurance Act, 1948	*	*	—	*	—	*
5	Industrial Statistics Act, 1942	*	*	*	*	—	*
6	Coal Mines Provident Fund Scheme, 1948	*	*	—	—	—	*
7	CPWD Contract Labour Regulations, 1948	*	*	—	*	—	*
8	Minimum Wages Act, 1948	*	*	—	*	—	—
9	Workmen' Compensation Act, 1923	*	*	*	*	—	—
10	Employees' Provident Fund Act, 1952	*	—	—	—	—	—
11	Industrial Disputes Act, 1947	*	*	*	—	*	*

*includes.

††includes (by inference).

—excludes.

ANNEXURE III
(Ref. para 31.19)

Typical Time Factors for the Publication of Selected Items of Labour Statistics

Name of the Survey	Time from end of reference period to date when sufficient returns to prepare estimates (Months)	Time required for tabulation of provisional data (Months)	Time required for printing provisional data (Months)	Time from end of the reference period to date when all returns are available (Months)	Time required for preparation of final Report (Months)	Time required for printing final Report (Months)	Reference date of most recent data published (As on Dec 31, 1968)
1	2	3	4	5	6	7	8
1. Factory Statistics	12	3	2	17	8	12-24	1964
2. Industrial Relations Statistics	2	1	2	7	11	2	1966
3. Trade Union Statistics	21	3	3	30	9	6-10	1962-63
4. Wages and Earnings of Factory Workers	14	1	2	23	1	2	1964

Source: Labour Bureau.

CHAPTER 32

INDIA AND THE ILO

The contribution of our country to the thinking on international labour problems has had a history long before Independence. Indian workers had settled down in many countries in South East Asia and had reached as far as Fiji Islands in the east. In the west, emigrants from our country settled in West Asia, Africa and far beyond in the West Indies. Indians played a useful role in the social and economic life in the countries, which sustained them in the days when labour was required for development. Such success as they achieved was watched with interest in our country then, as much as their worries highlighted by our leaders with the effectiveness which a dependent nation could command. Partly because of this direct interest and partly because of the desire in the country to have a better understanding of labour problems elsewhere for the benefit of the working class in the country, leadership in Government and among workers and employers showed keenness to understand international labour problems.

ILO—Early History

32.1 At the end of the First World War India, though a dependent country, was given a place in the Peace Conference and in the League of Nations which was established as a forum for international understanding. The Peace Conference led to the creation, in 1919, of the International Labour Organisation (ILO), an event of considerable significance to labour in all lands. The main aims of the organisation were: (i) to remove injustice, hardship and privation of large masses of toiling people all over the world; and (ii) to improve their living and working conditions and thus establish universal and lasting peace based upon social justice. As a signatory to the Treaty of Versailles and as a member of the League of Nations, India was automatically admitted to the ILO, at the time of its inception in 1919. During the first two years of her membership, India remained an ordinary member of the Governing Body. Persistent efforts by the delegates of our country in the International Labour Conferences, aided by the support of friendly nations, secured for India, in the third year of its membership, one of the non-elective Government seats on the Governing Body of the ILO as a country of industrial importance. The country has continued to enjoy this status since.

32.2 With the outbreak of the Second World War, the League of Nations became defunct. The ILO and all that it stood for received a rude shock and there was a lull in its activities. The deep conviction the world over that the way to peace still lay through social justice made the ILO hold a special session of the International Labour Conference at Philadelphia (June 1944) to consider the programmes and policies to be pursued by it when peace arrives. The aims and purposes of the ILO were redefined in the form of a Declaration, the Declaration of Philadelphia, which was later made part of the ILO Constitution. After the creation of the new world body, the United Nations, in October, 1945, the ILO was given the status of a Specialised Agency and the Agreement in this regard came into effect in 1946.

32.3 Towards the end of the Second World War, when the ILO was returning to full operations, the need was felt for the formation of a series of expert bodies for the purpose of considering the special problems of major industries. Accordingly 8 Industrial Committees and 2 analogous bodies were set up between 1945 and 1948. All the Industrial Committees are tripartite in character and are composed of two representatives each of Governments, employers and workers from every member-country represented on these Committees. Our country is at present a member of nine out of a total of ten such bodies.

Structure and Activities

32.4 The ILO has three Regional Advisory Committees functioning at present, the Asian Advisory Committee (since 1950), the African Advisory Committee (since 1959) and the Inter-American Advisory Committee (since 1965). Also a number of specialised bodies function under the general authority of the Governing Body. Some of them are standing expert bodies like the Committee of Experts on the Application of Conventions and Recommendations, Committee of Social Security Experts, Permanent Agricultural Committee and Joint Maritime Commission. Others are *ad hoc* bodies which meet as and when found necessary to consider specific problems. ILO has in addition Panels of Consultants on: (i) problems of women workers; (ii) problems of young workers; (iii) co-operation; (iv) indigenous and tribal

population ; (v) workers' education and recreation.

32.5 Finally, there are committees linking the ILO with other branches of the United Nations and its Specialised Agencies. On problems of common concern to more than one agency, there are arrangements for inter-agency consultations which are expected to avoid duplication of effort and bring about the much needed coordination.

32.6 Today the ILO stands as one of the specialised agencies of the United Nations with a longer history than any of its sister organisations. This in itself is proof of the good work done by the organisation in the field of promoting the dignity and welfare of man through international cooperation. This was made possible by the keen interest evinced by member-countries in its work and by the efficient staff support provided by the International Labour Office which is one of the operative arms of the organisation. The membership of the organisation has now reached 118. We consider it a happy coincidence that at the time we write our report, the ILO is celebrating its fiftieth anniversary.

32.7 The ILO is a tripartite organisation consisting of representatives of Government, employers and workers of the member-countries. There is parity of representation as between Government and non-Government groups and also between employers' and workers' groups. The structure of the organisation has helped in welding together employers and workers in different countries into independent organisations. In our country, the first national federation of workers, *viz.*, the All India Trade Union Congress, was born within one year of the setting up of the ILO to represent our workers at the International Labour Conference. Since Independence, the INTUC has taken its place as the most representative organisation of Indian workers. In the early days, employers had their organisations too, but for activities not necessarily connected with labour. The requirements of representation on the ILO brought them closer. Of late, the Council of Indian Employers has been helping Government in choosing the employers' delegation. For a long time now the representatives of employers and workers in our country have secured, through their respective constituencies, elective posts on the Governing Body of the ILO.

32.8 The ILO operates through its Governing Body, the Office and the International Labour Conference which meets once a year to review

the international labour scene. The Annual Conference sets normative standards on important matters such as regulation of hours of work and weekly rest in industry, equal remuneration for equal work, abolition of forced labour and discrimination in employment, protection of workmen against sickness, disease and work-injury, regulation of minimum wages, prohibition of night work for women and young persons, recognition of the principle of freedom of association, organisation of vocational and technical education, and many areas concerning labour-management relations. The standards are evolved after a full debate in the Conference with adequate time given to the three wings of the tripartite for appropriate consultation. Usually the standards are accepted after discussions in the Conference over two successive years. Agreed standards on a specified subject are then converted into an international instrument, a 'Convention' or a 'Recommendation', each having a different degree of compulsion. A 'Convention' is binding on the Member-State which ratifies it ; a 'Recommendation' is intended as a guideline for national action. So far, the ILO has adopted 128 Conventions and 132 Recommendations.

32.9 The International Institute for Labour Studies was established in 1960 as a centre for advanced studies in the social and labour field. The Institute has two broad aims : education for leadership in the labour and industrial relations and research for developing ideas on labour policy. In addition to research work carried out by the staff of the Institute or under its auspices, the Institute's research conferences bring together researchers, social thinkers and social practitioners from various parts of the world.

32.10 The annual conference of the ILO is an important event. It has been urged before us that preparations for the participation of our country in the annual conference need improvement. The conference takes place in June every year. Agenda items for the conference are known well in advance. We feel that it should be possible to be better equipped for the country's participation in it, though in the conference itself each group has a separate identity. The choice of delegates should be made much ahead of time. A preparatory meeting, convened by the Labour Minister with the participation of all delegates and advisers to discuss the agenda items, could help the participants to evolve the stand that our delegates should take. Employers' and workers' representatives operating in their respective groups could benefit from such discussions and so would Government representatives in understanding the views of

employers and workers. According to the present arrangements, each delegate is allowed two advisers irrespective of the complexity of problems discussed in the Conference. We recognise the need to limit the size of delegations to be sent abroad because of difficulties of foreign exchange but feel that a more flexible approach in this matter is called for. It should be possible to increase the strength of the delegation taking into account the complexity of the subjects to be discussed in the Conference.

Principles of Social Justice

32.11 In assessing the international obligations of our country, a basic fact to be kept in mind is the close association which has been maintained by India with the ILO and the part played by our representatives in shaping its Conventions and Recommendations. In the fifty years of its existence, the ILO has worked consistently for the achievement of "universal and lasting peace", which in the words of the Preamble to the ILO's Constitution, "can be established only if it is based upon social justice". The Preamble to our own Constitution also lays down the objective of establishing 'Justice—Social, Economic and Political'. 'Social Justice' eludes definition and is ambivalent of description in the international context. The principal function of the ILO in its quest for social justice has been to safeguard the rights and promote the well-being of working people all over the world. With the ILO, well-being is not a paternalistic concept; it has to be secured through the upholding of the principles of freedom, individual dignity and liberty without which social justice tends to become charity. The Fundamental Rights guaranteed in our Constitution and the Directive Principles of State Policy, to which we have made reference earlier, between them explain the influence which the ILO's Charter has exercised on this country.

32.12 In all its activities the ILO has advocated conciliation and compromise among its three constituents—Governments, employers and workers. It is the principle of tripartite co-operation that has provided strength to the ILO. The principle pre-supposes that social justice can be achieved without class struggle or class conflict. The parties can always enter into a meaningful dialogue and discuss problems in a spirit of tolerance with a view to evolving a workable consensus. We, in India, have been

considerably influenced by this principle of "tripartism" in the labour field, particularly during the last twentyfive years. As already pointed out, it is now at the very core of many labour practices.

Operational Programmes

32.13 Our cooperation with the ILO should not end here and indeed it does not. If India has participated in evolving an international programme, it should be her responsibility to associate actively in seeing it through. In the early fifties, the ILO started a wide range of operational programmes to promote economic progress in the developing countries. This is the one area on which our delegates, irrespective of the group to which they may belong, have been laying constant emphasis. With the increase in the ILO membership in recent years, by the addition to it of a number of developing countries, our delegates have been pressing the ILO to move faster in this direction. Even as late as last year, in addressing the International Labour Conference, the leader of the Indian delegation stated :

"I very much hope that during the coming years the ILO's principal activities will be directed towards the promotion of economic development, without which we cannot ensure humane labour conditions. Human rights can never be a matter of conferment by legal formulation. They must grow out of the economic and social environment and it is in the creation of this environment that the ILO must make its maximum contribution."¹

32.14 India has benefited by the ILO's programmes of technical cooperation, particularly from 1952 onwards. In 1951 the ILO and the Government of India concluded a basic agreement for the provision of technical assistance mainly in the form of experts and fellowships. Under this Programme, 61 ILO experts have been made available to India and 169 Indian nationals have been provided fellowships for study abroad up to the end of 1968. The experts sent by the ILO covered the fields of social security, productivity, training within industry, employment information and counselling, vocational training, training of craft instructors, industrial relations, workers' education, industrial hygiene, mines safety, management development, industrial physiology, industrial engineering, etc. India has also received assistance

¹ Report of the Indian Government Delegation to the 52nd session of the International Labour Conference (Geneva, June, 1968), page 25.

in the form of 9 U.N. Special Fund Projects with the ILO as the Executing Agency. The purpose of these projects is to assist the Government of India in its industrial expansion programme envisaged under Five Year Plans. These projects include the setting up of (i) five Central Training Institutes to meet the expanding needs of trained Craft Instructors, (ii) three Regional Labour Institutes for education, research and training in labour and allied problems, (iii) the Central Mining Research Station for the promotion of health, safety and efficiency of workers in mines, (iv) a National Institute for training in Industrial Engineering for training executives in industrial engineering techniques, methods and practices, and (v) a pilot institute for training and advisory services in the design and construction of moulds, dies and tools for the plastic pressing and other industries. In June, 1967, the following three new projects for India were approved by the U.N. Special Fund with the ILO as the Executing Agency : (a) National Apprenticeship Scheme; (b) Advanced Vocational Training Institute ; and (c) Tool Room Centre.

32.15 In recognition of the fact that such assistance can be a two-way traffic, India while receiving help from other countries through the ILO, has offered assistance to the international community. She has provided training facilities for many Asian students on ILO fellowships ; many Indians are working as staff members of the ILO at its headquarters in Geneva, and many more have taken field assignments in the ILO technical cooperation projects throughout the world. There is however considerable scope for improving this two-way traffic.

World Employment Programme

32.16 The account of the activities of the ILO will be incomplete if note is not taken of the programmes it proposes to develop in the coming years, programmes which appear to us of special significance. In this year of its fiftieth anniversary, the ILO proposes to launch a World Employment Programme (WEP) with the active cooperation of other international organisations. The aim of this Programme is to provide member-States with advice and practical assistance in devising policies that will increase the amount of productive employment available, thereby reducing unemployment and under-employment. The work on the WEP will be done on a regional basis. Already steps have been taken for the formulation of an Asian Manpower Plan, an admittedly complex component of the WEP. A characteristic feature of economic development

in many Asian countries with a large population base is their inability to generate employment opportunities commensurate with the growth in population. The primary objective of the Asian Manpower Plan is to help countries of the Asian Region achieve higher levels of productive employment and to develop the corresponding skills. It is designed to promote a systematic region-wide effort along two mutually reinforcing lines—one national and the other regional. It is expected that the information and experience of different countries in this field would be available to the regional efforts, while the regional analysis will feed back material and ideas to the national machinery. It is a two-way traffic. The Plan would thus stimulate, facilitate and coordinate active national employment policies—the main emphasis being on policies for medium and long-term problems of employment. It is also its object to estimate the magnitude of international support required for the programme. While such exercises have been going on in every country, the ILO expects the Asian Manpower Plan to provide an integrated picture to emerge, through a better-focus on the employment needs and the developmental outlays required therefor. The WEP goes a stage further. It envisages, within its resources availabilities, a long-term action programme for the ILO in which the main emphasis would be on employment-oriented development. This again is an activity which is close to our programmes of development ; in fact, among the developing countries having a large population and working within a democratic framework, India has been the first to think of its development and planning in terms of its manpower and employment problems. We expect that the international community will benefit by India's experience as much as she would like to benefit from similar experience elsewhere.

Problems of Youth

32.17 The ILO proposes to devote increasing attention to the problems of growing unrest among the youth mainly in the light of provisions for formal schooling with subsequent technical or technological bias. The query that the ILO has posed to itself is, "Does training today prepare young people for the enjoyment of the rights and assumption of the responsibilities in the complex world of today?" This again is a topical problem the world over. To us it has a familiar ring in the context of unrest among the youth for which many remedies are being offered. The problems of youth will differ according to the state of affluence in the society. We only hope that in analysing the causes, the ILO experts will show an awareness

of the generation gap that separates them from the youth of today. We should profit from any appraisal or action-programme undertaken by the ILO in this important task of building up the country's youth.

32.18 Another area in which the ILO hopes to make a major effort is to identify and attack the basic reasons for man's inability to live in peace with people of different origins, races, religions and backgrounds. The struggle for social justice means struggle for elimination of all forms of discrimination. Indian delegates to the International Labour Conferences have been championing this cause; in fact, this has been one of our important contributions. The renewed emphasis on this programme is also in line with what we, as a country, have been urging at international forums.

Procedure for Ratification of ILO Conventions

32.19 The oldest and one of the most important functions of the ILO has been to set labour standards through the Conventions adopted by it. Before a Convention is adopted, a full debate takes place in a committee of the Conference, as a prelude to fuller discussion in the Conference. Usually the debate is in two stages. The first is devoted to the analysis of the problem and to reach a decision as to the need for an international instrument. The second stage is taken up with the adoption of the appropriate instrument.

32.20 Acceptance of a Convention by the International Labour Conference places an obligation on Governments of the member-State to present the Convention within a specified time-limit (18 months for a Federal State) to the competent legislative body, in our case the Parliament, indicating the action taken or proposed to be taken. It is open to Government not to ratify a Convention; but the Government has to justify its stand before the legislature. A member-State can refuse to ratify a Convention, but if it wants to ratify it, it has to do so in full. Generally, after ratification takes place, the Convention is given effect to through a new enactment, a modification in the existing law or a change in the administrative practices and procedures. The instrument of ratification is to be deposited with the International Labour Office. Information on measures taken in pursuance of the ratified Convention has to be conveyed to that office through annual reports. The process does not end there. The reports sent by member-States are examined by an independent Committee of Experts on Applica-

tion of Conventions and Recommendations to ensure compliance. The report of this Committee is a subject matter of debate in the International Labour Conference. This shows how diligently the ILO guards the observance of Conventions. A Recommendation, on the other hand, contains provisions which are only in the nature of guiding principles for national action. They may be implemented progressively and in parts.

Ratification of Conventions by India

32.21 Compliance with international labour standards cannot be judged merely by the number of Conventions a country ratifies. This is because there can be constitutional and administrative difficulties in a formal ratification. The impact of the Conventions on labour legislation in our country far exceeds that warranted by the number of formal ratifications. Even so, it is useful to examine the state of ratification of Conventions. Of the 128 Conventions, 5 have replaced old ones which are no longer open to ratification. 9 Conventions relate to Indigenous Workers or Non-Metropolitan Territories; these are not applicable to India. Another group of 23 unratified Conventions, mostly relating to seamen, depend for their ratification upon arrangements with other countries, mainly the U.K. because a number of Indian seamen serve on British ships. An informal tripartite committee has been set up in the Ministry of Transport and Shipping to review the possibility of ratification of these Conventions. This leaves 91 Conventions, out of which India has ratified 30. We have been informed by the Department of Labour and Employment that out of the balance of 61 Conventions, 15 are considered to be impracticable of ratification under present conditions. These 15 Conventions deal mostly with agricultural labour (*e.g.* sickness, old-age and invalidity insurance in agriculture) and with fishermen (*e.g.* medical examination, minimum age of fishermen). The basic requirements of some of the remaining 46 Conventions, we are assured, are being implemented, though formal ratification has not been found practicable because of their wide coverage. In some others, technical and administrative difficulties that have cropped up stand in the way of ratification. Government has set up a standing tripartite Committee on Conventions which systematically reviews the position in respect of unratified Conventions and explores the possibilities for their ratification. We understand that there has been a shift in emphasis in our country from formal ratification of Conventions to implementation of their basic provisions. The earlier practice of ratifying the Convention

first, followed by the necessary measures for implementing the provisions has been discontinued. The official policy seems to be to move progressively towards implementation of the standards embodied in the instruments without attaching much significance to formal ratification.

32.22 While this will give the substance of privileges of an international instrument, there is something to be said in favour of formal ratifications. We recommend that the Government should, over a period, seek to ratify the Conventions which may have been held up because of technical and administrative difficulties. It is possible that as we develop our economy, some of these difficulties will be overcome.

32.23 Of the 30 Conventions ratified by India (Annexure I), 11 were ratified prior to 1930, 4 between 1930 and Independence, and 15 after Independence. Labour being a subject on the 'Concurrent List' in our Constitution, ratification of a Convention often involves action on the part of individual State Governments. The Central Government has therefore to act in unison with the States. This has some implications in the context of differences in political persuasion of the Central and State Governments. We hope that these political differences will not introduce difficulties in improving labour standards which is the main object of the Conventions.

32.24 The seven Conventions which deal with fundamental human rights are regarded as particularly important. These are the Conventions regarding: (i) Right of Association (Agriculture), (ii) Discrimination (Employment and Occupation), (iii) Equal Remuneration, (iv) Forced Labour, (v) Abolition of Forced Labour, (vi) Freedom of Association and Protection of the Right to Organise, and (vii) Right to Organise and Collective Bargaining. From time to time the ILO has been making urgent appeals to the member countries to ratify them. A special appeal was also made to ratify them before 1968, which was the International Year for Human Rights.

32.25 India has ratified the first four and the others have remained unratified. The Convention on Abolition of Forced Labour totally prohibits compulsory labour; its ratification would prevent the State Governments from requisitioning labour even in emergencies like scarcities, famines or floods. The Convention concerning Freedom of Association and Pro-

tection of the Right to organise has not been formally ratified though we ought to add that the freedom to form associations or unions is one of the fundamental rights guaranteed by Article 19(1)(c) of our Constitution. The Convention envisages complete non-interference by public authorities in the affairs of trade unions of all workers, except those engaged in armed forces and police. The Trade Unions Act, 1926, has certain restrictive provisions regarding the number of outsiders on the executives of unions and gives powers to the Registrar of Trade Unions to look into the records of unions. Also, according to rules framed by Government, it is incumbent on associations of Government employees not to have outsiders on their executives and not to affiliate themselves with any outside body or any confederation of Government employees not recognised by Government. It is the view of the Government of India that these restrictive measures are necessary under present conditions. The Convention concerning the Application of the Principles of the Right to Organise and to Bargain Collectively, poses similar difficulties which are reported to be under consideration of the Government. We believe that the implementation of the relevant recommendations made by us in this regard will necessitate a re-assessment of the situation by Government in the years to come.

Observance of Ratified Conventions

32.26 We referred earlier¹ to the Expert Committee on Application of Conventions and Recommendations which reports to the International Labour Conference on the manner the ratified Conventions are observed by member States. Our country has been unable to convince the Committee on two issues. India has been informed by the Committee that some of the Acts empowering the Panchayats to requisition labour in emergencies contravenes the provisions of the 'Forced Labour' Convention. We believe that 'Forced labour' is a harsh description for the activities which public authorities undertake during emergencies. In regard to the 'Equal Remuneration' Convention the Expert Committee has expressed doubts whether existing differentials in our wage-rates for men and women are due solely to differences in output. We have discussed this point elsewhere in some detail and come to the conclusion that the position in this regard is somewhat obscure. The objection of the Expert Committee is fully borne out by the evidence before us in terms of the full requirements of the Convention.

¹Para 32.20.

32.27 The Convention which envisages elimination of discrimination in the field of employment and occupation on grounds of religion, race, caste, sex, descent, place of birth or residence was ratified on the strength of the constitutional provisions providing for equality of opportunity as one of the fundamental rights of citizens. We have been told that the policy of non-discrimination in employment opportunities is pursued fully in public employment and has been accepted by the all-India organisations of employers and of workers in regard to employments in the private sector.

Implementation of ILO Recommendations by India

32.28 As stated earlier, the ILO has so far adopted 132 Recommendations. Of these, 5 relating to Indigenous Workers or Social Policy in Dependent Territories are not applicable to India. Another 16 are such that their provisions have either become out-dated or have no relevance at present. Of the remaining 111, we have fully implemented 31 (Annexure II), one is under examination and 66 are at different stages of implementation. The remaining 13 are considered to be not practicable for implementation at present. Among the 66 Recommendations at different stages of implementation, the important ones are : Lead Poisoning (Women and Children), Labour Inspection (Health Services), Hours of Work (Inland Navigation, Hotels, Theatres, Hospitals, Sea, etc.), Minimum Wage Fixing Machinery (Agriculture), Employment Policy, Conditions of Employment of Young Persons (Underground Work). The 13 Recommendations which are not considered practicable of implementation at present relate to Unemployment and Unemployment Provision, Hours of work (Fishing), Unemployment Insurance (Seamen), Social Insurance and Holidays with Pay (Agriculture), Minimum Age (Family Undertakings and Underground Work), Social Security and Medical Care for Dependents (Seafarers), Employment Injury Benefits and Invalidity, Old Age and Survivors' Benefits. The latest Recommendation in the series adopted in the 1968 session of the International Labour Conference concerning the improvement of conditions of life and work of tenants, share-croppers and similar categories of agricultural workers, is under examination by the Government.

Recommendations for Further Progress

32.29 Because the ILO Conventions lay down

international labour standards, they cannot and do not take into account conditions peculiar to any country. The Conventions are not at all flexible; once ratified, they have to be implemented in full with all their legalistic implications but without leaving freedom of action on the part of national governments. Apart from these basic difficulties, there is another which is peculiar to countries with a federal structure with labour on the Concurrent List. We note that the USA with significantly higher labour standards, has ratified only 7 Conventions, almost all of them relating to seamen, a subject exclusively within the federal jurisdiction. They have not touched even a single Convention which may introduce conflicts in Federal-State relations. The position in Australia is almost similar. In this connection, the Conference of Asian Labour Ministers held in New Delhi in January, 1969, declared as follows :

"The Conference takes this opportunity to invite the attention of the ILO to the need for a review of some of the existing ILO Conventions with reference to their consistency with the needs and realities in the Asian countries, and to point out that if these member-States are to participate in the various ILO Conferences in a more meaningful and effective way, it is necessary to ensure that the subjects coming up for consideration at the International Labour Conferences and the standards proposed are of more direct relevance to the needs and conditions of the majority of the developing countries of the world."

32.30 International obligations which devolve on India as a result of our long association with the ILO have to be discharged in several directions : (i) adopting the aims and objects of the ILO for national action ; (ii) cooperating at the international and regional levels in the programmes of the ILO; and (iii) progressive implementation of the standards set up by the ILO. We feel that we have made adequate progress in all these directions and we hope that this process will gain momentum in future. Though there are difficulties in implementing many of the Conventions/Recommendations, it will give the working class in the country psychological satisfaction if Government declares its readiness to ratify and implement them to the satisfaction of the ILO's Expert Committee on the Application of Conventions and Recommendations.

ANNEXURE I
(Ref. para 32.23)

Statement indicating the ILO Conventions ratified by India and the Dates of Registration of their ratification

Title of Convention	Date of registration of ratification
1. No. 1 Hours of Work (Industry), Convention, 1919	14-7-1921
*2. No. 2 Unemployment Convention, 1919	14-7-1921
3. No. 4 Night Work (Women) Convention, 1919	14-7-1921
4. No. 5 Minimum Age (Industry) Convention, 1919	9-9-1955
5. No. 6 Night Work of Young Persons (Industry) Convention, 1919	14-7-1921
6. No. 11 Right of Association (Agriculture) Convention, 1921	11-5-1923
7. No. 14 Weekly Rest (Industry) Convention, 1921	11-5-1923
8. No. 15 Minimum Age (Trimmers and Stokers) Convention, 1921	20-11-1922
9. No. 16 Medical Examination of Young Persons (Sea) Convention, 1921	20-11-1922
10. No. 18 Workmen's Compensation (Occupational Diseases) Convention, 1925	30-9-1927
11. No. 19 Equality of Treatment (Accident Compensation) Convention, 1925	30-9-1927
12. No. 21 Inspection of Emigrant Convention, 1926	14-1-1928
13. No. 22 Seamen's Articles of Agreement Convention, 1928	31-10-1932
14. No. 26 Minimum-Wage Fixing Machinery Convention, 1928	10-1-1955
15. No. 27 Marking of Weight (Packages Transported by Vessels) Convention, 1929	7-9-1931
16. No. 29 Forced Labour Convention, 1930	30-11-1954
17. No. 32 Protection Against Accidents (Dockers) Convention (Revised), 1932	10-2-1947
18. No. 41 Night Work (Women) Convention (Revised), 1934	22-11-1935
19. No. 45 Underground Work (Women) Convention, 1935	25-3-1938
20. No. 80 Final Articles Revision Convention, 1946	17-11-47
21. No. 81 Labour Inspection Convention, 1947	7-4-1949
22. No. 88 Employment Service Convention, 1948	24-6-1959
23. No. 89 Night Work (Women) Convention (Revised), 1948	27-2-1950
24. No. 90 Night Work of Young Persons (Industry) Convention (Revised), 1948	27-2-1950
25. No. 100 Equal Remuneration Convention, 1951	25-9-1958
26. No. 107 Indigenous and Tribal Populations Convention, 1957	29-9-1958
27. No. 111 Discrimination (Employment and Occupation) Convention, 1958	3-6-1960
28. No. 116 Final Articles Revision Convention, 1961	22-6-1962
29. No. 42 Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934	13-1-1964
30. No. 118 Equality of Treatment (Social Security) Convention, 1962	19-8-1964

*Ratification since denounced.

ILO Recommendations which have been fully implemented by India

1. R. No. 2 —Reciprocity of Treatment.
2. R. No. 6 —White Phosphorus.
3. R. No. 9 —National Seamen's Codes.
4. R. No. 20 —Labour Inspection.
5. R. No. 24 —Workmen's Compensation (Occupational Diseases).
6. R. No. 25 —Equality of Treatment (Accident Compensation).
7. R. No. 28 —Labour Inspection (Seamen).
8. R. No. 30 —Minimum-Wage Fixing Machinery.
9. R. No. 34 —Protection against Accidents (Dockers) Consultation of Organisations.
10. R. No. 35 —Forced Labour (Indirect Compulsion).
11. R. No. 36 —Forced Labour (Regulation).
12. R. No. 40 —Protection against Accidents (Dockers) Reciprocity.
13. R. No. 48 —Seamen's Welfare in Ports.
14. R. No. 50 —Public Works (International Cooperation).
15. R. No. 68 —Social Security (Armed Forces).
16. R. No. 78 —Bedding, Mess Utensils and Miscellaneous Provisions (Ships Crews).
17. R. No. 81 —Labour Inspection.
18. R. No. 82 —Labour Inspection (Mining & Transport).
19. R. No. 90 —Equal Remuneration.
20. R. No. 92 —Voluntary Conciliation & Arbitration.
21. R. No. 94—Cooperation at the Level of Undertaking.
22. R. No. 96 —Minimum Age (Coal Mines).
23. R. No. 102—Welfare Facilities.
24. R. No. 104—Indigenous & Tribal Populations.
25. R. No. 105—Ships' Medicine Chests.
26. R. No. 106—Medical Advice at Sea.
27. R. No. 107—Seafarers' Engagement (Foreign Vessels).
28. R. No. 108—Social Conditions & Safety (Seafarers).
29. R. No. 111—Discrimination (Employment and Occupation).
30. R. No. 113—Consultation (Industrial and National Levels).
31. R. No. 130—Examination of Grievances.

CHAPTER 33

LEGISLATIVE AMENDMENTS

Legislation in the field of labour was undertaken in this country as a consequence of (i) the requirements of the working class, (ii) the acceptance of ILO Conventions/Recommendations, and (iii) the conclusions reached at the ILC/SLC or similar consultative/advisory bodies formed in the States. Enactments have been brought on the statute book with a view to providing the necessary benefit or relief to labour or for setting up a machinery for resolving differences and disputes between workers and management. With the passage of time and as a result of changes brought about in society, and the changing concepts of the obligations of the State, some of the Acts needed amendments and others required to be enacted. Judicial pronouncements on the provisions of the Acts, as also administrative difficulties in the working of some of the provisions, have influenced the nature of the amendments. The process of improving the law has thus been continuous.

33.1 Item 2 of our terms of reference requires us "to review the existing legislative and other provisions intended to protect the interest of labour, to assess their working and to advise how far these provisions serve to implement the Directive Principles of State Policy in the Constitution on labour matters and the national objective of establishing a socialist society and achieving planned economic development". In discussing this item within the Commission, a view was expressed that we should make suggestions for amending the various pieces of legislation. The other view was that we should not take upon ourselves the responsibility which a Law Commission alone would be competent to discharge. We have accepted the latter interpretation on our terms of reference. At the same time, in the course of the evidence, suggestions have been made in regard to the adequacy or otherwise of some provisions of the existing legislation, particularly the definition of certain terms under the Industrial Disputes Act, 1947. A suggestion has also been made to have a uniform definition of terms like 'workman' 'worker' under the different enactments.

33.2 As has been stated in an earlier chapter, we do not consider it feasible nor desirable to have a uniform definition of terms under various enactments. At the same time, we feel that some of the terms defined under the Industrial Disputes Act such as 'industry' and 'workman'

may require some modifications. The present position and the view of the Commission in regard to these are discussed in the following paragraphs.

33.3 **Industry** : Under Section 2(J) of the Industrial Disputes Act, 1947,

'industry' means any business, trade, undertaking, manufacture or calling of employers and includes any calling, service, employment, handicraft, or industrial occupation or avocation of workmen.

33.4 The definition of 'industry', as it has been interpreted, is very comprehensive in scope. Questions arose from time to time whether hospitals, clubs, municipalities, educational institutions, etc., fell within the scope of the term. In deciding these issues, it has been generally held by courts/tribunals that profit motives or money consideration for the services rendered is not an essential characteristic ; that while the regal and sovereign functions of the State are outside the scope of the definition, other functions of Government which are not of a regal character, fall within the definition. Hospitals, even those run by Government, have been held to be 'industry' since running of hospitals is not a regal function of the State. While municipalities, as such, are held to be non-industrial, any branch of its work that can be regarded as analogous to the carrying on of a trade or business involving cooperation between employers and employees, falls within the definition of 'industry'. Religious or humanitarian institutions, private and domestic activities, professional activities—liberal professions, are outside the purview of 'industry'. The offices of Chartered Accountants, Solicitors are not 'industry' nor are educational institutions or clubs run solely for the benefit of their members. Research institutions maintained by industry and employing technical and other staff, however, come within the scope of the term.

33.5 Suggestions have been made, in the evidence before the Commission, for the amendment of the definition of the term 'industry', by some so as to restrict its scope and by others to enlarge it. It has been urged that the term 'industry' should cover only profit earning industrial and commercial establishments employing more than 50 workmen and that it should

exclude voluntary organisations, charitable institutions and organisations like Chambers of Commerce. A strong plea has also been made that Government hospitals should be excluded from its scope. On the other hand, it has been urged that the term 'industry' should cover within its scope teaching institutions, universities and professional offices like Offices of Chartered Accountants and Solicitors. The Study Group on Labour Legislation has given a very comprehensive and all inclusive definition of the word 'establishment' (which replaces the word 'industry' in the draft code prepared by the Group).

33.6 In our view, there appears to be no valid ground for narrowing the scope of the definition of 'industry' as it stands to-day. In fact, there is a case for enlarging its scope so as to cover teaching or educational institutions or institutes, universities, professional firms and offices etc., whose employees are at present denied the protection of the provisions of the Industrial Disputes Act. In saying so, we are not unmindful of the fact that the problem of industrial relationship pertaining to the administration of teaching institutions and universities presents several distinctive features and they will have to be carefully considered before such institutions are brought within the purview of the definition of 'industry'. The autonomy of the universities is a very important concept which is respected in all democratic countries. Besides, the salaries of teachers employed by the university or colleges affiliated to it are, in some cases, determined not by the university or the colleges on the one hand and the teachers on the other, but the University Grants Commission and the State Governments and the Union Government also come into the picture. The staff employed by educational institutions broadly consists of two categories *viz.*, administrative and teaching; and the problems of these two categories of staff may not always be the same or identical. That is why we would suggest that the extension of the scope of the definition of 'industry' should be made by stages in a phased manner over a reasonable period, depending upon the administrative arrangements to meet the requirements of the law and upon the consideration of a number of other relevant factors.

33.7 Besides, it is necessary to emphasise that if the scope of the concept of 'industry' has to be expanded to cover teaching institutions and universities, it may become necessary to provide for a different set-up to deal with the problems or disputes which may arise in such institutions. As we have just pointed out,

these institutions have certain special distinctive characteristics, and even if employees working in them are, in future, included within the definition of 'workmen', care will have to be taken to see that a special procedure, self-contained in character, is provided for dealing with grievances or industrial disputes raised by the employees and a special machinery set up in that behalf. But these are matters of detail and we do not propose to deal with them.

33.8 Hospitals and non-profit-making philanthropic institutions which devote themselves to humanitarian work are at present included within the meaning of the term 'industry'. It is, we think, desirable that Government should consider whether in respect of such institutions a special procedure could not be devised to avoid hardship to the community and at the same time give satisfaction to the workers engaged therein.

33.9 **Workman** : Section 2(S) of the Industrial Disputes Act, 1947 defines "workman"

as any person (including an apprentice) employed in any industry to do any skilled or unskilled manual, supervisory, technical or clerical work for hire or reward, whether the terms of employment be expressed or implied, and for the purposes of any proceeding under this Act in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched in connection with, or as a consequence of, that dispute or whose dismissal, discharge, or retrenchment has led to that dispute but does not include any such person—

- (i) who is subject to the Army Act, 1950 or the Air Force Act, 1950 or the Navy (Discipline) Act, 1934; or
- (ii) who is employed in the police service or as an officer or other employee of a prison; or
- (iii) who is employed mainly in a managerial or administrative capacity; or
- (iv) who being employed in a supervisory capacity, draws wages exceeding five hundred rupees per mensem or exercises, either by the nature of the duties attached to the office or by reason of the powers vested in him, functions mainly of a managerial nature.

33.10 The present position is that all workmen are employees, but all employees are not workmen within the meaning of the definition. Unless a person concerned is employed

in an industry, he will not be a workman within the definition of this section. It is for this reason that teachers employed in educational institutions are not 'workmen', as educational institutions do not fall within the definition of industry. Persons employed in temples are similarly not 'workmen'. Apart from those who are subject to the Army Act or are in the police service, the persons who are excluded from the definition of 'workman' are those who are employed mainly in a managerial or administrative capacity or those, who being employed in a supervisory capacity, draw wages exceeding Rs. 500 per month or those whose functions are mainly of a managerial nature. The term 'managerial' or 'administrative' have not been defined in the Act. The mere fact that a person is designated as 'managerial' or 'administrative' is not conclusive proof of his being so, but has to be established by the actual nature of work done by him. The salary limit of Rs. 500 per month is associated with a person in supervisory capacity and not in case of managerial or administrative personnel. The salary limit does not apply to persons doing work of a technical nature. Therefore, a technical person continues to be a workman regardless of the amount of salary or remuneration drawn by him. This is how highly paid employees have come to be classified as workmen under the I.D. Act.

33.11 Some of the suggestions that have been made for amending the definition of the term 'workman' are : (i) that the salary limit should be raised to Rs. 750, (ii) that it should be raised to Rs. 1600 as under the Bonus Act, and (iii) that it should be all-inclusive and cover all persons irrespective of their functions or salaries and should exclude only persons subject to the Army Act etc., police personnel, persons in charge of an establishment and apprentices, trainees and domestic servants.

33.12 Our view is that the definition of the word 'workman' should be based both on functional as well as remuneration criteria. While only managerial and administrative personnel may be excluded irrespective of their salary, supervisory and other personnel whose remuneration exceeds a specified limit could also be reasonably excluded. This limit which is Rs. 500 per mensem at present could be suitably raised in such a way as to put an end to the present anomaly of very highly paid personnel resorting to industrial action and seeking the protection of the provisions of this Act. Raising of the wage ceiling will be particularly justified in view of the fact that in industries using advanced technology wages of many of the supervisory workers are found to be in excess of the prescribed maximum i.e., Rs. 500.

33.13 **Strike** : Under Section 2(Q) of the Industrial Disputes Act, 1947,

'strike' means a cessation of work by a body of persons employed in any industry acting in combination, or a concerted refusal, or a refusal under a common understanding, of any number of persons who are or have been so employed to continue to work or to accept employment.

33.14 'Strike' is cessation of work by a body of persons acting in combination and takes various forms. The various forms of 'strike' are : 'sit-down', 'stay-in', 'tool-down', 'pen-down', 'boycott', 'picketing'. 'Strike' can be primary, secondary or sympathetic. 'Strikes' can also be justified and unjustified. A 'go-slow' is not like an ordinary strike, but it can be a misconduct under Standing Orders. The duration or the purpose for which a strike is undertaken does not appear to be of any consequence as these two items do not figure in the definition.

33.15 A suggestion has been made that the definition should be modified so as to specify that the cessation or refusal to work should be in consequence of a labour/industrial dispute. Another suggestion has been made that concerted actions like 'go-slow' and 'work-to-rule' should be brought within the scope of the definition.

33.16 We consider that the present definition is quite comprehensive and may not require any change. The forms of labour protest, such as, 'go-slow' and 'work-to-rule' may be treated as misconduct or unfair labour practices under the standing orders.

33.17 **Wages** : Section 2(rr) of the Industrial Disputes Act, 1947 defines 'wages'

as all remuneration capable of being expressed in terms of money, which would, if the terms of employment, expressed or implied, were fulfilled, be payable to a workman in respect of his employment, or of work done in such employment and includes—

- (i) such allowances (including dearness allowance) as the workman is for the time being entitled to ;
 - (ii) the value of any house accommodation, or of supply of light, water, medical attendance or other amenity or of any service or of any concessional supply of foodgrains or other articles ;
 - (iii) any travelling concession ;
- but does not include
- (a) any bonus ;

- (b) any contribution paid or payable by the employer to any pension fund or provident fund or for the benefit of the workman under any law for the time being in force ;
- (c) any gratuity payable on the termination of his service.

33.18 The definition of 'wages' is quite exhaustive. The question whether a particular type of remuneration could form part of 'wages' as defined in the Act is primarily a question of fact as it would depend upon the circumstances of the case. For instance, free food and tiffin supplied to hotel workers by their employers has been held to be part of wages within the meaning of the definition. Whereas the term 'wages' occurs in the I.D. Act, under the Payment of Bonus Act, the term used is 'salary or wages'. The term 'wages' is differently defined in various enactments like the Payment of Bonus Act, the Workmen's Compensation Act, and the Payment of Wages Act. It has been suggested in the evidence before us that the definition of 'wages' under the I.D. Act should include the items now excluded.

33.19 Items like bonus, contributions to Provident Fund, and other benefits and Gratuity on termination of services where gratuity has become a term of service under an award or settlement, have all become regular elements of workers' remuneration and should, therefore, be included as part of a worker's wage.

33.20 **Appropriate Government:** Section 2(a) of the Industrial Disputes Act, 1947 defines "appropriate Government" as :

- (i) In relation to any Industrial Dispute concerning any industry carried on by or under the authority of the Central Government, or by a railway company (or concerning any such controlled industry as may be specified in this behalf by the Central Government) or in relation to an Industrial Dispute concerning the Employees' State Insurance Corporation established under Section 3 of the Employees' State Insurance Act, 1948 (34 of 1948), or (the "Indian Airlines" and "Air India" Corporations established under Section 3 of the Air Corporations Act, 1953 (27 of 1953), or the Agricultural Refinance Corporation Act, 1963 (10 of 1963), or the Deposit Insurance Corporation established under Section 3 of the Deposit Insurance Corporation Act, 1961 (47 of 1961), or the Unit Trust of India established under Section 3 of the Unit

Trust of India Act, 1963 (52 of 1963), or a banking or an insurance company, a mine, and oilfield, a Cantonment Board or a major port, the Central Government, and

- (ii) in relation to any other Industrial Dispute, the State Government.

33.21 Important words in this definition are "carried on by or under the authority of the Central Government". An industry carried on by or under the authority of the Central Government is a Central Government industry which may be carried on directly by the Central Government or by somebody or person nominated by the Government for that purpose. Industries which are carried on for the purposes by incorporated commercial corporations which are governed by their own constitutions cannot be described as carried on or under the authority of the Central Government as these corporations are independent legal entities and run the industries for their own purpose. Even when the Central Government owns the entire share capital and controls these corporations, their industries are still worked under the authority of their own constitutions or charter. Sometimes difficulties arise in determining as to which Government is the appropriate Government when a concern has establishments in more than one State. The Act contains no provisions bearing on this question nor does it contemplate a joint reference by two States. The question has to be decided on the principles governing the jurisdiction of courts to entertain actions or proceedings. The Act does not deal with "cause of action" nor does it indicate what factors will confer jurisdiction on the Tribunals. Hence a State in which the disputing parties reside or the subject matter of an industrial dispute substantially arises will be the appropriate Government in relation to that dispute.

33.22 Minerals like iron ore, mica, manganese, etc., are found in mines. For 'mines' the appropriate Government is the Central Government, but factories processing the minerals found in the mines fall under the sphere of the State Government concerned. In industries like cement, iron and steel, fertilizer, oil refineries, etc., a part is subjected to control of Central Government and another of State Government. Many unions and some employers have suggested that these be brought under the authority of the same Government.

33.23 In our view, there is a case for bringing these two wings of the same industry under the jurisdiction of the authority—Central or State.

ACKNOWLEDGEMENTS

The appendices V to XI contain the names of persons who helped us during the course of our inquiry in various ways. To them all, our thanks are due. We would like to mention in particular the Chief Ministers and Labour Ministers in all States where legislatures were functioning and the Governors where legislatures had been dissolved, for the hospitality and cooperation they extended to us. The liaison officers of the Central Ministries and State Governments, employers' and workers' organisations on whom had fallen the main burden of supplying information to the Commission gave us their unstinted support. Labour Secretaries/Commissioners in the States arranged our programmes at the State Headquarters and other places of industrial importance in the States with a considerable measure of efficiency. We are grateful to them for the assistance rendered. Our gratitude is also due to the Chairmen/Members of the Committees/Study Groups/Working Groups appointed by us for the able manner in which they completed the specific task we had assigned to them.

The work of the Secretariat of the Commission was well organised. The organisation of research work and tour programmes of a Commission of our size was onerous and so was the task of preparing material on a variety of subjects for our consideration in all stages of our work. It will be indeed invidious to single out the names of a few officers, but some of them have to come in for a mention. Shri P. D. Gaiha, Deputy Secretary and Dr. K. S. Singh, Director, organised the work entrusted to them in a manner which does them credit. Shri M. A. M. Rao, Shri A. Basu and Shri G. P. Kapur, Joint Directors,

assisted us ably. At the junior level, the Deputy Directors, Assistant Directors, Investigators, Superintendents and Assistants were always willing to help. Clerks, Gestetner Operators and the Class IV staff gave them valuable support. We would particularly mention the ungrudging help which we received from our stenographers and stenotypists who were prompt in transcribing the material given to them at all odd hours of the day. It was with the unstinting cooperation of every one in the Secretariat that the task entrusted to us could be completed according to the schedule. Each one of them was courteous, diligent and hard working; all pulled together as a team throughout the enquiry and especially in the closing stages of our work.

Among the Chairman's personal staff, particular mention has to be made of Shri S. Natarajan, Deputy Director in the Ministry of Finance, Government of India. He helped the Chairman and also the Commission during the last six months in an able manner. Shri R. D. Thite, Special Assistant to the Chairman, also acted as Welfare Officer for the Commission. Shri K. S. Bapat, P. S. to Chairman, helped the Secretariat in preparing records of discussions.

The printing of the report in a short time would not have been possible but for the excellent cooperation from Shri A. C. Das Gupta, Controller of Printing and Stationery, Government of India and Shri R. S. Nilker, Manager, Government of India Press, Coimbatore. Shri V. V. Mangalvedhekar, Deputy Director and Shri N. Ananthanarayanan, Assistant Director, helped us in preparing the material for the press and seeing it through the final stages of printing.

P. B. Gajendragadkar, *Chairman.*

Baljit Singh.

†Bharat Ram,

*Ramananda Das.

B. C. Ganguli.

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Raja Ram Shastri.

†Naval H. Tata.

*S. R. Vasavada.

B. N. Datar
Member Secretary.

New Delhi, August 28, 1969

*Subject to a minute of dissent.

†Subject to disagreement on one recommendation.

Before we conclude our report, it is our pleasant duty to place on record our deep sense of appreciation for the valuable help rendered to us by our Member-Secretary, Shri B. N. Datar, throughout our work. His knowledge of economics and statistics and rich and varied experience as a conciliator and administrator in a leading industrial State and later in different capacities in the Planning Commission have proved to be a great asset to us in the discharge of our task. We could turn to his experience with confidence for information on labour and allied issues in

our country or abroad. In him we had a person with a deep commitment to the cause of labour. His added advantage has been that he knows several leading individuals in the field of our enquiry on a personal level. Our terms of reference are very comprehensive and the area covered very wide. We feel that without his energy, initiative, zeal and ceaseless industry and unstinted cooperation, we would not have been able to complete our work in its present form in good time.

P. B. Gajendragadkar, *Chairman.*

Baljit Singh.

D. C. Kothari.

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B. C. Ganguli.

P. R. Ramakrishnan.

S. R. Vasavada.

New Delhi, August 28, 1969.

Minute of Dissent

by

Shri S. R. Vasavada, Shri G. Ramanujam, Shri R. K. Malviya and Shri Ramananda Das

I

UNION RECOGNITION

Ballot-versus-Membership

In Chapter 23, our colleagues have recommended that 'Union Recognition' could be either by membership or by ballot. They have preferred to leave the choice of the method in a given case to the Industrial Relations Commission. We are not in agreement with the recommendation for the reasons that follow.

2. Recognition of unions has always posed a problem. Apart from the attitude of employers, the existence of multiplicity of trade unions at the plant, industry and national levels, has also been responsible for the difficulties faced in solving the problem of recognition. The demand for union recognition has been responsible for several disputes and sometimes even long-drawn strikes.

3. The recognition of unions in our country is largely governed by the voluntary arrangement under the Code of Discipline in Industry (the Code). But even prior to the acceptance of the Code, there has been State legislation on the subject, like the Bombay Industrial Relations Act and similar State Acts. There have also been cases of voluntary recognition long before any legislation on the subject was thought of. A central legislation for this purpose was enacted in the early 50s, but was not given effect to. In practice, while some employers refuse to recognise any union, there are others who recognise all the unions, which too in effect means that no one union is recognised.

4. Whether under a Statute or under voluntary arrangement, like the Code, union recognition has always been on the basis of paid membership. Both the Code and the Bombay Industrial Relations Act and similar Acts provide for certain qualitative tests also in addition to the numerical membership strength. This is understandable, for recognition must be both of quality and numbers.

5. There have been elaborate procedures laid down for the verification of membership for purposes of recognition under the Code. The entire manner of verification was likewise the subject-matter of tripartite agreements.

6. The recognition under the Code ran into difficulties because the provisions of the Code in respect of the rights of a recognised union were at variance with the provisions of the Industrial Disputes Act, which did not provide for union recognition. In the face of such a conflict it was only the law that prevailed, thus making recognition under the Code ineffective. Therefore a feeling has been growing that the provisions of the Code and the law should be made to harmonise; or, better still, for the important provisions of the Code be incorporated into the law itself. But the basis of recognition, *i.e.*, paid membership, was not disturbed in any tripartite Conference.

7. Of late, however, a controversy has started that recognition of unions must be based on secret ballot of workers, and not on the basis of paying membership. Our colleagues in the Commission appear generally to have accepted the membership basis, but they have not dismissed the ballot method as unsuitable. Indeed they do not want to be categorical about the manner in which unions should be recognised. They have chosen to pass on the problem to the Industrial Relations Commission, observing that it should be left to the discretion of the Industrial Relations Commission, whether in a given case the union should be recognised based on its paying membership or by secret ballot. It appears to us that our colleagues by coming to such a conclusion have failed to take a decision on a vital subject which will have a great say in the industrial relations in the country.

8. If a Commission of Experts sitting for about three years could not come to a firm conclusion and choose between the two alternatives, any attempt to leave it to the Industrial Relations Commission for a snap decision in individual cases is not going to ensure satisfaction to the parties, nor conduce to industrial harmony!

9. Between ballot and membership, there is a great principle involved. It is not, therefore, in some cases, it could be membership and in some others it could be ballot. If the principle is properly enunciated, understood, accepted and implemented, there cannot be any room for

an alternative. The accepted principle should be made uniformly applicable to all cases. It has, therefore, become necessary for us to differ from our colleagues. We do not want the basis of recognition to be left open to be decided at the discretion of the Industrial Relations Commission in each individual case. We want the Industrial Relations Commission to be given a firm guide-line which it will have to follow invariably in all cases.

10. Before, however, we actually consider the merits and demerits of either method, we would like to discuss the value of recognition itself.

11. Recognition of unions will have value only when the rights and obligations of a recognised union are first settled and accepted not only by the employer, but also by the unrecognised unions and scrupulously adhered to by them. The value of recognition depends equally on the behaviour of unrecognised unions, as on that of the recognised unions. In one of the Indian Labour Conferences the question was discussed at some length and there was a consensus that the unrecognised union should be denied the right to raise disputes affecting the generality of workers. It can at best be given the right to represent grievances of individual workmen who are its members. But how many unrecognised unions would confine their activities within the narrow compass? The aim of every unrecognised union has always been and will perhaps always be to dislodge the recognised union and take its place, by whatever method. Therefore, the unrecognised union is bound to outstep its bounds to bring about a strike even on matters concluded by a settlement with the recognised union, and force the employers to negotiate with it, thus making the recognition of the union meaningless.

12. It is necessary to understand that the difficulties are not confined to the manner of choosing the representative union. The whole problem of recognition of unions bristles with innumerable difficulties in the current context of conditions obtaining in our country. To get over all these difficulties, unions which want to qualify for recognition, must first be required to give an undertaking that, in case, they turn out to be a minority and, therefore, not qualified for recognition, they would scrupulously observe the rules of the game, and will not try to upset the agreements reached with the recognised union, and will confine their activities to individual disputes relating to workmen who are its members. If they overstep the limit, there must be a penal provision disqualifying the unions from the right to claim recognition

for a period say of five years. Similarly recognition once granted should not be disturbed at least for a period, say two years. Therefore, it is not only the employer who will have to recognise and respect the rights of a recognised union, but it must be done by all the unrecognised unions as well.

13. Another problem in regard to the recognition is whether a union should be recognised on the unit-basis or on the industry-basis. Whichever way a trade union is recognised, it is not going to be free from difficulties. If we recognise an industrial union, it is quite possible that the recognised union may not command a majority membership or votes in every one of the individual units. Therefore an agreement with an industrial union may face rough weather in such units where it has no substantial following.

14. If the recognition is granted to unit-wise unions it will not be conducive to either industrial peace, or to the progress of the industry itself; for in units where a union is well organised and strong, and is therefore, equipped with better negotiating power, it can make the employer in that unit pay higher wages, as compared to units where the negotiating power of the recognised union is weak. This will result in unstandardised working conditions and wage costs which would in turn affect the competitive capacity as between unit and unit.

15. A similar difficulty will also arise in respect of concerns with several branches in the country, as well as craft unions. A solution to the problem could be that wherever by tradition industrial unions have been recognised that practice should not be disturbed. In other cases, plant-wise unions may be recognised. Recognition of craft-wise unions should generally be discouraged.

16. Let us now go into the merits and demerits of the positions taken by the supporters of the membership basis and the secret ballot method for finding out the representative union.

17. It is obvious that there can be no trade union *minus* membership. Therefore, the mainstay of a trade union is its membership, and nothing should be done to affect adversely this fundamental factor.

18. It must also be remembered that the percentage of unionisation in our country is extremely poor. It ranges roughly around 25%. If a strong trade union movement is to develop, the attempt should be to make the remaining 75% feel the need for joining a trade union as

members. If a representative union is to be chosen by secret ballot, there will be no incentive for the workmen to become a member of any union. They will only tell the union not to worry about their membership, as they will vote for the union when the time comes. If every worker takes the same attitude, where will the union be? For, a trade union minus membership is inconceivable.

19. Even if all the employees will not take that stand, and some will really continue to be members of the union, the membership will be small and in consequence the trade union movement will be weak. In view of the smallness of the membership, the trade union finances also will become poor. A weak trade union is bound to act erratic, and that will not be conducive to industrial peace or progress. Since the bulk of the workmen will not be its members, its authority and control to discipline them will be insignificant. The unions will come under a small coterie rule.

20. If the representative union is to be chosen by ballot, the plant will be surcharged with election atmosphere, rather than production atmosphere. Which is the need of our country? An election is always preceded by reckless election promises. Therefore extravagant demands will be made, and extremist steps will be taken or promised to be taken to win the votes of the workers. Already discipline and productivity in our industries are at a low level. Could we encourage any step that will further lower them?

21. If such extravagant demands are to decide the extent of a union's following, it will make sober and responsible trade union movement impossible; and if the extremist measures are to be the means for reinforcing such demands, constitutional trade union activity will be at a discount. Should we invite such a situation?

22. Choosing a trade union by secret ballot will tend to politicalise the trade union movement completely. Already the trade union movement in our country is the victim of exploitation by party politicians, and any intensification of this trend will overpoliticalise the movement and further adversely affect the industry, trade union movement and labour.

23. Looking to how the elections are taking place in our country, any attempt to choose the representative union by the ballot box will bring in caste, communal, linguistic and regional forces, which will work havoc on the trade union movement and industry. Fortunately, at present, the trade union movement is still somewhat

above such disruptive influences as emanating from communal, caste, linguistic and regional considerations. The ballot box will vitiate this atmosphere.

24. In a country where election expenses are becoming colossal, employers and certain political parties with easy money will be able to sway the elections of a representative union in their favour, and that will not be in the interests of the workers themselves. And even those, who got elected after spending huge sums of money, will try to make good the loss; and this will not be possible in industrial relations unless the union becomes an obliging tool of the employer.

25. Also where the difference between the contesting unions, is small, a third and a small union will be able to dictate and decide the issue for a price. In such a case, the elected union will be at the mercy of the minority union.

26. We cannot also forget the fact there may be employers who may utilise the staff and supervisory personnel as a deciding factor to get the union of their choice come up in the elections by utilising their compact block vote according to their dictates. Ballot will thus invite meddling by employers.

27. A union recognised by ballot may not feel the responsibility towards its own members; for, to the members, it will say that it got elected also by non-members; and to the non-member voters, it will say that they are not its members and therefore not answerable to them. The voters, in any case, can have no control over the union in day-to-day working and neither the union on the voters and therefore will not be able to deliver the goods.

28. Unions trying to campaign and conduct elections all over India in companies with branches throughout the country, will find the elections costly and difficult.

29. Elections by ballot will also raise several other basic problems, such as who should be the electorate.

30. If the right of voting is to be restricted only to the members of the different unions, it will first be necessary to verify the membership of each of the contesting unions, so that the electoral list will be correct. But once having verified the membership of each union, we know the relative strength of the unions, and, therefore, ballot becomes superfluous and it will only amount to begging the question.

31. If, on the other hand, the right to vote is to be given to all workmen, regardless of whether they are members of any union or not, the resulting position will be worse; for, that will give a right to choose the representative union to non-members also who did not care for the union. In fact, by implication, they had, already rejected all the unions as not fit for their support by their refusing to become a member of any union.

32. Further, this process will equate a member with a non-member as both get the same right to decide which should be the representative union. This will act as a big disincentive for any employee to become a member of any union.

33. It is said that if the country is ruled by the ballot box, why not the choice of a representative union be also through ballot? At first blush the suggestion looks attractive and appears to be indeed unanswerable. But if one looks at it a little closer, one will find the two are not really comparable. Firstly, in a parliamentary democracy, one political party for one country could not be thought of, for that would be the negation of parliamentary democracy. But in industrial relations, one union for one industry is the cherished goal. The nature and objectives of the two being different, the two are not really comparable.

34. Further, election by ballot will lead to election petitions, stay orders, no-confidence motions, defections and mid-term polls, all affecting the industrial relations in the plant, and in the process, upsetting discipline, efficiency and production.

35. Voting by ballot might reflect the result of only a snap decision. An error once made cannot be undone, say for the next two years. But in the membership basis, it is different. There is an opportunity to correct a wrong choice every month.

36. Simply because a union is recognised by ballot, it does not provide any guarantee for industrial peace; for the defeated union could still bring about a strike and force the management to negotiate with it. The system, therefore, has no additional virtue over the membership basis.

37. It must be realised that payment of membership fee to the union is also a vote. It is in fact the most solid vote, it is a consistent vote, because it is paid every month. It will strengthen the trade union movement. It will provide permanent ties between the workmen and the

union with mutual accountability. Wherever membership basis had been adopted for recognising a trade union, whether by law or under the Code, we find strong, stable and good unions functioning with a better record of industrial relations.

38. The object of recognising a union is not for negotiation purposes only, because a trade union has many other functions, such as promoting welfare activities of its members, educational, cultural activities and providing such amenities through cooperatives as housing, cheap credit and consumer stores. These activities will be possible only when the union is financially strong and has a loyal, stable, disciplined, paying membership. The ballot can never secure these.

39. Here and there we come across complaints of inflation and manipulation of membership. But it should not be difficult to x-ray and find out the true membership strength by a process of verification which can be left to an Independent agency, a judicial authority, if necessary such as the Industrial Relations Commission recommended by the Commission. Even a check-off system, although it is not an ideal system, may be considered so that at any given point of time, the correct membership figures are readily available.

40. Looking to the merits and demerits in regard to the manner of choosing the representative union, we are convinced that the balance of advantage is certainly in favour of verified membership. A regular paying membership is the backbone of the trade union movement and all efforts, should, therefore, be made to strengthen the membership of our trade union movement. Recognition being one of the important achievements of the trade union movement, should be based on the important factor of movement, viz., membership. We, therefore, do not agree with our colleagues that the manner of choosing the representative union should be left to the discretion of the I.R.C. in each case. We are convinced that the I.R.C. should be placed under a definite instruction that it should adopt paid-membership as the only method for recognising a union as the representative of the workmen employed in a plant or an industry in a local area.

41. We further recommend that unions seeking recognition should also be required to satisfy certain minimum quality tests as prescribed in the Bombay Industrial Relations Act such as that the union seeking recognition shall give an undertaking that it will not resort to strikes

before exhausting all other machinery available for settlement of disputes.

II

STRIKES AND LOCK-OUTS

42. In Chapter 23, our colleagues have made certain recommendation regarding strikes/lock-outs and the role of the State and the Industrial Relations Commission vis-a-vis strikes/lock-outs. We have given our anxious and careful consideration to the aforesaid recommendations of our esteemed colleagues and we regret we are unable to subscribe to the conclusions reached by them, as, in our opinion, their conclusions will result in compulsory adjudication having got to be preceded by a compulsory strike or compulsory lock-out in industries and services other than those classified as 'essential'. We are convinced that although this is the effect of the recommendations of our colleagues, it certainly could not have been their intention.

43. We feel that our colleagues too are for the same objective as ourselves, viz., making strikes and lock-outs unnecessary in all sectors of employment. If they could be avoided, it is obvious, nobody should invite them. It could not, therefore, be the intention of our colleagues to invite a strike or lock-out, where they could be avoided by making available to the parties other and better means and methods for settlement of disputes.

44. According to our colleagues, in the 'essential industries and services', whenever the parties fail to reach an agreement by direct negotiations, and whenever the parties are not willing to submit the dispute voluntarily to arbitration, the Industrial Relations Commission shall automatically step in and adjudicate the dispute. They rightly desire that the resulting award of the Industrial Relations Commission should be final and binding on both the parties. We have no disagreement on this part of the recommendations of our colleagues except to say that such finality should always be subject to the overall authority of Parliament.

45. The difficulty, however, arises in the treatment of industrial disputes in the 'other sector' by our colleagues. Our colleagues have recommended that following the failure of negotiations and refusal by the parties to avail of the voluntary arbitration system in the industries and services not declared as essential, the workers may go on strike, or the employers may declare a lock-out. It is only after thirty days of such

strikes or lock-outs, according to our colleagues, that it will become obligatory on the part of the Industrial Relations Commission to take the dispute on its file and adjudicate. According to our colleagues, the appropriate Government too would be rendered helpless in averting the strike or lock-out or prohibiting its continuance during the thirty days of its currency. According to them the Government could at best only petition to the Industrial Relations Commission. May be the Commission accepts the Government's plea and takes the dispute on its file for adjudication, or, may be the Commission rejects the Government's petition and allows the strike or lock-out to continue for the full thirty days period.

46. We feel that this part of the recommendation by our colleagues dealing with strikes and lock-outs in industries and services 'other than essential' is ill-conceived and unpractical. Our colleagues' recommendations in regard to the powers of the appropriate Government are inconsistent with their own earlier recommendations in Chapter 22 (Paragraphs 7, 8 and 9). It is unpractical for the reason that no appropriate Government will ever be prepared to give up its right of referring a dispute for adjudication and thus renounce the right of averting or prohibiting the continuance of a strike or lock-out, if, in its opinion, it is necessary to do so. The recommendation is ill-conceived for the reason that a strike or a lock-out becomes compulsory upto 30 days, if one of the parties wants adjudication by Industrial Relations Commission and it would interfere with the right to not-to-go on strike or not-to-declare a lock-out. Adjudication which is a device to avert a strike or lock-out, or to make a strike or lock-out superfluous, has been turned into a compulsory device to invite strikes and lock-outs, albeit for a month.

47. It might be remembered that the right to strike includes the right not to strike. The same applies to lock-out also. If workers do not want to go on strike or an employer does not want to declare a lock-out, the recommendations of our colleagues will have the effect of compelling such workers to go on strike for thirty days or the employer to force a lock-out for 30 days, in order to command the services of the adjudication machinery. This surely could not have been the intention of our colleagues.

48. Our colleagues appear to have been carried away by the idea that there must be at least some occasions when some workers should be permitted (or required?) to go on strike for some days in some industries and services, as, otherwise, according to them, it would appear

before the world that we have denied to the workers the right of strike. They further appear to feel that occasional strikes will do good to the workers and the industry, for, otherwise there will be no occasion for the workers to let off steam, and the bottled-up emotion in consequence will burst one day, much to the detriment of the workers, industry and the economy of the country. We would like to deal with these apprehensions of our colleagues presently before we express our own conclusions on the subject.

49. We are agreed that the right to strike is not a fundamental right. It is the right to work that is fundamental. Even so, it could be argued that the right to strike is a basic right or democratic right. Granted that it is so, it cannot be denied that the right to 'not-to-strike' is also a basic right, and an equally democratic right. Therefore, while trying to protect the right to strike, we should not transgress on the right to not-to-strike or for that matter not-to-lock-out.

50. A strike is not an end in itself. It is only one of the several means available to labour in pursuit of its objective. Even at that, a strike appears to be primitive or crude means. Resort to such crude and primitive means and methods were necessary in the early stages, when better and refined means and methods were not made available to labour, statutorily or otherwise. In the context of availability of superior and refined means of resolving employer-employee differences, resort to strikes and lock-outs would appear to be a retrograde step, and to make such resort compulsory in any industry makes it worse.

51. Times are fast changing; more so, after Independence. Any attempt to lay the same emphasis on strikes now as prior to Independence will be totally inappropriate in the context of conditions obtaining in our country. The emphasis should now be more on civilised methods, such as direct negotiations, arbitration or adjudication.

52. We deliberately use the word 'direct negotiation' and avoid the word 'collective bargaining'. We are inclined to agree with the views of Shri L. K. Jha, Governor of the Reserve Bank of India, on the subject expressed in his evidence before the Commission.*

"Speaking in a personal way I have grave misgivings about certain things which are taken for granted as axiomatic. We have

inherited a certain idiom of thought from the British. The British had a great genius for coining phrases, to make their self-interest appear to be virtuous. If we look to what is known as collective bargaining, which is a well-enshrined and highly respected principle, its roots lay in the British 19th Century *Laissez Faire*. Collective bargaining was the magic answer to avoid exploitation of labour. That answer did not originate in countries, which had planning; much less in the countries which were socialist. The basic concept of what is proper wage is not something to be decided by trial and error."

53. It is obvious that wherever there is bargaining, there is a commodity involved, and what is the commodity involved in collective bargaining? It can only be labour. It has always been the contention of trade unionists and progressive thinkers all over the world that labour is not to be treated as a commodity, to be bought and sold in the employment market, depending upon the law of supply and demand. In a country with huge unemployment as ours, we cannot allow Labour's price to be decided on the basis of supply and demand. Further bargaining introduces an element of chance. The intrinsic merit or worth of the commodity may not be 'recognised', much less ensured in that process.

54. We want labour to be given a fair deal with due consideration to the human aspect. We would, therefore, like to avoid the word 'bargaining', notwithstanding the fact that it is very much in vogue and has acquired a certain meaning. We would like to introduce some new thinking on the subject. We would, therefore, substitute the phrase 'collective bargaining' by the phrase 'direct negotiations'.

55. Now coming back to the various refined methods available for settlement of disputes, we must realise that the very concept of the parties to an industrial dispute has changed. It is now recognised as no longer a dispute affecting merely an employer and his labour even in industries and services not falling within the 'essential category'.

56. Between the 'essential' and the 'not so essential', the difference is only a question of degree. There can be nothing which is wholly non-essential. Only it may be less essential than the others. The test is always relative. While in one case, the industrial dispute affects

*Evidence of Shri L. K. Jha, Governor, Reserve Bank of India, before the Commission on February 1st, 1969 at Bombay.

the community more directly and immediately, in others it may be less so. Nevertheless, the community is being hit in all cases of strikes and lock-outs in varying degrees even as the community is being served by all industries and services through their normal working. Therefore, the third party, *viz.*, the community is always present in every industrial dispute, though often latent. Just because it is not so much organised and, therefore, not so noisy or visible, its interests could not be overlooked. In the true sense, it is the community which is the real and ultimate master, and, therefore, its interests should be paramount. The State, as the representative of the community must, therefore, have the right at all times and in all stages of an industrial dispute to step in and direct the parties to call off the strike or the lock-out, or prevent them from going on strike or enforcing a lock-out and submit their dispute to adjudication by its nominee. Such a right is inherent and inseparable from the functions of a Government in any civilised society. We, therefore, do not agree with our colleagues who want to reduce the appropriate Government to the status of a mere petitioner before the Industrial Relations Commission, which Commission in its wisdom may disagree with the Government and may refuse to adjudicate a dispute which the Government as Government might feel it to be its duty to refer for adjudication.

57. The test of democracy in a country can not be measured or certified by the number of strikes or lock-outs that the country is able to show. Democracy also means restraint and discipline. If there is a proper discipline and a reasonable alternative to strikes and lock-outs, democracy will not come to grief.

58. It is said in defence of the absence of strike in communist countries that there can be no strike in a truly socialist country. If that were so, we do not see how there could be a strike in a true democracy either. If strikes have no place in socialist countries, they have no place in a democracy either. Further, failure of collective bargaining followed by strikes and lock-outs cannot co-exist in a planned economy. Whether such strikes and lock-outs are in the more essential or less essential industries and services is beside the point.

59. The argument by our colleagues that our country will be misunderstood if some provision somewhere is not made for some workers going on strike at some time is still less acceptable.

60. Their contention that a strike is a safety valve and is, therefore, even desirable, though

occasionally, cannot support the conclusions our colleagues themselves have reached. Assuming that strikes act as a safety valve, they are then more necessary in essential services, where we can ill-afford any explosion. Surely it could not be the argument of our colleagues that if you provide for strike as a safety valve to workers in the non-essential industries and services, the workers employed in essential services and industries will get the benefit out of such safety valve which will eliminate the chance of explosion there. We are afraid that in their enthusiasm to avoid compulsory adjudication, our colleagues have slipped into the dangerous pitfall of making strikes and lock-outs compulsory.

61. Our colleagues' recommendations on strikes and lock-outs are also inconsistent with their own approach indicated in Chapter 6, (para 38).

62. Having pointed out what appeared to us the flaws and inconsistencies in the stand our colleagues have taken, we shall now address ourselves to the positive stand we would like to take.

63. It is not our intention to ban strikes and lock-outs by law. What we would like is to make available to labour superior means and methods so that strikes and lock-outs will stand automatically rejected by the workers and employers. We would also urge that after making available such superior means and refined methods, whether the workers or employers should resort to strikes or lock-outs, or to the other refined method of adjudication in a given case, should be left to the parties concerned; when we say parties, we would like to repeat that parties include the community and its representative—the State. It is perfectly democratic to leave the choice between strike and lock-out on the one hand and other methods like adjudication to the parties themselves.

64. We, therefore, recommend :

- (1) In essential industries and services, following the failure of direct negotiations and non-availability of arbitration, all the points in dispute shall automatically go before the Industrial Relations Commission for adjudication by it.
- (2) It is not possible to categorically list out as to what all could be included in essential industries and services. They will keep on changing, and from time to time additions may have to be made. The power to define and name essential industries and services and to add to the

list of entries or delete therefrom should rest with the Parliament.

- (3) In the other Industries and services, following the failure of direct negotiations and non-availability of arbitration, parties—labour & management—must be free either to go on strike or declare a lock-out, as the case may be, or directly invoke, separately or jointly, adjudication by the Industrial Relations Commission. The choice between strike and lock-out on the one hand and adjudication on the other should rest with the parties.
- (4) Such direct access to Industrial Relations Commission should be given in the case of workers only to the union recognised as the representative union under the law for which separate recommendations have been made elsewhere.
- (5) Where, however, neither party wishes the adjudication machinery and where the appropriate Government is convinced that it is necessary to refer the dispute for adjudication by the Industrial Relations Commission, it shall have the power to direct the Industrial Relations Commission to adjudicate the matters in dispute and at the same time prevent, or prohibit the continuation of the strike or lock-out.
- (6) The finality of an award by the Industrial Relations Commission should be subject to Parliament's right to modify the same in the interests of Community.

III

JOINT MANAGEMENT COUNCILS

65. In Chapter 24, our colleagues have recommended the amalgamation of the Joint Management Council with the Works Committee holding that multiplicity of bipartite consultative arrangements at the plant level serves no purpose. We regret we are unable to agree with our colleagues in their assessment of the scope, role and activities of the Joint Management Councils and the Works Committees. They seem to have concluded that the Joint Management Council is just one more bipartite committee like the 'Works Committee'; and in their anxiety to avoid duplication of Committees, they have recommended the amalgamation of the two.

66. We are one with them in any endeavour to avoid duplication. But it must be realised that duplication will arise only when the scope

and functions are the same. But when they are different, there certainly cannot be any duplication. If our colleagues, therefore, had come to the conclusion that there is duplication as between a Works Committee and a Joint Management Council it appears to us that they have misunderstood the scope and functions of both these bodies as being identical. To us it is clear that the scope and functions of the Works Committee and the Joint Management Council are entirely different. They cannot be combined either. Therefore, their existence, side by side, according to us will not result in any duplication.

67. While the Works Committee is a statutory requirement, it is confined to minor problems of a day-to-day nature arising in the course of working of a plant. Joint Management Council, however, is a voluntary arrangement and functions on a much higher level, with a far wider scope and higher objectives, beyond the reach of the Works Committee. The upland of the Joint Management Councils is beyond the gaze of any Works Committee.

68. Indeed the Joint Management Council is not just one more bipartite Committee—statutory or otherwise. It represents a concrete agency to work out the basic philosophy propounded by Mahatma Gandhi; and unless there is a grasp of the principles underlying that philosophy, the Joint Management Council is apt to get mixed up with the Works Committee as our colleagues appear to have allowed them.

69. The common understanding is that those who invest capital are to be called as employers. This is only partially true, for labour too is an employer. If capital employs labour, labour employs capital, and thus they are both mutually employers. But this again is not the complete truth. It is the community that employs both labour and capital, and it is, therefore, the real and ultimate employer. If the community goes on strike and refuses to purchase the product of a particular plant, then the so-called employer and his employees, *i.e.*, both capital and labour, become unemployed. Therefore, it is a fundamental fact that both labour and capital are co-servants of the community. In other words, both labour and capital are co-partners in the industry in the service of the community. The partner who invests his willing and devoted labour should be considered equal to the other partner who supplies capital and administrative skill, and there should be no high and low between the two, as each thing in its place is the best.

70. The interdependence between capital and labour should be both responsible and balanced.

We should, therefore, put both these partners as equals, and the partner who invests money should not under any circumstance, be allowed to arrogate to himself the position of a superior, as now.

71. We are tempted to quote here Gandhiji's own words on the subject. Said Gandhiji :*

"In my opinion employers and employed are equal partners even if employees are not considered superior. But what we see to-day is the reverse. The reason is that the employers harness intelligence on their side. They have the superior advantage which concentration of capital brings with it and they know how to make use of it. One individual rupee has very little potency but when money combines as capital, the combine derives a power different from and far in excess of the mere sum-total of the individual rupees. A million drops individually are negligible. But in combination, they make the ocean, carrying on its bosom a fleet of ocean hounds. Whilst capital in India is fairly organised labour is still in a more or less disorganised condition in spite of unions and their federation. Therefore, it lacks the power that true combination gives.

"Moreover, it lacks intelligence, so much so that individuals fight against individuals, unions against unions. Lack of intelligence leads to its exploitation by selfish and unscrupulous men even to the point of creating and promoting mischief. They know no better, being ignorant of the secret of non-violence. The net result is that the workers suffer. If labour were to understand the working of non-violence, the power generated by combination would any day exceed the power of dead metal in the hands of a few capitalists.

"Hence my advice to the employers would be that they should willingly regard workers as the real owners of the concerns which they fancy they have created. They should further regard it as their duty to equip the employees with sound education that would draw out the intelligence dormant in them and gladly promote and welcome the power that this combination of the workers gives them."

72. It is obvious, therefore, that the present relationship of master and servant should change. Labour will cease to be a wage-serf before long, working just for its wages and begging for more and more amenities from the other partner. At

the same time, the other partner cannot arrogate to himself the position of a master and divert to himself the cream of the joint endeavour of labour and capital, retaining labour perpetually in the position of begging for concessions from him. Labour and management should learn to function as real co-partners.

73. It is not that in every partnership the partners function in an ideal manner. Very often the partners become suspicious of each other, and every act of the other looks distorted against the suspicious atmosphere; for suspicion requires no argument. Therefore, it is necessary to make the relations between the partners as near ideal as possible; and for this an atmosphere of mutual respect and confidence should be created. If the two partners in a partnership feel that their interests are mutually conflicting, then it will never be possible for the partnership to thrive. Each of the partners should feel that his interest is common with that of the other.

74. The partnership of the kind that Gandhiji had in mind was not based on class-conflict, but on class-co-operation. In a healthy partnership, there is no conflict of interests between partners; only there is a concurrence of unity of interests. Such a partnership of Gandhian concept completely changes the whole philosophy of labour-management relations currently in vogue whether in the Communist or other countries.

75. Gandhiji wanted each partner to function as a trustee of the other partner. He advised the capitalists to consider themselves as trustees of the labour they are employing and should not take for themselves more than their just needs. They were required to utilise the surplus for the welfare of labour, the other partner. The same would equally apply to labour that labour too should consider itself a trustee of capital; and in its endeavour to secure its just share, it shall not harm the interests of the industry. The next step is that both labour and capital should consider themselves as co-trustees or joint-trustees for the welfare of the community, so that no action of either of these trustees, *viz.*, capital or labour, shall ever go against the interests of the community. The community for its part too should function as a trustee of both labour and capital and see to it that it does not permit any act which will undermine the safety, security and welfare of either industry or labour.

76. Thus the trusteeship philosophy is not confined to one section of the population or one

section of industry. It is not to be a one-way traffic. It is a high and comprehensive thought. The extension of the principle of trusteeship to other spheres of human activity, such as every individual in society as a trustee of other individuals, every class of society as a trustee of every other class, every community as a trustee of every other community in the country, would make for the most positive co-operative endeavour within the nation and will never lead to any conflict of the kind that we are witnessing to-day.

77. The same principle extended to the global level would mean that every nation in the world should consider itself as a trustee and function as a trustee of every other nation in the world. When this materialises there would be no need for wars; for then there would be no conflict of interests among the nations. Each nation would prosper not by exploiting other nations, but by serving the other nations. Therefore, the trusteeship principles propounded by Gandhiji is not a narrow view confined only to industrial relations to substitute class-conflict by class-cooperation. It is the highest form of expression in civilized living that can be extended with advantage right upto the international level.

78. The setting up of Joint Management Councils in industrial units is an attempt to work the philosophy of co-partnership in Industry and co-trusteeship of the community. Joint Management Councils are not to be set up as a result of any condescending act of concession by employers. Such a Council should be set up out of a sincere realisation of the inalienable rights and obligations of both the parties, mutual as well as joint. It is true that in the past there have been several hasty or premature attempts to set up Joint Management Councils in certain units, more for the sake of publicity, than out of a realisation of the basic principles that underline the setting up of such a Council, much less because of the existence of pre-conditions to make the scheme a success. No wonder, therefore, those Councils have failed. But that cannot be the reason why we should give up the idea altogether. We should first prepare the ground before we start launching upon the scheme. What is actually needed is an intellectual revolution to carry conviction to both employers and labour about the soundness of this philosophy and its unreserved acceptance by them as the only way for lasting healthy labour-management relations. Effective arrangements must be made to equip labour with sound education, and proper frame of mind so that it can play its new role satisfactorily. And then when the ground has been prepared we should

try to put the scheme in practice expanding its role and increasing its responsibility in stages.

79. Our colleagues on the Commission seem to have been weighed down more by the Present conditions. We must remember the Commission's recommendations are going to be the guideline for the next twenty or thirty years. We do not believe that there is not going to be any change in the thinking of either employers or labour in the next 20 or 30 years. Both of them are certainly bound to grow wiser and move closer towards a more balanced and proper relationship between themselves and their joint relations towards the community. Raising demands and disputes and securing money incentives to labour will not always be the role of trade unions of the future.

80. It is good to look beyond. The status of the workers should go up, not merely his money earnings. Unless his status goes up and he is recognised as a partner in the industry and as a co-trustee of the community's welfare along with capital, he could not be persuaded to put in his very best. Where money incentives had failed, status-incentive might succeed. The lack of enthusiasm on the part of the worker cannot always be traced to the absence of adequate monetary incentives. So long as the worker is really working for someone else, it will be impossible to generate in him a sense of genuine love and enthusiasm for his work. All the time he will be feeling that he is holding somebody's baby and not his own. All that makes him go 'baby-sitting' is the money that he gets for it. That money can, no doubt, make him hold the baby for the stipulated time, but it will not make him develop a sense of devotion and love towards that baby. He will be only waiting for his work-period to be over so that he can thrust the baby on his reliever and walk out. The baby was, in fact, a nuisance to him which was just tolerated for the money it gave!

81. It is obvious that if the industrial worker has this feeling of a 'baby-sitter', the work he does will be soul-less. Work for him will just be a nuisance tolerated for the money it gave. Any improvement only in the wages of the worker *i.e.*, the 'baby-sitter' will not make the child his own, nor produce sustained love or enthusiasm for the work; for, all along the feeling will be persistent that he is only a hired labourer.

82. This, however, should not be taken to mean that the money part of the incentives is not necessary. *Indeed it is both necessary and important. But what is equally necessary and important is the status of the worker.* The best incentive, therefore, is to raise the status of the

worker in the industry, so that from the position of wage-serf, he becomes a partner in the industry and indeed a part of the industry itself. The Joint Management Council is a device to raise the status of the workers in industry, designed to give labour the status of a co-partner with capital and co-trustee of the community.

83. We, therefore, feel that it would be wrong in principle to suggest the amalgamation of the Works Committee and the Joint Management Council. The two are different and are intended to meet different needs.

84. Wherever there is an enlightened employer and a single, strong and healthy trade union, believing in prosperity through cooperation, and where in consequence there has been a long spell of harmonious industrial relations leading to a sense of belonging in the minds of workers, the Joint Management Council should be tried on a selective basis, gradually increasing the area of consultation and participation so as to be ultimately all-comprehensive. Experience gained thereby could be utilised for the consolidation and further expansion of the scheme.

85. We feel successful Joint Management Councils hold the key not merely to industrial peace, but also to the prosperity of labour, industry and the nation and deserves to be pursued vigorously in its own right.

IV

PROHIBITION

86. We regret that neither our colleagues nor the Committee on Labour Welfare have made any recommendation regarding Prohibition. Prohibition is one of the important factors contributing to welfare of the community, and more particularly of labour. It has helped to improve the standard of living, both material and moral, of the working class generally. It is not merely enough if the wages of the workers, whether real or monetary, go up; what is more important is that the money earned by the workers should be properly spent. With prohibition, the money saved on drinking would be diverted to more useful and healthy items of the family budget. Prohibition ensures a happy home and a more disciplined worker at the plant.

87. It is often said that prohibition wherever introduced has not proved to be a success because of difficulties of implementation of the law. Any difficulty encountered in implementing a law,

cannot be an argument for scrapping the law itself. We have ourselves come across numerous complaints about non-implementation of the provisions of the Minimum Wages Act, and, therefore, about its ineffectiveness. We are not prepared to accept that as the reason for scrapping the Minimum Wages Act. Instead, we have laid great emphasis or more effective implementation of that law. We see no reason why we should adopt a different standard in regard to the prohibition law. If implementation and enforcement of law are half-hearted and, therefore, ineffective, it is the enforcement that will have to be made more effective.

88. Another familiar argument often advanced by certain State Governments, in favour of scrapping prohibition is that they are losing considerable revenue which they would be otherwise getting. This line of argument appears to us wholly untenable. Scrapping of prohibition is not going to create new wealth. Whatever Government might be getting by way of income as a result of excise duty on intoxicants will be more than made good by the receipts on entertainment tax, sales tax, etc. on which the people will be spending the money saved by not spending on intoxicants. States must also realise that *any* method to augment their income cannot be justified, for the methods adopted also must be good. Earning more revenue cannot be the aim of any State. It is only the means to serve the people better. If earning more is to be the objective, then, the States should even be justified in undertaking propaganda for drinking more, so that they can get more revenue. But that will cut at the root of the moral base of society. Wherever prohibition is introduced, the State has also gained by the resulting higher standard of law and order.

89. Prohibition is also one of the directive principles of State policy embodied in our Constitution. It is regrettable that our colleagues while dealing with the Directive Principles of State Policy in Chapter 6, have overlooked this important item. While any discussion on the introduction of total prohibition throughout the country is beyond our scope, we feel that introduction of prohibition in so far as the working classes are concerned is well within our enquiry. We have, therefore, given our earnest consideration to this problem.

90. We recommend that those States which have not yet introduced prohibition and those which have not yet diluted the prohibition laws, should, in the first instance, be asked to introduce prohibition and effectively prohibit the sale of intoxicants at least in the industrial areas in their States.

V

KHADI AND VILLAGE INDUSTRIES

91. Even after twentytwo years of freedom and eighteen years of planned economy, we have found that the problem of unemployment has been increasing with no hope of solution in the near future. In addition, underemployment in the rural areas is also widespread. While dealing with the problem of unemployment and underemployment, particularly in the rural sector, we cannot ignore the useful role that khadi and village industries could play. They could provide some employment to the unemployed. Even though

employment in Khadi and village industries may not ensure a minimum or a fair wage, yet under the present conditions, it is these industries alone which can provide them immediate employment. Even the under-employed could be usefully employed in these industries utilising the idle days or hours and supplement their income.

92. We are aware that Governments in the Centre and in the States have been assisting the promotion of khadi and village industries; but it seems to us that such efforts are not adequate. We, therefore, recommend the intensification of the State's programme of effective assistance to khadi and village industries which alone holds the key for full employment at present.

S. R. Vasavada

G. Ramanujam

R. K. Malviya

Ramananda Das

Minute of Dissent

by

Shri Manohar Kotwal

Strikes and Lock-outs

While recommending full freedom to strike or to lock-out for the purpose of strengthening collective bargaining, my colleagues in the Commission did not appreciate the necessity of differentiating between normal strikes in support of economic demands and other strikes like the defensive

strikes, token-strikes, political-strikes and sympathy-strikes, and have recommended that it should be obligatory on the part of the unions to serve Notice of Strike and take a ballot vote of workers in "all strikes". I differ from this recommendation of the Commission in this form and hope this omission on the part of the Commission will be taken note of by the Government.

Manohar Kotwal

EXPLANATORY NOTES

In view of the long span of time which the Commission had to cover, the use of proper nomenclature for administrative units has not been uniform. Before 1935 some of the administrative units were called Presidencies, others were Provinces. After the enforcement of the Government of India Act, 1935, and before 1950, they were all Provinces. The Constitution refers to them as States. As far as possible, the names appropriate to the period under reference viz., Presidency/Province/State have been used.

2. Some of the States have changed their names. Madras, for instance, has become Tamil Nadu; United Provinces is Uttar Pradesh; Central Provinces is Madhya Pradesh; and so on. In mentioning the names of the State in a particular year, the name appropriate for the period has been used though the present name may be different.

3. The Metric system of weights and measures is currently in use. For expressing numbers the

word 'million' as also the words 'lakh' and 'crores' are common. All these nomenclatures have been used. [Lakh=100,000 (or 10^5), million=1,000,000 (or 10^6), and crore=10,000,000 or (10^7)].

4. The words 'worker'/'employee'/'workman' have a specific meaning under different statutes. They are also generic terms used synonymously. So are the words employer/management.

5. Statistics available from published sources as on 30-6-1969 or earlier have been used in the report.

6. There have been occasions when the names of States, legal enactments, institutions/organisations and reports have been repeated. Several of them have their popular abbreviations. The abbreviations used in the report are listed below. The full name of the States/Institutions, etc., has appeared before the abbreviation is sought to be introduced for the first time.

LIST OF ABBREVIATIONS USED

1. AIDEF All-India Defence Employees' Federation.
2. AIMO All-India Manufacturers' Organisation.
3. AIOE All-India Organisation of Employers.
4. AIOIE All-India Organisation of Industrial Employers.
5. AIRF All-India Railwaymen's Federation.
6. AITUC All-India Trade Union Congress.
7. AIWC All-India Women's Conference.
8. ALE Agricultural Labour Enquiry.
9. A.P. Andhra Pradesh.
10. ASI Annual Survey of Industries.
11. Av Average
12. BID Act Bombay Industrial Disputes Act, 1938.
13. BIR Act Bombay Industrial Relations Act, 1946.
14. BMS Bhartiya Mazdoor Sangh.
15. British T.U.C. British Trade Union Congress.
16. CAF Chief Adviser of Factories.
17. CAL Conference of Agricultural Labour.
18. C.G.A. City Compensatory Allowance.
19. CCIF Conference of the Chief Inspectors of Factories.
20. CFW Committee on Fair Wages.
21. CIE Council of Indian Employers.
22. CIM Chief Inspector of Mines.
23. GIRM Central Industrial Relations Machinery.
24. CLC Chief Labour Commissioner
25. CLS Conference on Labour Statistics.
26. CLW Committee on Labour Welfare.
27. CMI Census of Manufacturing Industries (Census of Indian Manufactures)
28. Code Code of Discipline in Industry (1958).
29. C. P. & Berar Central Provinces of Berar (Old Madhya Pradesh)
30. G.P.F.C. Central Provident Fund Commissioner.
31. CPWD Central Public Works Department.
32. CRO Coalfield Recruiting Organisation.
33. CSO Central Statistical Organisation.
34. D.A. Dearness Allowance.

35. DGESIC Director General Employees' State Insurance Corporation.
36. DGET Directorate General of Employment & Training.
37. D.G.F.A.S.L.I. . . . Director General of Factory Advice Service and Labour Institutes.
38. DGMS Director General Mines Safety.
39. DGOFF Director General Ordnance Factories.
40. DGRE Director General Resettlement and Employment.
41. E. . . . Estimated.
42. EFI Employer's Federation of India.
43. EPF Employees' Provident Fund.
44. EPFO Employees' Provident Fund Organisation.
45. ESIC Employees' State Insurance Corporation.
46. ESIS Employees' State Insurance Scheme.
47. GLO Gorakhpur Labour Organisation.
48. Govt. . . . Government.
49. HMP Hind Mazdoor Panchayat.
50. HMS Hind Mazdoor Sabha.
51. H.M.T. . . . Hindustan Machine Tools.
52. H.R.A. . . . House Rent Allowance.
53. HYVP High Yielding Varieties Programme.
54. IADP Intensive Area Development Projects.
55. ICFTU International Confederation of Free Trade Unions.
56. I.D. Act. . . . Industrial Disputes Act.
57. IIPM Indian Institute of Personnel Management.
58. IJMA Indian Jute Mills' Association.
59. ILC Indian Labour Conference.
60. ILO International Labour Organisation.
61. I.L.S. . . . Indian Labour Statistics.
62. I.M.O. . . . Insurance Medical Officer.
63. I.M.P. . . . Insurance Medical Practitioner.
64. INTUC Indian National Trade Union Congress.
65. IOE International Organisation of Employers.
66. IPC Indian Penal Code.
67. IRC Industrial Relations Commission.
68. IRM Industrial Relations Machinery.
69. ITI Industrial Training Institute.
70. JCM Joint Consultative Machinery.
71. J & K Jammu and Kashmir.

72. JMG Joint Management Council.
73. Kg. Kilogram.
74. K.G.F. Kolar Gold Field.
75. LAT Labour Appellate Tribunal.
76. LIC Life Insurance Corporation.
77. LLJ Labour Law Journal.
78. LWC Labour Welfare Centres.
79. M.G.P. Multiple Cropping Programme.
80. M.O.A. Mill Owners' Association.
81. M.P. Madhya Pradesh.
82. N.A. Not Available.
83. NAPB National Arbitration Promotion Board.
84. NCAER National Council of Applied Economic Research.
85. NCDG National Coal Development Corporation.
86. NCTVT National Council for Training in Vocational Trades.
87. NES National Employment Service.
88. NFIR National Federation of Indian Railwaymen.
89. NILM National Institute of Labour Management, Bombay.
90. NNAC National Nutritional Advisory Committee.
91. NPG National Productivity Council.
92. NSLT National Service Labour Tribunals.
93. NSS National Sample Survey.
94. P.F. Provident Fund.
95. Pp. Pages.
96. PNM Permanent Negotiating Machinery.
97. P. & T. Posts & Telegraphs.
98. Rs. Rupees.
99. RLE Rural Labour Enquiry.
100. R.W.P. Rural Works Programme.
101. S.D.O. Sub-Divisional Officer.
102. SIHS Subsidised Industrial Housing Scheme.
103. SLC Standing Labour Committee.
104. S. O. Standing Orders.
105. State P.S.C. State Public Service Commission.
106. T.A. Travelling Allowance.
107. TISCO Tata Iron & Steel Company.
108. TLA Textile Labour Association (Ahmedabad).

- 109. U.K. United Kingdom.
- 110. U. N. United Nations.
- 111. U. P. Uttar Pradesh.
- 112. UPASI United Planters' Association of Southern India.
- 113. UPSC Union Public Service Commission.
- 114. U.S.A. United States of America.
- 115. U.S.S.R. Union of Soviet Socialist Republic.
- 116. UTUC United Trade Union Congress.
- 117. W. B. West Bengal.
- 118. WEP World Employment Programme.
- 119. WFTU World Federation of Trade Union.

APPENDICES

MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION

DEPARTMENT OF LABOUR AND EMPLOYMENT

RESOLUTION

New Delhi, the 24th December 1966

No. 36/14/66-I & E—The Government of India have decided to set up a National Commission on Labour consisting of the following :

Chairman

Shri P. B. Gajendragadkar.

Members

- | | |
|--------------------------------|-------------------------|
| 1. Shri Naval H. Tata. | 7. Shri G. Ramanujam. |
| 2. „ N. K. Jalan. | 8. „ Manohar Kotwal. |
| 3. „ P. R. Ramakrishnan, M. P. | 9. „ R. K. Malviya. |
| 4. „ G. D. Khandelwal. | 10. „ Ramauanda Das. |
| 5. „ S. R. Vasavada. | 11. „ Raja Ram Shastri. |
| 6. „ S. A. Dange. | 12. Dr. B. N. Ganguli. |

Member-Secretary

13. Shri B. N. Datar.

2. The terms of reference of the Commission will be as follows :

- (1) To review the changes in conditions of labour since Independence and to report on existing conditions of labour.
- (2) To review the existing legislative and other provisions intended to protect the interests of labour, to assess their working and to advise how far these provisions serve to implement the Directive Principles of State Policy in the Constitution on labour matters and the national objectives of establishing a socialist society and achieving planned economic development.
- (3) To study and report in particular on—
 - (i) the levels of workers' earnings, the provisions relating to wages, the need for fixation of minimum wages including a national minimum wage, the means of increasing productivity, including the provision of incentives to workers;
 - (ii) the standard of living and the health, efficiency, safety, welfare, housing, training and education of workers and the existing arrangements for administration of labour welfare—both at the Centre and in the States;
 - (iii) the existing arrangements for social security ;
 - (iv) the state of relations between employers and workers and the role of trade unions and employers' organisations in promoting healthy industrial relations and the interest of the nation ;
 - (v) the labour laws and voluntary arrangements like the Code of Discipline, Joint Management Councils, Voluntary Arbitration and Wage Boards and the machinery at the Centre and in the States for their enforcement ;
 - (vi) measures for improving conditions of rural labour and other categories of unorganised labour ; and
 - (vii) existing arrangements for labour intelligence and research, and

(4) To make recommendations on the above matters.

NOTE : For the purposes of the Commission's work the terms 'labour' and 'workers' will include, in addition to rural labour, all employees covered by the Industrial Disputes Act, 1947.

3. The Commission will make its recommendations as soon as practicable. It may, if it deems fit, submit interim report(s) on any specific problem(s).

4. The Commission will devise its own procedure. It may call for such information and take such evidence as it may consider necessary. The Ministries/Departments of the Government of India will furnish such information and documents and render such assistance as may be required by the Commission.

5. The Government of India trust that the State Governments/Administrations of Union Territories, public sector undertakings, organisations of employers and workers and all other concerned organisations will extend to the Commission their fullest cooperation and assistance.

ORDER

ORDERED that the Resolution be published in the *Gazette of India*, Part I, Section I.

ORDERED also that a copy of the Resolution be communicated to all Ministries/Departments of the Government of India, State Governments/Administrations of Union Territories and all others concerned.

P. C. MATHEW, *Secretary*.

The original composition of the Commission underwent changes from time to time. As on the date of signing of the report, the composition was as follows :—

Chairman

Shri P. B. Gajendragadkar.

Members

- | | |
|----------------------|--------------------------|
| 1. Dr. Baljit Singh. | 7. Shri R. K. Malviya. |
| 2. Shri Bharat Ram. | 8. „ P. R. Ramakrishnan. |
| 3. „ Ramananda Das. | 9. „ G. Ramanujam. |
| 4. „ B. C. Ganguli. | 10. „ Raja Ram Shastri. |
| 5. „ D. C. Kothari. | 11. „ Naval H. Tata. |
| 6. „ Manohar Kotwal | 12. „ S. R. Vasavada. |

Member-Secretary

13. Shri B. N. Datar.

**Speech of Shri Jagjiwan Ram, Union Labour Minister at
the Inaugural Session of the National Commission on Labour
Bombay, 18th January 1967**

Mr. Chairman, Members of the National Commission and Friends,

This is a momentous occasion not only for workers and employers but also for the country as a whole. The work which the Commission starts to-day will leave its imprint on our labour policy and through it on the nation's economic life for decades to come. Its quiet beginning may not hit the headlines which are currently occupied with various kinds of political manoeuvres and agitations. But when the dust and noise of these political contests have subsided in a few weeks' time, and we are back in our day to day battle, that is, the battle against poverty, the patient work of the Commission will make an enduring contribution. For, in spite of our present difficulties and the gloomy forecasts by sceptics, we have to press forward with our economic development. The success of such an endeavour will depend in no small measure on the morale of the working class and their willing participation in a common effort. The basic task before this Commission is to recommend measures that will create opportunity for such participation and maintain its morale, measures that will feed the process of development and yet be fully sustainable by the rate of economic growth.

2. To me this is a day of some personal gratification. I had the privilege of serving as free India's first Labour Minister and had a hand in formulating a Five-Year Plan for Labour even before the Planning Commission came into existence. It is that Plan which laid the foundation and basic structure of the Government's labour policy. As I now see in retrospect, the passage of a series of legislations in implementation of the Plan has, undeniably, helped labour in bettering its lot and in wresting many concessions, but has not, as was apprehended in certain influential quarters then, brought about a collapse of industry. It is a moot point, however, if the totality of their impact has led to greater consciousness and made labour realise its own creative role in the building up of the new social order. I am not a believer in the monopolistic position given to labour in some social theories and I realise that Indian Labour, numerically poor, ideologically immature, lacking unity, consolidation and strength, can by itself hardly hope to provide even hegemony, let apart leadership, and has to develop a broader outlook and a proper perspective before it is able to make its creative contribution to the pool of thinking and knowledge responsible for the shaping of the country's policies.

3. I uphold the principle of collective bargaining or of adequate alternative arrangements for the effective protection of occupational interests. But I consider it necessary for all concerned to go behind the group attitudes and behaviour and analyse the very springs of motivation. After all, historically and sociologically, the basis of the trade union group bond was the need to protect the group from an opposing different group and to promote its interest against the interest of the group in opposition. The basis of the group bond was

thus not creative association as in a co-operative, but negation and hostility and self-preservation. The consequences that the acquisitive action of one group might have on society as a whole did not figure into the calculation of the contending groups. This group attitude is so pervasive that even in nationalised enterprises there is a clash and a competition for the loyalty of the worker and for leadership. It should be clear that no organisation can function effectively if the clash for leadership is perpetual and each side tries to be as cleverly class-conscious as possible regardless of consequences for the community. It presupposes that each has his own interest to look out which, if not contradictory, are disparate and distinct from those of the other. The postulates, it should be apparent, are poorer in ethics.

4. It is clear to me that unless labour develops a larger perspective, is capable of stable conduct guided by moral principles, cherishes the values which constitute the very foundation of the objectives the people of the country have set before themselves, realises the inadequacy of its own beliefs and practices and reaches out towards new horizons, it will neither be able to play its coveted role in society nor will be willingly accepted as such. To the extent the new perspectives and attitudes are relatable to environmental factors, it is equally clearly the responsibility of industry and Government to provide them. These, it should be apparent, embrace not only the home and school environment but the factory environment and the attitude of the management. The latter involve the method of communicating the new attitude and outlook, the elimination of the chronic fears and suspicions, the imparting of adaptability and flexibility to the impersonal bureaucratic methods of operation of big industries, the 'personalising' of management, the resolution of tensions arising out of an essentially negative attitude towards work on the part of the worker and the dominating attitude of a superior struck by those in supervisory or managerial positions. It has also to be realised that often enough the worker strikes a posture of defiance or takes up sides without fully understanding or appreciating the real intention of the management. Such actions are the reflex of the tension accumulating in the subterranean chambers of his brain and these have little to do with the real problem of team work in industry or of creative cooperation.

5. It has been my feeling that the problem of basic attitudes in industry has very wide ramifications and calls not only for greater systematic understanding of its various facets such as the inter-relation between a trade union and industry, the question of leadership, the home-school-factory-environment, the laws and their administration and constructive discussions of facts with leaders of relevant areas of community life but for urgent action based on the results of such researches and discussions.

6. Private enterprise is, in the eyes of labour, more suspect than its public counterpart. After all, the

orthodox theories explaining the uneven sharing of wealth in a community in terms of a system of ratios representing the relative importance of the several participants in the creation of that wealth are static and mechanical, wholly dependent on the law of differential urgencies, which does not explain the origin of the differences, which are historically and socially determined and are not sacrosanct. The essence of the distributive principle can be, with equally if not more valid arguments, proved to be the diffusion of property ownership and the solution of the problem, a change in the existing order of property relations. After all, when we talk of democratic socialism we are talking of revolution. The difference between revolution by consent which is democratic socialism and reform is after all the pace of the movement and the scope of the ground covered. Yet, there is a vital difference in effect, and that is the crucial fact that a revolution transforms the very quality, essence or nature of the substance which is the subject of the process of change. The substance in our case is nothing less than our current order of living.

7. Let us not, therefore, ignore facts. Private enterprise is in the eyes of labour more suspect than its public counterpart. Without justifying attitudes or apportioning blame it may be stated that it has become far more important today for the entrepreneur to woo and win not only labour but public favour and what is probably more important public understanding. The political and economic ferment of the times, the swiftly moving tides of public opinion, their impact on the government, can no longer be ignored. Profits and profits alone cannot constitute the total philosophy of the entrepreneur. Profits may be and are an essential element in the mixed system of which the cornerstone is the best interest of the country's economy as a whole. The attitude that what is in the best interest of the people is the best interest of the industry can transmit new impulses to all levels and transform attitudes all along the line. Moreover, what is to be the best policy and a real test of entrepreneurial ability in the changing context of today?

8. These and related problems call for a comprehensive assessment. They demand a review of the conditions of labour since independence and of existing legislation and other provisions intended to protect and promote the interests of labour and encourage harmonious relations between employers and employees. How far have these provisions served to implement the Directive Principles? How far have they helped the realisation of the national objective of establishing a socialist society and achieving planned economic development? Such comprehensive assessment could be undertaken only by a high-power body like the Royal Commission of 1929. This is how the idea of a National Commission on Labour came to me and was put to Parliament in my speech during the last Budget Session. I am happy that the National Commission on Labour has come into being since then and is holding its inaugural session. I wish I could be present in person on this historical occasion to convey to you all how gratified I feel and with what great hope and expectation I am looking forward to the results of your endeavours.

9. May I say that there is some significance in the very name of the Commission? We have called it a National Commission. Its members consist of eminent men drawn from different fields. But it is not like the normal tripartite body where workers' and employers' representatives are deputed by their respective organi-

sations and sit in representative capacities with official or independent members to settle issues or differences between workers and employers. Here in this Commission, all members are, in a sense, independent and are responsible only to their own good sense and good conscience. While each member will naturally draw upon the rich fund of his own experience in forming his judgement and making his contribution to the Commission's work, the Commission and all its members have also the responsibility to consider all questions from the point of view of overall national welfare and development.

10. As I said, the recommendations that will emerge from the deliberations of this Commission, will provide guidelines for labour policy for many years to come. It would be unrealistic to expect that the Commission's recommendations would all be such as can be put into practice by the Government immediately after the submission of the report. They will have an enduring impact and call for continuing action, not by Government alone. The Commission has been appointed by the Government and will submit its recommendations to the Government but the recommendations will relate not merely to what the Government has to do. I am sure, they will cover areas where action will be called for by others also, particularly by the workers' and employers' organisations. I think it has been one of our weaknesses always to look to Government for initiative even when action is due by individuals or groups and it is in the interests of the individuals or groups themselves to take appropriate action. This is of special importance in the field of industrial relations where the brunt of action has to be borne by employers or workers and their organisations.

11. As a matter of fact, the labour policy that has been pursued since Independence can hardly be called the exclusive handi-work of the Government. As you all know, tripartite forums, like the Indian Labour Conference and various Industrial Committees have given direction to Government's labour policy. Though Government has naturally been initiating the policies, the organisations of workers and employers have not only played their parts in policy making but has also shared a responsibility in deciding its manner of implementation. To what extent this system has succeeded and whether they or the Government have discharged their responsibilities are matters for the Commission to judge.

12. Although I have highlighted certain points for the Commission's study, it is not for me to anticipate the Commission's work or its assessment of how our labour policy has worked during the years since Independence. But, perhaps, I may be permitted to indicate certain areas of doubt. As you all know, in the sphere of wages, we began by enacting a Minimum Wage Legislation or statutory fixation of wages in the less organised occupations including agriculture. The norms of a need based minimum wage were also spelt out later by the Indian Labour Conference. Though minimum wages have been fixed under the law and there has been periodical revision also, it is doubtful if these norms have actually been followed. Yet it seems only reasonable that wherever men are employed for work they should be guaranteed, an irreducible minimum level of payment in real terms. It is in this context that the concept of a national minimum wage becomes relevant. It goes without saying that the norms set will have to be such as the economy as a whole must have the capacity to bear, but on the other hand they should be such as to enable the workers to sustain themselves and to give their best.

13. In the organised sector of industry, wage payments have been regulated through collective bargaining or through industrial awards. More recently, the mechanism of tripartite wage boards has been introduced which have covered the major sectors of industry. How far this has been an effective instrument in realistically relating payment to work is a matter for the Commission to consider. The working of the wage boards and the manner of implementation of their recommendations have given rise to complaints by both workers and employers. It was decided to set up a committee to go into the whole question but I wonder whether it may not be a better arrangement for the Commission to set up a study group to go into this matter and to take the conclusion of the study group into account for its recommendations on the subject.

14. The continuous rise in prices constitutes a threat to the real earnings of workers and a potential danger to harmonious industrial relations. The system of dearness allowance has been devised to offset the rise in cost of living and to protect the real wage against erosion. Yet a continuous adjustment of dearness allowance to rises in the cost of living may defeat the purpose of protecting workers' real income. The remedy lies in keeping prices in check which can be achieved by increasing production and productivity. It has been suggested that through measures like incentive schemes, payments should be linked to performance. It has also been suggested that there should be a review of existing laws not only labour laws to eliminate or remedy any provisions which have a restrictive influence on productivity regardless of the benefit to both workers and employers from increased production. Frightened by our current economic difficulties, some people have come out with a cry for an absolute wage freeze and the British example has often been cited as a sort of instant remedy. To me, the analogy seems misplaced. In an economy of full employment, where the employers have to compete for retaining their workers, the latter are in a position to bid up the price of labour often even to an uneconomic level. A ceiling on wages in such a situation may be conceived. But I need hardly tell this learned body that the Indian situation is basically dissimilar. Quite understandingly, the cry of a wage-freeze has already been given a quietus.

15. Allied to the question of wages is the question of bonus. Some clauses of the Payment of Bonus Act have been declared *ultra-vires* by the Supreme Court and the question has again become a matter of contention between the parties. A bipartite body has been set up to find an agreed solution to the problems through these bipartite discussions.

16. Next in importance to wages is the question of social security. There is the Employees' State Insurance Scheme which covers about 3 million workers in factories. Medical benefits under the scheme which are available to the members of the workers' families cover about 13 million beneficiaries. The Employees' State Insurance Scheme has been reviewed recently by a tripartite committee. Its findings will be available to the Commission. The main problem is how to improve the content of benefits and how to extend similar benefits to workers employed in other sectors of industry. Apart from this, there are Provident Funds Schemes. About 4.7 million workers employed in 106 industries are covered by the Employees' Provident Fund Act. The rate of contribution which was originally fixed at 6½% has also been raised to 8% in a large number of industries. A separate provident fund scheme covers the coal mines. Some thought is being given to introducing a kind of Unemployment Insurance Scheme for the

members of the Provident Funds. The Commission will, no doubt, go into the general question of how far a practical scheme can be evolved for providing protection to employed persons during periods of temporary unemployment. In the present state of our economy, I am not quite sure whether some scheme of direct provision of assistance to all who are without employment can be thought of. A beginning may, perhaps, be made with those who can afford to contribute something towards the cost of such a scheme. Some subsistence allowance to all old persons in indigent condition should form part of any social security scheme.

17. I will refer only briefly to the basic question of industrial relations which, in a sense, are the resultant of all other aspects of labour policy. Our law on the subject of industrial disputes and the voluntary arrangements evolved in the shade of the Code of Discipline have had some success. To my mind, the major question is that of preventing disputes rather than settling them, I would go even further, to think of industrial relations in terms of resolving disputes and even preventing disputes is merely to look at the question from a negative point of view. What a developing economy requires is employer-employee relations which are constructive and cooperative. How to achieve such a system of relations should be a matter of major concern to the Commission. Attempt is being made to achieve it by creating a network of consultative bodies — bipartite at the plant level and tripartite at the industry and national level. A scheme of workers' participation in management has also been introduced. Though it will not be correct to say that these efforts have ended in complete failure, it remains a fact that the climate of concord and cooperation which was hoped for, has largely eluded us.

18. One important factor in the current labour situation is the division in the ranks of trade unions leading to rivalry between unions and, at times, also within the same union. The rivalries are often at the root of many industrial disputes and the voluntary remedies attempted in this field have not been of much avail. The question of recognition naturally becomes the central point of conflict when a number of unions contest with each other. There is no Central Law in force on this subject at present. Some agreed principles for recognition have been incorporated in the Code of Discipline. This has not been properly observed by all concerned. It has been suggested that legislation on these lines may be more effective. But I feel that unless the trade union leaders are keen to keep their own houses in proper order there is little that others can do in the matter. Even the law cannot provide a final solution; on the contrary, it might lead to more litigation.

19. You would have noted that in your terms of reference, special mention has been made of the conditions of rural labour and other categories of unorganised labour. Our labour policy has hitherto somehow overlooked this mass of workers even though they constitute the bulk of those who produce goods and provide services. There are laws for protecting labour in factories, mines, plantations, road transport and bidi industry. I hope that contract labour will also soon enjoy a measure of legislative protection. But apart from the ineffectively and imperfectly implemented minimum wages law, the workers employed in agriculture and other rural industries have been by and large kept beyond the purview of labour legislation. The same is the fate of sanitary workers and scavengers. As Minister for Labour, I have a sense of guilt in this regard. When I was first called upon to take up the

Labour portfolio, I went to Gandhiji for his blessings and his instruction to me was to take good care of those workers who were the most neglected. I cannot forget that I have not been able to carry out his desire. Much has been done to change life in the countryside. I can give a whole list of measures culminating in the experiment of the Community Development and Panchayati Raj. But the fact remains that the impact has not been very visible so far as landless agricultural labour or small farmers are concerned. I hope it will be possible for the Commission to go into the question and make recommendations which will help to bring a better life to these workers who form the sheet anchor of our economy.

20. The task before the present Commission is far more complicated than the one faced by its predecessor in 1929. The economic sense has changed in many respects. The achievement of Independence has brought in its wake a new awakening and a new range of hopes and aspirations and awareness of rights as also a sense of dignity on the part of the workers. We have deliberately taken to planning to activate the economy and accelerate its growth. Our planning, of course, is, in no sense, total. It is democratic and it does not seek to inhibit or discourage private initiative. Yet the very fact of planning which sets the pattern and pace of investment and growth has its implications in the field of industrial relation. We have also given ourselves the objective of establishing a socialist society which increases the expectations of the people and assumes their awareness of their obligations in the entire economic endeavour. With the acceleration of economic development, production whether agricultural or industrial has been diversified and has entered new and sophisticated fields calling for higher levels of skills and higher standards of performance. The entry of the State into the field of production in a purposive way has its implications which the earlier Royal Commission did not have to face. State enterprise which has come to be known as public sector will be an ever-expanding sector. Co-operative societies of late are entering the field of economic activities not in an insignificant way. Thus new elements have been drawn into the field of agricultural and industrial production. While there is an influx of unsophisticated labour from the country side, there is also an increasingly higher proportion of skilled and educated workers. A professional management class is emerging with interests and outlook different from those of the traditional owner-employers or entrepreneurs. These trends are bound to intensify during the coming years. It will be one of the Commission's tasks to study these trends and formulate recommendations which will suit not only the India of today but also the India of tomorrow.

21. The task is difficult but I have no doubt that the Commission will prove equal to it. In one sense, it is in a more fortunate position than its predecessor. A rich fund of labour literature has accumulated since the time of the Royal Commission. For instance, the reports of the labour investigation committee, the survey of labour conditions, the agricultural labour enquiry, the wage census, family living surveys and other studies like the productivity studies of the Labour Bureau will provide a good deal of material. Apart from these, there are the reports of the Wage Boards, awards of Tribunals and studies carried out by the Planning Commission directly or through its Research Programme Committee. There are research studies in labour and allied fields carried out by Universities and other research institutions. Besides this fund of knowledge being at the disposal of the Commission, I hope it will be possible for the Commission to persuade these bodies to undertake studies and investigations and compile data for the use of the Commission on matters with which the Commission is concerned.

22. I am afraid, I have taken a good deal of your time. As I said, it is not for me to anticipate the deliberations of the Commission and I am afraid it will be presumptuous on my part to try to brief it. I have only tried to give some idea of the importance which the Government attach to the Commission's work and our great expectations from the Commission. In doing so I have also unburdened myself of some of the problems that have been exercising me, in the hope that the Commission's deliberations will throw more light on the issues involved. I have only presented part of my bill of expectations.

I am confident, under the chairmanship of a person of your eminence, Mr. Chairman who always keeps himself wide awake to the signs of the time and so ably and effectively interprets and advocates the cause of that section of society which has, for various reasons, been long overlooked in spite of its being the main sustainer of the society as producers of goods and suppliers of services and with the wise counsels of your able colleagues, the Commission will produce a report which will give new dimensions to the role of the working class in making its conscious and significant contribution towards establishment of an affluent and egalitarian society and lay the foundation of a rational labour relation which will be meant not for resolving disputes but for eliminating them.

I wish the Commission *godspeed*.

**Inaugural Address by the Chairman Dr. P. B. Gajendragadkar
at the Inaugural Session of the National Commission on Labour
Bombay, 18th January 1967**

As Chairman, it is my privilege and my pleasure to welcome you all to this first inaugural meeting of the National Commission on Labour. You know that originally, in consultation with me, Minister Jagjivan Ram had fixed the first meeting in New Delhi on the 11th of this month. In fact, it was at my suggestion that the meeting was fixed for that day and at New Delhi. I had met Mr. Jagjivan Ram and had told him that since I had agreed to speak on 'Shastriji and Tashkent' in New Delhi on the 10th, it would be convenient if the inaugural meeting of the Commission was also called in Delhi the next day. But one realises sometimes in life that what one proposes, Mis-chance disposes. When I went to Delhi in the last week of December, I met with an accident and my right hand has been a casualty. In medical jargon they call it "Collasis Fracture". As soon as I got this injury, I got in touch with Jagjivan Ram who was then in Bombay and told him that it would not be possible for me to go to New Delhi on the 10th and 11th January. I suggested to him that the Commission should keep to the schedule and hold the meeting on the 11th January; but he was reluctant to adopt that course. That is why, to my regret and to my disappointment, we have had to hold this inaugural meeting in the absence of the Minister himself. Even so, the Minister has been good enough to give this Commission an inkling into his views on the problems with which this Commission will have to deal. I wish to convey to the Minister our sense of appreciation for the sentiments which he has expressed about the Commission in his speech.

We realise that the work which the Commission is called upon to discharge is of a historical character. All that we can say to-day is that each one of us will make an earnest endeavour to produce a report which may meet the legitimate expectations of the public at large in regard to the matters referred to us.

A couple of months after I retired, Minister Jagjivan Ram enquired from me whether I would be prepared to head a commission of this type. I told him that this assignment would interest me, but that I was inclined to put three conditions before I accepted it. My first condition was that wherever the headquarters of the Commission would be located, my personal headquarters should be at Bombay. After retirement, I have deliberately chosen the assignment of Vice-Chancellor of the Bombay University with a certain sense of purpose, and I told the Minister that for the three years of my tenure, my loyalty will be first and foremost to the affairs of the University. If it was possible for him and the Government of India to allow the Chairman of the Commission to make his headquarters at Bombay, though the Commission's headquarters may be in New Delhi, then I would think of accepting the offer. This condition was met and now, though the headquarters of the Commission are at New Delhi, my headquarters will be in Bombay.

The second condition which I made to the Minister was that the terms of reference should be wide. I told him that from what little I knew about the development of industrial law in this country, one feeling has always disturbed me that when large mass of labour, who are inarticulate and unorganized, the problems of that class of labour do not receive the attention of the country

at all. And I told him that the terms of reference of the proposed Commission should be wide enough to bring within their purview all problems of industrial life of this country as also the unorganized, inarticulate agricultural labourers. And you will see that the terms are wide enough and this condition has also been satisfied.

The third condition was of a personal character. I said to him, "If you want this Commission to attempt this significant task which, if well done, may well provide guide-lines for the industrial development of this country for the next 25 years, then it is of utmost importance that you should nominate on this Commission persons as members who have rich and wide experience in this field and who hold in their individual capacity a recognized position of status in the public mind". Industrial life, and regulations and laws relating to industrial relations constitute a very sensitive field of human endeavour and I have always felt that unless persons who are called upon to consider this explosive, sensitive field, command the respect of the community at large, as well as the respect of the employers and the employees, their task may not succeed; and so I said to him, "Appoint on the Commission members whose active association with the Commission, will give strength to the Commission itself and will enhance its status in the mind of the public". This condition has also been satisfied, and I see that my distinguished colleagues are of such status and experience, that their active association with the work of the Commission will give me great strength; naturally, the appointment of the Commission has raised legitimate expectations in the minds of the public in regard to the contribution which its report may, in due course, make to the future development of industrial life in this country.

Our predecessor Commission was appointed in August 1929 and it made its report towards the end of March 1931. In 1929, our Industrial Law was in its infancy. Trade Disputes Act had just been enacted and we were starting on our journey in the development of Industrial Law. Their problem, therefore, was not very complex. Ever since then and particularly after the Constitution was adopted, problems relating to the industrial relations have become very complex. Article 43 of the Constitution guarantees to every citizen the right to work and work under conditions consistent with the dignity of human citizenship, conditions which will enable the worker to enjoy in full measure his democratic right to participate in life, liberty and happiness. That directive principle naturally has inspired the development of industrial law since 1950. During this period industrial law has developed in various ways. We have awards made by tribunals appointed to settle disputes; we have awards made by wage boards appointed on *ad hoc* basis, from time to time, and Courts — High Courts and the Supreme Court — have also made their contribution. I think, by and large, it may be legitimately claimed that in India Industrial law has developed smoothly, and in a truly democratic manner. One has merely to consider the story of the development of India. Industrial Law in the States as well as in England to realise how, by contrast, the industrial law here has developed in a smooth, peaceful and democratic manner, according to the rule of law. That is

not to say that law has not given rise to certain anomalies; that is not to say that some of the stresses and strains which we see in the working of the law could not have been avoided. But I suppose that error cannot be completely eliminated from human endeavour, however devoted and objective the endeavour may be, and so the problem which we have to tackle is a difficult problem and its magnitude is very large. Even so, I venture to hope that all of us, sitting together, would ultimately be able to tackle this problem effectively.

I do not know on what basis the Government have chosen the members of this Commission; but as I look at the list of my distinguished colleagues, it seems to me that each one of us, including myself and the Member-Secretary, has come to this table, not as representing any particular interest as such; we come to this table first and foremost as citizens of free India, determined to evolve a progressive and healthy code for the future development of industrial relations in this country. I realise that the issues which we have to consider and decide are complex and difficult. Sometimes the decision of these issues would be agonizing. But if we deliberately and consistently adhere to one basic concept, there would not be much difficulty in resolving all points of difference amicably. The basic concept is very simple. Industrial relationship and industrial development in a democratic country must proceed on the hypothesis that your policy must be fair to the employee; must be fair to the employer; and, above all, must be consistent with the good of the community at large. I realise that the principle, in these broad terms, is easily stated, but the working of the principle may be difficult. That is true. But if we attempt the task in a spirit of objectivity, as far as we can command it, it would not be difficult for us to find solutions which we may recommend not only to the Government, not only to the private sector, but even to the public sector; and that search for such solutions will be rendered easy if we attempt the task and sit round the table not as representing any particular interest, any particular group or organization, but as representing the class of progressive intellectuals which feels that the time has come when democracy must be strengthened with the assistance of a proper industrial climate which will help production in all fields and lead to healthy relations between the employers and employees. This task may not be beyond our reach if only we attack the problems not as representing a particular group or vested interest, but as progressive citizens who want industrial relations to be placed on a rational and scientific basis.

Whenever we have to face as we frequently may have to, during the course of our discussions a conflict between two competing ideas, it would usually be possible to resolve that conflict, provided we take recourse to two principles which are known to Indian culture for ages. These principles are very simple. One principle is Sameeksha — You try to discriminate dispassionately between the pros and cons of both the competing concepts. The other principle is Samanway, synthesis. I do not think that there is any problem which we may have to face during the course of our elaborate deliberations, which may ultimately defy our determined effort to find a rational solution to it. Rational or harmonious synthesis, attempting to resolve

the conflict between the two competing ideas would be possible, provided we make an earnest and determined effort to try to eliminate our personal affiliations and meet the challenge of the problem in an objective manner.

My effort throughout will be to try to receive the best assistance from every member and attempt to place before the Commission the conflicting ideas in their proper perspective. Labour, naturally, must be treated fairly, particularly the claims of inarticulate unorganized labour. The case for the employers must also be considered fairly. But in assessing the respective claims of industry and employees, the requirement of a national good must always be borne in mind. That, I think, will be the proper approach to adopt.

The same approach is generally adopted by courts in dealing with constitutional problems. Whenever a dispute arises between the fundamental rights of the citizens on the one hand and public good on the other, courts attempt to correlate fundamental rights with the public good, by treating public good as a matter of the highest importance. If the approach in considering the problems which will arise during the course of our deliberations is impersonal, objective and fair, then I have no doubt that with the assistance of its distinguished members, the Commission would be able to make a report which would serve as a blue-print for the future development of industrial life in India for nearly 25 years. That should be our aim and ideal. I hope and pray that the legitimate expectations of the public will be satisfied by our report.

You know that the present situation in the country is very distressing. Speaking for myself, I have never felt so much disturbed before, about the future of democracy in India. If our report makes a significant contribution to the solution of the problem of building up healthy industrial relationship in our country, we would have assisted the progressive forces in India in strengthening democracy. It is no doubt a difficult task; but we must do our best to discharge our duty and bring our efforts to a successful end.

My success as Chairman of this Commission will, I apprehend, be ultimately judged by one test; how far and to what extent, have I been able to evolve solutions to the different problems referred to us by our terms of reference, solutions which are bounded on a rational and harmonious synthesis between competing and conflicting concepts and ideas. In the process of finding such solutions, I will inevitably depend upon the assistance of each one of you. As I began by saying, the membership of this Commission is very distinguished. Each one can legitimately claim rich and wide experience in industrial life and each one holds a recognised place of status in the mind of the general community. I have no doubt that with the assistance of such distinguished members, the Commission would be able to discharge its work satisfactorily. It is in this prayerful, humble, but confident mood that I welcome you all at this inaugural meeting of the Commission, and appeal to you to help the successful prosecution of the assignment which the Commission has accepted under its terms of reference.

GOVERNMENT OF INDIA
National Commission on Labour

D-27, South Extension II,

New Delhi-16.

April 10, 1967.

Telegram : NACOMLAB

Telephone : 79313

From

Shri B. N. Datar,

Member-Secretary.

To

Subject :— Questionnaire.

Sir,

The Royal Commission on Labour in India, the first to attempt a review of labour conditions on a national scale, reported in 1931. Its recommendations left their imprint on Government's labour policy for a long time. The Labour Investigation Committee (1944—46) sought to bring together information on the living and working conditions of labour in different industries and produced valuable reports. A far-reaching legislative and welfare programme for labour was announced by the first national government just prior to Independence. Since then, many significant developments have taken place. Working class aspirations have undergone a change; the country's economic programmes on a planned basis have had their impact on its life and work. To review these developments and to make recommendations which may serve as guidelines for the future, Government of India announced the setting up of the National Commission on Labour on 24th December, 1966. The relevant Government Resolution is at Annexure I.*

2. The Commission has already requested the Central and State Governments, employers' and workers' organisations and institutions/persons working in the field of labour-management relations for the supply of factual information on points which have a bearing on the tasks before the Commission. A number of study groups are proposed to be set up to examine the material available in the country on recent experience of different industries and on important aspects of labour problems facing the country. The attached questionnaire, therefore, seeks to elicit mainly the views, with statistical support if any, of organisations/persons interested in labour on most of the important issues which the Commission will investigate. Organisations/persons will, however, respond to only such questions as are of interest to them.

3. In arranging the questions, an attempt has been made to take an individual through his working life, starting from the time he aspires to have the status of a worker until after his retirement when he is expected to enjoy the fruits of his labour in the form of social security benefits. Questions on some other subjects, such as labour legislation and labour research and statistics, have also been added as they are a part of the Commission's terms of reference. The topics have been covered in the following order :—

- (i) Recruitment and induction
- (ii) Conditions of work
- (iii) Trade unions and employers' organisations
- (iv) Industrial relations
- (v) Wages
- (vi) Incentives and productivity
- (vii) Social security
- (viii) Labour legislation
- (ix) Rural and unorganised labour
- (x) Labour research and information

*Refer Appendix I.

4. Certain areas of enquiry falling within the Commission's terms of reference such as labour welfare, bonus, employees, state insurance scheme, workers' education, wage boards, etc., have not been dealt with at length in the questionnaire. These have been the subject of study in the recent past or are presently being inquired into by committees set up/proposed to be set up for the purpose. The Commission proposes to utilise the work of the committees which have reported, and others which are expected to report, before it frames its recommendations. Relevant information about each of such committees is given at Annexure II.

5. Since labour problems cannot be viewed in isolation and have necessarily to be a part of the overall problem of development, it is expected that while answering questions and making suggestions, due account will be taken of the present stage of the country's economic development as well as the perspective in which the Commission's recommendations may have to be implemented. **If for this perspective some of the principles on which the present labour policy is framed require to be re-examined, such re-examination should also find a place in the replies.**

6. Some reference material is being appended to the questionnaire for a better understanding of the questions posed. The Commission will be glad to clarify points arising out of the questionnaire when such clarification is sought.

7. The Commission would like to complete its work as early as possible. It will, therefore, be appreciated if replies are sent so as to reach the office of the Commission by 31st August, 1967.

8. **Organisations/persons are free to communicate to the Commission their views on matters which have a bearing on the terms of reference but which have not been specifically covered in the accompanying questionnaire.**

Yours faithfully,

(B. N. Datar)

Member-Secretary

I. COMMITTEE ON LABOUR WELFARE

Terms of Reference

- (a) To review the functioning of various statutory and non-statutory welfare schemes in industrial establishments both in the private sector and public sector, including mines and plantations;
- (b) to make such recommendations as may be deemed necessary to improve the functioning of the existing Welfare Schemes or for introducing new schemes ;
- (c) to examine and suggest industries where Welfare Funds like Coal Mines Welfare Fund and Mica Mines Welfare Fund can be created ;
- (d) to suggest measures for introducing welfare schemes for rural labour in general with particular reference to agricultural labour; and
- (e) to consider any other related matters that the Committee may deem fit.

II. BONUS COMMISSION

Terms of Reference

- (1) To define the concept of bonus and to consider in relation to industrial employments, the question of payment of bonus based on profits and recommend principles for computation of such bonus and methods of payment.

NOTE.—The term "industrial employments" will include employment in the private sector and in establishments in the public sector not departmentally run and which compete with establishments in the private sector.

- (2) To determine the extent to which the quantum of bonus should be influenced by the prevailing level of remuneration.
- (3) (a) To determine what the prior charges should be in different circumstances and how they should be calculated.
(b) To determine conditions under which bonus payments should be made unit-wise, industry-wise and industry-cum-regionwise.
- (4) To consider whether the bonus due to workers, beyond a specified amount, should be paid in the form of National Savings Certificates or in any other form.
- (5) To consider whether there should be lower limits irrespective of losses in particular establishments, and upper limits for distribution in one year and if so, the manner of carrying forward profits and losses over a prescribed period.
- (6) To suggest an appropriate machinery and method for the settlement of bonus disputes.
- (7) To make such other recommendations regarding matters concerning Bonus that might be placed before the Commission on an agreed basis by the employers' (including the public sector) and the workers' representatives.

III. EMPLOYEES' STATE INSURANCE SCHEME—REVIEW COMMITTEE

Terms of Reference

To review the working of the Employees' State Insurance Scheme and to recommend what modification or change in the structure and organisation of the Employees' State Insurance Corporation would be necessary to ensure more satisfactory functioning of the Scheme.

IV. STUDY GROUP ON WORKERS' EDUCATION

Terms of Reference

- (1) To study and report on how far the basic aims and objectives of the scheme as operated by the Central Board Workers' Education are being fulfilled ;

- (2) to consider and advise whether any changes are necessary in the Policies of the Board, and measures adopted by it, the machinery for and the mode of operation of the scheme ;
- (3) to recommend measures for enlisting fuller and wider co-operation of employers and trade unions in the operation of the scheme ;
- (4) to recommend measures for the association of State Governments, universities and other educational institutions in the operation of the scheme; and
- (5) to consider any related or ancillary matters and to make recommendations thereon.

V. STUDY GROUP ON THE FUNCTIONING OF THE SYSTEM OF WAGE BOARDS

Terms of Reference

- (1) to study the working of the existing Wage Board system in all its aspects including its contribution to the determination of fair wages and other conditions of work consistent with the circumstances of each industry and (its contribution) to the prevention of industrial disharmony ;
- (2) to examine the composition and functioning of the Wage Boards, the time taken by them in making their recommendations, the implementation of their recommendations and their effect on industry and consumer prices and labour conditions ;
- (3) to recommend such measures and changes in existing arrangements and practices including the manner of constitution and functioning of the Boards whereby their working may be improved, and the time taken by the Wage Boards to complete their work, might be reduced.

VI. STUDY GROUP ON WORKING AND SERVICE CONDITIONS OF SWEEPERS AND SCAVENGERS

Terms of Reference

- (1) To study the material already collected and the recommendations made by the different agencies previously set up for the purpose by the Central or State Governments and in particular by :
 - (a) The Barve Committee set up by the Maharashtra Government in 1949 ;
 - (b) the Malkani Committee set up by the Central Board for Harijan Welfare in 1957 ;
 - (c) the Social Welfare Team headed by Smt. Renuka Ray set up by the Planning Commission in 1958; and
 - (d) the Special Working Group on Cooperation for Backward Classes set up by the Ministry of Home Affairs in 1961 ;
- (2) to collect any further data that may be required;
- (3) to review the action already taken to implement the recommendations of the Committees referred to under (1) above ;
- (4) to suggest what further practical steps should be taken, and by whom, to improve the living and working conditions (including wages) of sweepers and scavengers; and
- (5) any other related matters that the Study Group may deem fit to consider.

NATIONAL COMMISSION ON LABOUR

SECTION ONE

QUESTIONNAIRE

1. Name and address of the respondent :
(Person/undertaking/organisation/state)
 2. The name of the Central Organisation of employers/workers to which you are affiliated.
 3. If union, please give the number of members.
When was the union formed ?
 4. If an undertaking/establishment, please give :
 - (a) Commodity produced/nature of activity.
 - (b) Number of employees as on 1-1-67.
 - (i) Workers
 - (ii) Others
 - (c) When was the undertaking established ?
-

I. RECRUITMENT AND INDUCTION

Recruitment

1. (a) How is labour recruited at present in industrial establishments? Its recruitment effected through (i) jobbers, (ii) contractors, (iii) advertisements, (iv) introduction by existing employees, (v) employment exchanges or (vi) any other method ?
(b) How far are the present recruitment arrangements satisfactory for different types of employees and different levels of skill ?
2. In what categories of employment is labour in short supply? What steps should be taken to minimise the effects of such shortages ?
3. Does lack of mobility affect supplies in different categories of labour? If so, what remedial measures would you suggest ?
4. To what extent is industrial labour migratory in character? What problems does such labour pose in recruitment and retention ?
5. How do the existing statutory provisions in regard to employment of women affect recruitment of women labour? Consistent with international conventions on conditions of work for women, what modifications would be necessary in the existing provisions for promoting employment of women ?
6. What are the advantages and disadvantages of recruitment of casual labour? If employment of casual labour is a disadvantage, what steps should be taken to decasualise such labour ?
7. In view of the present unemployment situation, what place should be given to the absorption of 'physically handicapped' in recruitment policy? Should there be a statutory provision for reserving a portion of the vacancies to physically handicapped persons ?
8. In establishments within your knowledge, is there any discrimination in the matter of recruitment on grounds of caste, community, region, language, etc.? Under what circumstances is such discrimination justified ?

Induction

9. Are the existing programmes for 'on-the-job' training of workers adequate? What are the directions in which improvement should be sought ?
10. What steps should be taken to encourage an employee to avail of the facilities outside the place of work for improving his skill? Is there any system of granting study leave to the employees in your establishment? If yes, please give details.
11. (a) What should be the outline of a rational promotion policy? What place would you assign in this policy to seniority, merit and trade test ?
(b) Should recruitment to positions at higher levels be made from among the existing employees only? If so, up to what level ?

II. CONDITIONS OF WORK

Working Conditions

12. (a) Conditions of work in factories, mines and plantations, etc., are presently regulated by the Factories Act, 1948, the Plantations Labour Act, 1951 and the Mines Act, 1952 etc. The main provisions of such acts *inter alia* relate to (i) safety and welfare, (ii) hours of work, rest interval, weekly off, etc., (iii) employment of young persons and women, (iv) annual leave with wages, (v) occupational diseases and (vi) overtime payment. What changes are necessary in these provisions? How should the implementation of these acts be improved? (See also Q. 19).

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

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

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

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

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

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

Safety and Health

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

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

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

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

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

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

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

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

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

III. TRADE UNIONS AND EMPLOYERS' ORGANISATIONS

Federations of Employers' and Workers' Organisations

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade Unions—Constitution and Finance

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

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

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

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

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

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

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

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

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

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

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

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

Trade Union—Leadership and Multiplicity

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

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

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

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

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

Trade Union Recognition

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

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

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

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

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

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

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

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

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

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

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

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

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

IV. INDUSTRIAL RELATIONS

Introductory

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Collective Bargaining

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

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

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

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

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

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

Joint Consultation

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

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

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

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

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

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

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

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

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

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

Conciliation

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

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

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

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

Adjudication

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

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

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

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

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

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

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

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

Code of Discipline

110. Has the Code of Discipline served its purpose ?

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

Voluntary Arbitration

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

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

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

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

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

Strikes and Lockouts

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

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

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

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

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

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

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

General

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

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

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

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

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

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

V. WAGES

Introductory

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

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

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

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

Minimum Wage

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

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

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

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

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

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

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

Dearness Allowance

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

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

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

(a) Which index number *viz.*, (i) All India, (ii) regional, or (iii) local should be preferred ? (b) What should be the frequency at which revision should be made—monthly/quarterly/half-yearly, etc. ?

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

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

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

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

Fringe Benefits

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

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

Wage Differentials

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

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

Methods of Wage Fixation

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

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

153. Tripartite wage boards came in vogue because it was felt that an arrangement by which parties themselves can have a hand in shaping the wage structure in an industry could be more enduring than the one where an award is handed down by a third party. Has this expectation been fulfilled ?

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

(b) Should wage board recommendations have legal sanction ?

Wage Policy

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

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

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

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

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

Mode of Wage Payment

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

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

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

General

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

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

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

VI. INCENTIVE SCHEMES AND PRODUCTIVITY

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

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

- (a) Employers and workers should formulate a simple incentive system at the unit level and implement it on some agreed basis through collective bargaining. In every case, introduction of incentive schemes should be preceded by an agreement with trade unions.
- (b) In evolving wage incentive schemes, it should be ensured that these do not lead to rate-cutting. The workers' normal wages should be protected where it is not possible for him for circumstances beyond his control to earn an incentive.
- (c) Individual or group incentives can be framed to cover both direct and indirect groups of workers.
- (d) An incentive scheme cannot be evolved without a work study undertaken with the cooperation of workers. Nevertheless, it should always be open to employers and workers to evolve a scheme by agreement or any other acceptable basis.
- (e) Efforts should be made to reduce time-rated categories to the minimum. This will ensure that all employees have an equal chance to increase their earnings with increase in productivity.
- (f) Wage incentives should generally provide extra earnings only after a mutually agreed level of efficiency has been achieved.
- (g) To ensure quality of production, incentive payments should be generally allowed only if the output has been approved on inspection by the management.
- (h) Incentive earnings should not fluctuate very much. This requires a certain degree of planning so that material delays, machine-breakdowns etc., are controlled.
- (i) The scheme should itself safeguard adequately the interests of the worker if he is forced to remain idle due to circumstances entirely beyond his control such as non-supply of raw materials, machine-breakdowns, etc.
- (j) Apart from financial incentives, non-financial incentives like better security of employment, job satisfaction, job status, etc., have also a place in increasing productivity.

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

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

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

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

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

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

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

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

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

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

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

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

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

VII. SOCIAL SECURITY

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

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

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

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

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

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

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

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

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

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

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

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

What are your suggestions on the above recommendations ?

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

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

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

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

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

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

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

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

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

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

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

VIII. LABOUR LEGISLATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IX. RURAL AND UNORGANISED LABOUR

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

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

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

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

Which of these suggestions are feasible in the Indian context ?

208. (a) There is a considerable body of workers, largely unorganised and employed in small industries in rural/urban areas, not covered by the protective provisions of the present labour legislation. How should such protection as is desirable be reached to them ?
- (b) Specifically, considering the nature of their employment, the size and location of the units/industries in which they are engaged, please suggest practical methods by which their position can be improved in regard to their employment, wages and working conditions.

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

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

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

X. LABOUR RESEARCH AND INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION TWO

ANNEXURES

1. Safety Provisions
2. Inter-Union Code of Conduct
3. Code of Discipline in Industry
4. Rights of Recognised Unions under the Code of Discipline
5. Principal Rights of Approved and Representative Unions under the various State Enactments
6. Model Grievance Procedure
7. Functions of Works Committees
8. Functions of Joint Management Councils
9. Recommendations of the Fifteenth I.L.C. regarding need-based minimum wage
10. Definition of Minimum, Fair and Living wages—Fair Wages Committee's Report, 1948
11. Rationalisation—The Recommendations of the Fifteenth Session of the I.L.C.
12. List of Important Labour Acts
13. Directive Principles of State Policy

ANNEXURE I

SAFETY PROVISIONS

Manufacturing Industries

Employers are under an obligation to take such safety measures as are required under the Factories Act like those, relating to the fencing of machinery, casing of new machinery, testing and examination of appliances such as hoists, lifts, cranes, chains and pressure vessels, supply of protective equipment to workers, precautions against dust, fumes, gases and fire, etc. The Act lays down the conditions under which young persons may be employed on dangerous machines, and prohibits the employment of women and children near cotton-openers. The State Governments are empowered to make special rules for certain dangerous operations specified by them. The Indian Boilers Act prohibits the use of unregistered or uncertified boilers and economisers, and their use at a pressure higher than the maximum pressure recorded in the certificate.

Mines

Employers in mines have to adopt such preventive measures as the Chief Inspector of Mines or Inspectors of Mines may direct under powers vested in them by the Mines Act for ensuring safety of workers. If the Chief Inspector or any Inspector authorised by him feels that there is danger to the life or safety of workers in any mine he may prohibit, until the danger is removed, employment in any mine or part of a mine, of any person whose employment is not reasonably necessary for removing the danger. The safety provision contained in the Mines Acts are supplemented by the Coal Mines and Metalliferous Mines Regulations. The Regulations prescribe qualifications of managers of mines and regulate storage, conveyance and use of explosives, safety of the road and working places, inspection of working and sealed-off fire areas in the mines, ventilation, lighting and fencing. They also provide for effective measures to prevent dangers from inflammable and noxious gases, dust, flooding and fire. Adequate safeguards have to be provided for persons working underground. Shafts, inclines and outlets to the surface should be open to periodical examination.

The Coal Mines (Conservation and Safety) Act, 1952 also empowers the Central Government to take necessary measures for maintenance of safety in coal mines. The Act provides for the levy of an excise duty on coal, the proceeds of which are paid to the Coal Board and credited to the Coal Mines Safety and Conservation Fund. Among other things the Fund is to be utilised for : (i) meeting the expenses of the Board ; (ii) the grant of stowing materials and other assistance for stowing operations to colliery owners, etc. ; (iii) the execution of stowing and other operations in furtherance of the objects of the Act ; (iv) research work connected with safety in coal mines or conservation and utilisation of coal ; and (v) the grant to State Government research organisation, local authorities and colliery owners on money-in-aid for any approved scheme designed to further the objects of the Act, etc.

Docks and Ports

The Indian Dock Labourers' Act, 1934 authorises the Central Government to make Regulations for the safety of workers employed in the loading and unloading of ships. The Regulations framed by Government require employers to ensure the safety of working places and approaches to them. Work places and/or their approaches should be properly lighted and fenced. It is obligatory for employers to make adequate arrangements for the safe transport of workers to or from ships by water and to ensure the safe working of hoisting machines or gears. Machinery, live electric conductors and steam pipes have to be fenced and life saving appliances maintained for the rescue of drowning persons.

ANNEXURE II

INTER-UNION CODE OF CONDUCT*

We, the representatives of four Central Labour Organisations, namely, INTUC, AITUC, HMS & UTUC agree to observe the following basic principles for maintaining harmonious inter-union relations :—

- (1) Every employee in an industry or unit shall have the freedom and right to join a union of his choice. No coercion shall be exercised in this matter.
- (2) There shall be no dual membership of unions. (In the case of Representative Unions, this principle needs further examination.)
- (3) There shall be unreserved acceptance of, and respect for, democratic functioning of trade unions.
- (4) There shall be regular and democratic elections of executive bodies and office-bearers of trade unions.
- (5) Ignorance and/or backwardness of workers shall not be exploited by any organisation. No organisation shall make excessive or extravagant demands.
- (6) Casteism, communalism and provincialism shall be eschewed by all unions.
- (7) There shall be no violence, coercion, intimidation, or personal vilification in inter-union dealings.
- (8) All Central Labour Organisations shall combat the formation or continuance of Company Unions.

ANNEXURE III

CODE OF DISCIPLINE IN INDUSTRY

I. To Maintain Discipline in Industry

(both in public and private sectors)

There has to be (i) a just recognition by employers and workers of the rights and responsibilities of either party, as defined by the laws and agreements (including bipartite and tripartite agreements arrived at all levels from time to time) and (ii) a proper and willing discharge by either party of its obligations consequent on such recognition.

The Central and State Governments, on their part, will arrange to examine and set right any shortcomings in the machinery they constitute for the administration of labour laws.

To ensure better discipline in industry

II. Management and Union(s) Agree

- (i) that no unilateral action should be taken in connection with any industrial matter and that disputes should be settled at appropriate level ;
- (ii) that the existing machinery for settlement of disputes should be utilised with the utmost expedition ;
- (iii) that there should be no strike or lock-out without notice ;
- (iv) that affirming their faith in democratic principles, they bind themselves to settle all future differences, disputes and grievances by mutual negotiation, conciliation and voluntary arbitration ;
- (v) that neither party will have recourse to (a) coercion, (b) intimidation, (c) victimisation or (d) go-slow ;
- (vi) that they will avoid (a) litigation, (b) sit-down and stay-in strikes and (c) lock-outs ;
- (vii) that they will promote constructive co-operation between their representatives at all levels and as between workers themselves and abide by the spirit of agreements mutually entered into ;
- (viii) that they will establish upon a mutually agreed basis, a grievance procedure which will ensure a speedy and full investigation leading to settlement ;
- (ix) that they will abide by various stages in the grievance procedure and take no arbitrary action which would by-pass this procedure ; and
- (x) that they will educate the management personnel and workers regarding their obligations to each other.

III. Management Agree

- (i) not to increase work-loads unless agreed upon or settled otherwise ;
- (ii) not to support or encourage any unfair labour practice such as (a) interference with the right of employees to enrol or continue as union members, (b) discrimination, restraint or coercion against any employee because of recognised activity of trade unions and (c) victimisation of any employee and abuse of authority in any form ;

- (iii) to take prompt action for (a) settlement of grievances and (b) implementation of settlements, awards, decisions and orders ;
- (iv) to display in conspicuous places in the undertaking the provisions of this Code in local language(s);
- (v) to distinguish between actions justifying immediate discharge and those where discharge must be preceded by a warning, reprimand, suspension or some other form of disciplinary action and to arrange that all such disciplinary action should be subject to an appeal through normal grievance procedure ;
- (vi) to take appropriate disciplinary action against its officers and members in cases where enquiries reveal that they were responsible for precipitate action by workers leading to indiscipline ; and
- (vii) to recognise the union in accordance with the criteria (*ANNEXURE A* below) evolved at the 16th session of the Indian Labour Conference held in May, 1958.

IV. Union[s] Agree

- (i) not to engage in any form of physical duress ;
- (ii) not to permit demonstrations which are not peaceful and not to permit rowdyism in demonstration ;
- (iii) that their members will not engage or cause other employees to engage in any union activity during working hours, unless as provided for by law, agreement or practice ;
- (iv) to discourage unfair labour practices such as (a) negligence of duty, (b) careless operation, (c) damage to property, (d) interference with or disturbance to normal work and (e) insubordination ;
- (v) to take prompt action to implement awards, agreements, settlements and decisions ;
- (vi) to display in conspicuous places in the union offices, the provisions of this Code in the local language(s); and
- (vii) to express disapproval and to take appropriate action against office bearers and members for indulging in action against the spirit of this Code.

Annexure A

Criteria for recognition of Unions

1. Where there is more than one union, a union claiming recognition should have been functioning for at least one year after registration. Where there is only one union, this condition would not apply.
2. The membership of the union should cover at least 15% of the workers in the establishment concerned. Membership would be counted only of those who had paid their subscriptions for at least three months during the period of six months immediately preceding the reckoning.
3. A union may claim to be recognised as a representative union for an industry in a local area if it has a membership of at least 25% of the workers of that industry in that area.
4. When a union has been recognised, there should be no change in its position for a period of two years.
5. Where there are several unions in an industry or establishment, the one with the largest membership should be recognised.
6. A representative union for an industry in an area should have the right to represent the workers in all the establishments in the industry, but if a union of workers in a particular establishment has a membership of 50 per cent or more of the workers of that establishment it should have the right to deal with matters of purely local interest, such as, for instance, the handling of grievances pertaining to its own members. All other workers who are not members of that union might either operate through the representative Union for the industry or seek redress directly.
7. In the case of trade union federations which are not affiliated to any of the four central organisations of labour the question of recognition would have to be dealt with separately.
8. Only unions which observed the Code of Discipline would be entitled to recognition.

ANNEXURE IV

RIGHTS OF RECOGNISED UNIONS UNDER THE CODE OF DISCIPLINE

The question of rights of unions recognised under the Code of Discipline vis-a-vis unrecognised unions was discussed at the 20th Session of the Indian Labour Conference (August, 1962). While a decision on the rights of unrecognised unions was deferred for future consideration, it was agreed that unions granted recognition under the Code of Discipline should enjoy the following rights :—

- (i) to raise issue and enter into collective agreements with employers on general questions concerning the terms of employment and conditions of service of workers in an establishment or, in the case of a Representative Union, in an industry in a local area ;

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

The rights referred to above would be without prejudice to the privileges being enjoyed by the recognised unions at present, either by agreement or by usage.

ANNEXURE V

PRINCIPAL RIGHTS OF APPROVED AND REPRESENTATIVE UNIONS UNDER THE VARIOUS STATE ENACTMENTS

I.D. Rajasthan (Amendment) Act, 1958	Madhya Pradesh Industrial Relations Act, 1960	Bombay Industrial Relations Act, 1946
1	2	3
<p>A representative union or, in the absence of any such union, a union which is representative of the employees can enter into an agreement with the employer to submit any present or future industrial dispute or class of such disputes to arbitration (Section 10 B).</p>	<ul style="list-style-type: none"> (i) A representative union has the first preference to act and appear in any proceeding under the Act on behalf of the employees in an industry. No individual can appear in any proceeding in which a representative union has appeared. The Labour Officer is also not to appear in any proceedings nor to investigate the grievances of employees when there is a representative union (Section 27, 28 and 30). (ii) Joint Committees are to be constituted only with the consent of the representative union (Section 36). (iii) A representative union, or where there is no representative union, a union representative of employees can enter into an agreement with the employer to submit any present, or future industrial dispute or any class or classes of such disputes for arbitration by a Labour Court, Industrial Court, Board, etc. (Section 49). A representative union can also demand reference of any industrial dispute to arbitration (Section 52). 	<p>1. <i>Approved Union :</i></p> <p>Under certain conditions laid down by the State Government members/ officers of an approved union have a right and are to be permitted by the management concerned to —</p> <ul style="list-style-type: none"> (a) collect sums payable by members to the union on the premises where wages are paid to them ; (b) put up or cause to be put up a notice board on the premises of the undertakings in which its members are employed and affix or cause to be affixed notices thereon ; (c) hold discussions on the premises of the undertaking with its members and to discuss with the employer or his representatives the grievances of its members for the purpose of prevention or settlement of an industrial dispute ; and (d) inspect, if necessary, any place in the undertaking where any of its members is employed (Section 25).

- (iv) Managements cannot dismiss, discharge or reduce any employee in status or punish him merely because he is an officer or member of a representative union or a union which has applied for recognition as a representative union (Section 3).
- (v) In the case of agreements, awards, etc. in which a representative union is a party, the State Government may, after giving the parties affected an opportunity of being heard, direct that such agreements, etc. shall be binding on such other employers and employees in such industry in that local area as may be specified (Section 97).

2. Representative Unions :

- (i) A representative union has the first preference to appear or act in any proceeding under the Act as the representative of employees in an industry in any local area. Next in order of importance is a qualified or primary union (Section 30).
- (ii) No individual is to be permitted to appear in any proceeding wherein a representative union has appeared as the representative of employees (Section 32). Nor can a Labour Officer appear in any proceedings in which the employees who are parties thereto are represented by representative union.
- (iii) Any employer and a representative union or any other registered union may submit a dispute for arbitration (Section 66).
- (iv) A representative union is entitled to make a special application to the labour court to hold an enquiry as to whether a strike, lock-out etc. is illegal (Section 79).
- (v) Managements cannot dismiss, discharge or reduce any employee of such a union or punish him in any other manner merely because he is an officer or member of registered union or a union which has applied for recognition under the Act (Section 101).
- (vi) In the case of agreements, awards etc. in which a representative union is a party, the State Govt. may, after giving the parties affected an opportunity of being heard, direct that such agreements, etc. shall be binding upon such other employers or employees as may be specified (Section 114).

ANNEXURE VI

MODEL GRIEVANCE PROCEDURE

A. Grievance Machinery

A Grievance Machinery will be required to be set up in each undertaking to administer the Grievance Procedure. The minimum requirements of such a machinery would be as follows, except where an established procedure is already working to the mutual satisfaction of either party. Even in the latter case, every effort shall be made to bring the procedure in conformity with the Guiding Principles (ANNEXURE B on page A33).

For the purpose of constituting a fresh Grievance Machinery, workers in each department (and where a department is too small, in a group of departments) and each shift, shall elect, from amongst themselves and for a period of not less than one year at a time, departmental representatives and forward the list of persons so elected to the management. Where the union(s) in the undertaking are in a position to submit an agreed list of names, recourse to election may not be necessary. Similar is the case where works committees are functioning satisfactorily, since the works committee member of a particular constituency shall act as the departmental representative. Correspondingly, the management shall designate the persons for each department who shall be approached at the first stage and the departmental heads for handling grievances at the second stage. Two or three of the departmental representatives of workers and two or three departmental heads nominated by the management shall constitute the Grievance Committee, the composition of which is indicated in ANNEXURE C. In the case of appeals against discharges or dismissals, the management shall designate the authority to whom appeals could be made.

B. Grievance Procedure

While adaptations have to be made to meet special circumstances such as those obtaining in the Defence undertakings, Railways, Plantations and also small undertakings employing few workmen the procedure normally envisaged in the handling of grievances should be as follows :

- (1) An aggrieved employee shall first present his grievance verbally in person to the officer designated by the management for this purpose. An answer shall be given within 48 hours of the presentation of complaint.
- (2) If the worker is not satisfied with the decision of this officer or fails to receive an answer within the stipulated period, he shall, either in person or accompanied by his departmental representative, present his grievances to the Head of the Department designated by the management for the purpose of handling grievances. (For this purpose, a fixed time shall be specified during which on any working day, an aggrieved worker could meet the departmental head for presentation of grievances). The Departmental head shall give his answer within 3 days of the presentation of grievance. If action cannot be taken within that period, the reason for delay should be recorded.
- (3) If the decision of the Departmental Head is unsatisfactory, the aggrieved worker may request the forwarding of his grievance to the "Grievance Committee" which shall make its recommendations to the Manager within 7 days of the worker's request. If the recommendations cannot be made within this time limit, the reason for such delay should be recorded. Unanimous recommendations of the Grievance Committee shall be implemented by the management. In the event of a difference of opinion, among the members of the Grievance Committee, the views of the members along with the relevant papers shall be placed before the Manager for final decision. In either case, the final decision of the management shall be communicated to the workmen concerned by the personnel officer within 3 days from the receipt of the Grievance Committee's recommendations.
- (4) Should the decision from the Management be not forthcoming within the stipulated period or should it be unsatisfactory, the worker shall have the right to appeal to Management for a revision. In making this appeal, the worker, if he so desires, shall have the right to take a union official along with him to facilitate discussions with Management. Management shall communicate their decision within a week of the workman's revision petition.
- (5) If no agreement is still possible, the union and the management may refer the grievance to voluntary arbitration within a week of the receipt by the worker of Management's decision.
- (6) Where a worker has taken up a Grievance for redressal under this procedure, the formal Conciliation Machinery shall not intervene till all steps in the procedure are exhausted. A Grievance shall be presumed to assume the form of a dispute only when the final decision of the top management in respect of the Grievance is not acceptable to the worker.
- (7) If a grievance arises out of an order given by management, the said order shall be complied with before the workman concerned invokes the procedure laid down for redressal of grievance. If, however, there is a time lag between the issue of order and its compliance, the grievance procedure may immediately be invoked but the order nevertheless must be complied within the due date, even if all the steps in the grievance procedure have not been exhausted. It may however be advisable for the management to await the findings of Grievance procedure machinery.
- (8) Workers' representatives on the Grievance Committee shall have the right of access to any document connected with the inquiry maintained in the department and which may be necessary to understand the merit or otherwise of the workers' grievances. The management's representatives shall have the right, however, to refuse to show any document or give any information which they consider to be of a confidential nature. Such confidential document(s) shall not be used against the workmen in the course of the grievance proceedings.
- (9) There shall be a time-limit within which an appeal shall be taken from one step to the other. For this purpose, the aggrieved worker shall, within 72 hours of the receipt of the decision at one stage (or if no decision is received, on the expiry of the stipulated period), file his appeal with the authority at the next higher stage should he feel inclined to appeal.
- (10) In calculating the various time intervals under the above clause, holidays shall not be reckoned.
- (11) Management shall provide the necessary clerical and other assistance for the smooth functioning of the grievance machinery.
- (12) If it is necessary for any worker to leave the department during working hours on call from the Labour/Personnel Officer or any other officer of the established grievance machinery, previous permission of his superior shall necessarily be obtained. Subject to this condition, the worker shall not suffer any loss in wages for the work-time lost in this manner.
- (13) If, however, there be any complaint against any individual member of the staff, who is nominated by the management to handle grievance at the lowest level, the workman may take up his grievance at the next higher stage, *i.e.*, at the level of Departmental Head.
- (14) In the case of any grievance arising out of discharge or dismissal of a workman, the above-mentioned procedure shall not apply. Instead, a discharged or dismissed workman shall have the right to appeal either to the dismissing authority or to a senior authority who shall be specified by the management, within a week from the date of dismissal or discharge. At the time the appeal is heard, the workman may, if he so desires, be accompanied by either an official of the recognised union or a fellow worker, as the case may be.

Annexure B

Guiding Principles for a grievance procedure

Existing labour legislation does not provide for a well-defined and adequate procedure for redressal of day-to-day grievances in industrial units. Clause 15 of the Model Standing Orders in Schedule I of the Industrial Employment (Standing Orders) Central Rules 1946 specifies that 'All complaints arising out of employment including those relating to unfair treatment or wrongful exaction on the part of the employer or his agent, shall be submitted to the manager or the other person specified in this behalf with the right to appeal to the employers'.

In some industrial units, however, detailed grievance procedure has been worked out by mutual agreement. In the absence of a satisfactory grievance procedure, day-to-day grievances are allowed to pile up with the result that the accumulated discontent culminates sometime or the other in cases of indiscipline, strikes, etc. In what follows, therefore, an attempt has been made to draw up Guiding Principles for a Grievance Procedure. It is realised that it may not be possible to apply all these principles in respect of each and every industrial unit. However, all units should endeavour to conform, as much as possible, to these principles.

Complaints affecting one or more individual workers in respect of their wage payments, over-time, leave, transfer, promotion, seniority, work assignment, and discharges would constitute* grievances. Where the points at dispute are of general applicability or of considerable magnitude, they will fall outside the scope of this procedure.

A grievance procedure should take note of the following principles :

(1) *Conformity with existing legislation*

A Grievance Procedure forms part of the integrated scheme intended to promote satisfactory relations between employers and workers. This procedure should be designed to supplement the existing statutory provisions and it may, where practicable, make use of such machinery as is already provided by legislation. The Grievance Machinery can be availed of on the receipt by the worker of the order causing a grievance. The operation of the order, however, need not be held up till the grievance machinery is completely exhausted. Wherever possible, attempts should be made to complete the grievance procedure between the time the order is passed and when it is acted upon.

(2) *Need to make the machinery simple and expeditious*

- (a) As far as possible, grievances should be settled at the lowest level.
- (b) No matter should ordinarily be taken up at more than two levels, i.e., normally there should be only one appeal.
- (c) Different types of grievances may be referred to appropriate authorities.
- (d) A grievance must be redressed as expeditiously as possible and towards this end, the employer, in consultation with the workers, should decide upon the time limit required for settling a grievance.

(3) *Designation of authorities*

The workmen must know the authorities to be approached and it should, therefore, be incumbent on the management to designate the authorities to be contacted at various levels.

It may be useful to classify grievances as those arising from personal relationship and others arising out of conditions of employment. In the former case, a grievance should be taken up, in the first instance, with the authority in the line management immediately above the officers against whom the complaint is made. Thereafter, the matter may go to the Grievance Committee comprising representatives of management and workers. The size and composition of the Committee shall be decided at the unit level (ANNEXURE C below).

Other grievances should be taken up, in the first instance, with the authority designated by the management. Thereafter, a reference may be made to the Grievance Committee.

Where the matter goes to the Grievance Committee in the first instance, an appeal shall lie with the top management.

Annexure C

Constitution of grievance committee(1) *In the case where the Union is recognised*

Two representatives of management plus a union representative and the union departmental representative of the department in which the workmen concerned work.

*In the case of Defence undertakings, however, a special provision may have to be made.

(2) *In the case where the union is not recognised or there is no union but there is a works committee.*

Two representatives of management plus the representatives of the department of the workman concerned on the works committee plus either the Secretary or Vice-President of the Works Committee (this is in the case the Secretary of the works committee is also the workman's departmental representative).

It is suggested that in the case of the management, their representatives should be the departmental head plus the official who dealt with the matter at the first stage, or the personnel officer should act as an adviser.

The size of the 'Grievance Committee' should be limited to a maximum of four to six ; otherwise it becomes unwieldy.

ANNEXURE VII

FUNCTIONS OF WORKS COMMITTEES

Conclusions of the Tripartite Committee on Works Committees (Seventeenth Session—I.L.C Decision 1959)

It was agreed that it was not practicable to draw up an exhaustive list of the functions of Works Committees. There should be some flexibility of approach for the system to work properly. Illustrative lists of items which the Works Committee should normally deal with and those which it should not normally deal with were drawn up and approved. It was agreed that the demarcation would not be rigid and the approved lists were flexible.

I. Illustrative list of items which Works Committees will normally deal with

1. Conditions of work such as ventilation, lighting, temperature and sanitation including latrines and urinals.
2. Amenities such as drinking water, canteens, dining rooms, creches, rest rooms, medical and health services.
3. Safety and accident prevention, occupational diseases and protective equipment.
4. Adjustment of festival and national holidays.
5. Administration of welfare and fine funds.
6. Educational and recreational activities, such as libraries, reading rooms, cinema shows, sports, games, picnic parties, community welfare and celebrations.
7. Promotion of thrift and savings.
8. Implementation and review of decisions arrived at meetings of Works Committees.

II. List of items which the Works Committees will not normally deal with

1. Wages and allowances.
2. Bonus and profit sharing schemes.
3. Rationalisation and matters connected with the fixation of workload.
4. Matters connected with the fixation of standard labour force.
5. Programmes of planning and development.
6. Matters connected with retrenchment and lay-off.
7. Victimisation for trade union activities.
8. Provident Fund, gratuity schemes and other retiring benefits.
9. Quantum of leave and national and festival holidays.
10. Incentive schemes.
11. Housing and transport services.

ANNEXURE VIII

FUNCTIONS OF JOINT MANAGEMENT COUNCILS—15TH SESSION I.L.C. DECISION

1. It would be the endeavour of the Council/Councils (i) to improve the working and living conditions of the employees, (ii) to improve productivity, (iii) to encourage suggestions from the employees, (iv) to assist in the administration of laws and agreements, (v) to serve generally as an authentic channel of communication between the management and the employees, and (vi) to create in the employees a live sense of participation.

2. The Council/Councils would be consulted by the management on matters like :
 - (i) general administration of Standing Orders and their amendment, when needed ;
 - (ii) introduction of new methods of production and manufacture involving re-deployment of men and machinery ; and
 - (iii) Closure, reduction in or cessation of operations.
3. The Council/Councils would also have the right to receive information, discuss and give suggestions on :
 - (i) general economic situation of the concern ;
 - (ii) the state of the market, production and sales programmes ;
 - (iii) organisation and general running of the undertaking ;
 - (iv) circumstances affecting the economic position of the undertaking ;
 - (v) methods of manufacture and work ;
 - (vi) the annual balance sheet and profit and loss statement and connected documents and explanation ;
 - (vii) long term plans for expansion, re-deployment, etc., and
 - (viii) such other matters as may be agreed to.
4. The Council/Councils would be entrusted with responsibility in respect of :
 - (i) administration of welfare measures ;
 - (ii) supervision of safety measures ;
 - (iii) operation of vocational training and apprenticeship schemes ;
 - (iv) preparation of schedules of working hours and breaks and of holidays ;
 - (v) payment of rewards for valuable suggestions received from the employees ; and
 - (vi) any other matter as may be agreed to by the Joint Council.
5. All matters, e.g., wages, bonus, etc. which are subjects for collective bargaining are excluded from the scope of the Council/Councils. Individual grievances are also excluded from its/their scope. In short, creation of new rights as between employers and workers should be outside the jurisdiction of the Joint Council.

ANNEXURE IX

RECOMMENDATIONS OF THE 15TH SESSION OF THE INDIAN LABOUR CONFERENCE
REGARDING NEED BASED MINIMUM WAGE

It was agreed that the minimum wage was 'need-based' and should ensure the minimum human needs of the industrial worker, irrespective of any other consideration. To calculate the minimum wage, the Committee accepted the following norms and recommended that they should guide all wage fixing authorities, including minimum wage committees, wage boards, adjudicators, etc. :—

- (i) in calculating the minimum wage, the standard working-class family should be taken to consist of 3 consumption units for one earner ; the earnings of women, children and adolescents should be disregarded ;
- (ii) minimum food requirements should be calculated on the basis of a net intake of 2,700 calories, as recommended by Dr. Aykroyd, for an average Indian adult of moderate activity ;
- (iii) clothing requirements should be estimated at a per capita consumption of 18 yards per annum which would give for the average worker's family of four, a total of 72 yards ;
- (iv) in respect of housing the norm should be the minimum rent charged by Government in any area for houses provided under the Subsidised Industrial Housing Scheme for low-income groups ; and
- (v) fuel, lighting and other 'miscellaneous' items of expenditure should constitute 20 per cent of the total minimum wage.

While agreeing to these guide-lines for fixation of the minimum wage for industrial workers throughout the country, the Committee recognised the existence of instances where difficulties might be experienced in implementing these recommendations. Wherever the minimum wage fixed went below the recommendations, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adherence to the norms laid down.

ANNEXURE X

DEFINITION OF MINIMUM, FAIR & LIVING WAGES AS GIVEN BY THE
FAIR WAGES COMMITTEE REPORT, 1948

- (a) *Minimum Wage* We consider that a minimum wage must provide not merely for the bare sustenance of life but for the preservation of the efficiency of the worker. For this purpose the minimum wage must also provide for some measure of education, medical requirements and amenities.
- (b) *Living Wage* ".....the living wage should enable the male earner to provide for himself and his family not merely the bare essentials of food, clothing and shelter but a measure of frugal comfort including education for his children, protection against ill-health, requirements of essential social needs and a measure of insurance against the more important misfortunes including old age."
- (c) *Fair Wage* While the lower limit of the fair wage must obviously be the minimum wage, the upper limit is equally set by what may broadly be called the capacity of industry to pay. This will depend not only on the present economic position of the industry but on its future prospects. Between these two limits the actual wages will depend on a consideration of the following factors and in the light of the comments given below :
- (i) the productivity of labour;
 - (ii) the prevailing rates of wages in the same or similar occupations in the same or neighbouring localities;
 - (iii) the level of the national income and its distribution ; and
 - (iv) the place of the industry in the economy of the country.

ANNEXURE XI

RATIONALISATION—THE RECOMMENDATION OF THE FIFTEENTH
SESSION OF THE INDIAN LABOUR CONFERENCE

The recommendations of the Conference Committee on the subject as adopted by the Conference are as follows :—

The Second Five Year Plan stressed the need for promoting increased productivity for the general benefit of the community, the enterprise and the workers. In this context, rationalisation, that is better utilisation of men, machines and management in industrial undertakings, has assumed great importance. The Committee discussed the content of rationalisation and the procedure to be followed by establishments which proposed to introduce schemes involving higher productivity. It was emphasised and agreed that Government might make arrangements to ensure that measures of rationalisation which did not serve real economic interest in the existing conditions of the country might be avoided. This and what follows would be applicable even in the case of units which have already taken initial steps to introduce rationalisation but have not completed the process. The Committee agreed on the basis provided for this purpose in paragraphs 28 and 29 in the Chapter on Labour Policy and Programmes in the Second Five Year Plan and emphasised particularly that :—

- (i) there should be no retrenchment or loss of earnings of the existing employees *i.e.* the full complement required for the operations before rationalisation should be maintained except for cases of natural separation or wastage. Workers could, however, be provided with suitable alternative jobs in the same establishment or under the same employer, subject to agreement between the employer and his workers ;
- (ii) there should be an equitable sharing of benefits of rationalisation as between the community, the employer and the worker ; and
- (iii) there should be a proper assessment of work-load made by an expert or experts mutually agreed upon and also suitable improvement in the working conditions.

Subject to the above conditions, the following broad procedure was suggested to smoothen the progress of rationalisation. The union or unions in an undertaking and the employer could enter into a working arrangement on the following lines :—

- (i) the company may seek to make such changes in machinery, lay-out and organisation as it deems necessary for efficient operation of machinery and rational use of labour and material without prejudice to the provisions of any law for the time being in force and subject to the provisions of the working arrangement;
- (ii) before any such changes is effected, the company shall give reasonable notice, ranging from three weeks to three months, to the union(s) of its intention to effect the change. The notice shall be in a form mutually agreed upon and shall contain full information regarding the nature of the proposed change, approximate date of such change, proposed duties for workers concerned and their job assignment and the expected earnings. Where, however, an appropriate procedure for notice of change exists under the current legislation, the same should be observed in preference to the above ;
- (iii) the employer shall also furnish information regarding the change and the reduction in the number of jobs and also the effect of the change on the number of jobs in other departments affected by the same change;

- (iv) the employer and employees shall meet and discuss the proposal as soon as possible after the notice has been given under para (ii) above. The employer shall furnish all information necessary for a complete understanding of the proposed change and shall explain the contemplated change to the union(s) ;
- (v) the union(s) shall, within a week after the discussion with the employer, present its views or proposals to the employer. If there is agreement between the parties, the employer may introduce the change on the due date in accordance with the agreement ;
- (vi) the union(s) shall be given adequate opportunity to study the new change so as to enable it to gauge the workloads and the earnings of the employees engaged in the new operation ; and
- (vii) if there are differences between the parties on any matter covered by this working arrangement, the matters in dispute shall be referred for arbitration or adjudication.

ANNEXURE XII

LIST OF IMPORTANT LABOUR ACTS

1. Factories—

The Factories Act, 1948

2. Mines—

The Mines Act, 1952

3. Plantations—

(a) The Tea Districts Emigrant Labour Act, 1932

(b) The Plantations Labour Act, 1951

4. Transport—

(a) The Indian Railways Act, 1890

(b) The Merchant Shipping Act, 1958

(c) The Dock Workers (Regulation of Employment) Act, 1948

(d) The Motor Transport Workers Act, 1961

5. Legislation Relating to Workers in Shops and Commercial Establishments.

6. Legislation Relating to Industrial Housing—

(a) The Bombay Housing Board Act, 1948

(b) The Madhya Pradesh Housing Board Act, 1950

(c) The Mysore Housing Board Act, 1955

(d) The Hyderabad Labour Housing Act, 1952

(e) The Uttar Pradesh Industrial Housing Act, 1955

(f) The Punjab Industrial Housing Act, 1956

7. Safety and Welfare—

(a) The Indian Dock Labourers Act, 1934

(b) The Mica Mines Labour Welfare Fund Act, 1946

(c) The Coal Mines Labour Welfare Fund Act, 1947

(d) The U.P. Sugar and Power Alcohol Industries Labour Welfare and Development Fund Act, 1950

(e) The Coal Mines (Conservation and Safety) Act, 1952

(f) The Bombay Labour Welfare Fund Act, 1953

(g) The Iron Ore Mines Labour Welfare Cess Act, 1961

(h) The Assam Tea Plantations Employees' Welfare Fund Act, 1959

(i) The Assam Tea Plantations Provident Fund Scheme Act, 1955

8. Wages—

- (a) The Payment of Wages Act, 1936
- (b) The Minimum Wages Act, 1948

9. Social Security—

- (a) The Workmen's Compensation Act, 1923
- (b) The Employees' State Insurance Act, 1948
- (c) The Coal Mines Provident Fund and Bonus Schemes Act, 1948
- (d) The Employees' Provident Funds Act, 1952
- (e) The Maternity Benefit Acts (Central/States)

10. Industrial Relations—

Central Acts—

- (a) The Indian Trade Unions Act, 1926
- (b) The Industrial Employment (Standing Orders) Act, 1946
- (c) The Industrial Disputes Act, 1947

State Acts—

- (a) The Bombay Industrial Relations Act, 1946
- (b) The U.P. Industrial Disputes Act, 1947
- (c) The Madhya Pradesh Industrial Relations Act, 1960

11. Miscellaneous—

- (a) The Children (Pledging of Labour) Act, 1933
- (b) The Employment of Children Act, 1938
- (c) Legislation Relating to Indebtedness
- (d) Collection of Statistics Act, 1953
- (e) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- (f) The Apprentices Act, 1961
- (g) The Madras Beedi Industrial Premises (Regulation of Conditions of Work) Act, 1958
- (h) The Kerala Beedi and Cigar Industrial Premises (Regulation of Conditions of Work) Act, 1961

ANNEXURE XIII

DIRECTIVE PRINCIPLES OF STATE POLICY

Article

39. The State shall, in particular, direct its policy towards securing—

- (d) that there is equal pay for equal work for both men and women ;
- (e) that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocation unsuited to their age or strength;

41. The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of underserved want.

42. The State shall make provision for securing just and humane conditions of work and for maternity relief.

43. The State shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the State shall endeavour to promote cottage industries on an individual or cooperative basis in rural areas.

**List of Organisations/Persons who furnished Memoranda/Replies
to the Commission's Questionnaire**

A. INDIAN

1. State Government Departments, Public Sector Projects/Undertakings/Organisations :

1. Labour Department, Government of Andhra Pradesh, Hyderabad.
2. Upper Sileru Hydro-Electric Scheme, Upper Sileru (A.P.).
3. Andhra Pradesh State Road Transport Corporation, Hyderabad.
4. Andhra Pradesh State Electricity Board, Hyderabad.
5. Director of Printing, Stationery & Stores Purchase (Printing Wing at G.C.P.), Hyderabad.
6. Government Distilleries, Hyderabad.
7. Director of Industries, Government of Andhra Pradesh, Hyderabad.
8. Labour Department, Government of Assam, Shillong.
9. Chief Inspector of Factories, Assam, Shillong.
10. Registrar of Co-operative Societies, Government of Assam, Shillong.
11. State P.W.D. (R & B), Assam.
12. Assam State Electricity Board, Shillong.
13. Department of Labour and Employment, Government of Bihar, Patna.
14. Bihar State Industrial Development Corporation Ltd., Patna.
15. Chairman, State Transport Headquarters, Patna.
16. Bihar State Electricity Board, Patna.
17. Bihar State Road Transport Corporation, Patna.
18. Education and Labour Department, Government of Gujarat, Ahmedabad.
19. Gujarat State Road Transport Corporation, Ahmedabad.
20. The Gujarat Electricity Board, Baroda.
21. Gujarat State Fertilisers Co. Ltd., Baroda.
22. Labour Commissioner, Haryana, Chandigarh.
23. Department of Labour, Government of Jammu & Kashmir, Srinagar.
24. Jammu & Kashmir Industries Ltd., Srinagar.
25. J & K Minerals Ltd., Srinagar.
26. Jammu Sericulture Department, Jammu.
27. Jammu Resin and Turpentine Factory, Jammu.
28. Labour Department, Government of Kerala, Trivandrum.
29. The Kerala State Road Transport Corporation, Trivandrum.
30. Kerala State Electricity Board, Trivandrum.
31. Labour Department, Government of Madhya Pradesh, Bhopal.
32. M.P. Electricity Board, Jabalpur.
33. Madhya Pradesh State Road Transport Corporation, Bhopal.
34. Chief Conservator of Forests, Madhya Pradesh, Bhopal.
35. Directorate of Agriculture, Madhya Pradesh, Bhopal.
36. Local Government (Urban) Department, Government of Madhya Pradesh, Bhopal.
37. The Madhya Pradesh State Industries Corporation Ltd., Bhopal.
38. Chief Engineer, P.W.D. (B & R), Madhya Pradesh, Bhopal.
39. Superintendent, Government Printing, Madhya Pradesh, Bhopal.
40. Industries, Labour and Housing Department, Government of Madras, Madras.
41. Director, State Transport, Madras.
42. Director of Handlooms, Madras.
43. Madras State Small Industries Corporation Ltd., Madras.
44. Director, Stationery & Printing, Madras.
45. The Madras State Electricity Board, Madras.
46. Industries and Labour Department, Government of Maharashtra, Bombay.
47. Office of the Industrial Court, Maharashtra, Bombay.
48. Irrigation and Power Department, Government of Maharashtra, Bombay.
49. Government Distillery, Chitali, District Ahmednagar.
50. The Maharashtra State Road Transport Corporation, Bombay.
51. Haffkine Institute, Government of Maharashtra, Bombay.
52. Maharashtra State Electricity Board, Bombay.
53. Agriculture Department, Government of Maharashtra, Bombay.
54. Directorate of Employees' State Insurance Scheme, Government of Maharashtra, Bombay.
55. Building & Communications Department, Government of Maharashtra, Bombay.
56. Director of Fisheries, Maharashtra State, Bombay.
57. Maharashtra Industrial Development Corporation, Bombay.
58. Government Presses in Maharashtra (Received through Director of Employment, Maharashtra).
59. Food, Civil Supplies and Labour Department, Government of Mysore, Bangalore.
60. Commissioner of Labour, Mysore, Bangalore.
61. The Mysore Iron & Steel Ltd., Bhadravati.
62. Education Department, Government of Mysore, Bangalore.

63. Mysore State Electricity Board, Bangalore.
 64. Mysore Sugar Co. Ltd., Bangalore.
 65. Government Silk Industries, Bangalore.
 66. Government Electric Factory, Bangalore.
 67. Government Sandalwood Oil Factories, Mysore and Shimoga; and Government Soap Factory, Bangalore.
 68. Director of Employment and Training, Bangalore.
 69. Labour, Employment and Housing Department, Government of Orissa, Bhubaneswar.
 70. Office of the Manager, Text Book Press, Bhubaneswar.
 71. Orissa State Electricity Board, Bhubaneswar.
 72. The Orissa Mining Corporation Ltd., Bhubaneswar.
 73. Orissa Construction Corporation Ltd., Bhubaneswar.
 74. The Orissa Agro & Small Industries Corporation Ltd., Cuttack.
 75. Superintendent, Orissa Government Press, Cuttack.
 76. The Industrial Development Corporation of Orissa Ltd., Bhubaneswar.
 77. Urban Development Department, Government of Orissa, Bhubaneswar.
 78. Health Department, Government of Orissa, Bhubaneswar.
 79. State Transport Services, Cuttack.
 80. Labour & Employment Department, Government of Punjab, Chandigarh.
 81. Chief Engineer, Public Health, Punjab Government, Chandigarh.
 82. Labour & Employment Department, Government of Rajasthan, Jaipur.
 83. Rajasthan State Electricity Board, Jaipur.
 84. Chief Engineer, P.W.D. (B & R), Rajasthan, Jaipur.
 85. State Enterprises Department, Government of Rajasthan, Jaipur.
 86. Rajasthan State Road Transport Corporation, Jaipur.
 87. Directorate of Local Bodies, Government of Rajasthan, Jaipur.
 88. Labour Department, Government of Uttar Pradesh, Lucknow.
 89. Transport Commissioner, U.P., Lucknow.
 90. U.P. Government Cement Factory, Churk.
 91. Government Precision Instruments Factory, Lucknow.
 92. Uttar Pradesh State Electricity Board, Lucknow.
 93. Labour Department, Government of West Bengal, Calcutta.
 94. Calcutta Metropolitan Planning Organisation, Calcutta.
 95. Calcutta State Transport Corporation, Calcutta.
 96. Cottage & Small Scale Industries Department, Government of West Bengal, Calcutta.
 97. Labour Commissioner, Delhi Administration, Delhi.
 98. River Navigation Department, Government of Goa, Daman & Diu, Panaji.
 99. Industries & Labour Department, Government of Himachal Pradesh, Simla.
 100. Labour Department, Government of Pondicherry, Pondicherry.
- II. Central Ministries, Departments and Public Sector Projects/Undertakings/Organisations :*
101. India Government Mint, Hyderabad.
 102. Visakhapatnam Port Trust, Visakhapatnam.
 103. Central Tobacco Research Institute, Rajahmundry.
 104. Vizagapatam Dock Labour Board, Visakhapatnam.
 105. Regional Provident Fund Commissioner, Andhra Pradesh, Hyderabad.
 106. Hindustan Shipyard Ltd., Visakhapatnam.
 107. Oil India Ltd., Duliajan P.O., Assam.
 108. Bokaro Steel Ltd., Bokaro.
 109. Hindustan Steel Ltd., Ranchi,
- [In respect of
- (a) Rourkela Steel Plant, Rourkela.
 - (b) Bhilai Steel Plant, Bhilai.
 - (c) Durgapur Steel Plant, Durgapur.
 - (d) Alloy Steel Project, Durgapur.
 - (e) Coal Washeries — Dugda I & II (Bihar) Bhojudih (West Bengal) Patherdih (Bihar)].
110. Heavy Engineering Corporation Ltd., Ranchi.
 111. The Fertiliser Corporation of India (Sindri Unit), Sindri.
 112. National Coal Development Corporation Ltd., Ranchi.
 113. Pyrites & Chemicals Development Co. Ltd., Dehri-on-Sone, District Shahbad.
 114. Kandla Port Trust, Gandhidham, Kutch (Gujarat).
 115. National Dairy Research Institute, Karnal.
 116. Central Silkworm Seed Station, Srinagar.
 117. Hindustan Insecticides Ltd. (Alwaye Factory).
 118. Cochin Port Trust, Cochin.
 119. Coir Board, Ernakulam (Kerala).
 120. Cochin Refineries Ltd., Ernakulam.
 121. Cochin Dock Labour Board, Cochin.
 122. Central Tuber Crops Research Institute, Trivandrum.
 123. Central Coconut Research Station, Kasargod.
 124. The Fertilisers and Chemicals Travancore Ltd., Alwaye.
 125. Security Paper Mill Project, Hoshangabad.
 126. Heavy Electricals (India) Ltd., Bhopal.
 127. Central Tasar Silkworm Seed Station, Lakha (M.P.).
 128. The National Newsprint and Paper Mills Ltd., Nepanagar.
 129. Madras Port Trust, Madras.
 130. Hindustan Photo Films Manufacturing Co. Ltd., Ootacamund.
 131. Silkworm Seed Station, Coonoor.
 132. 'Wig India', Madras.

133. Neyveli Lignite Corporation Ltd., Neyveli.
134. Central Water & Power Research Station, Poona.
135. Khadi & Village Industries Commission, Bombay.
136. India Security Press, Nasik Road.
137. India Government Mint, Bombay.
138. Bombay Port Trust, Bombay.
139. Central Silk Board, Bombay (In respect of Central Sericultural Research and Training Institute, Mysore).
140. Air-India, Bombay.
141. State Bank of India, Bombay.
142. The Shipping Corporation of India Ltd., Bombay.
143. Indian Oil Corporation Ltd., Bombay.
144. Mazagon Dock Ltd., Bombay.
145. Hindustan Antibiotics Ltd., Pimpri (Poona).
146. Manganese Ore (India) Ltd., Nagpur.
147. Reserve Bank of India, Central Office, Bombay.
148. Life Insurance Corporation of India, Central Office, Bombay.
149. Cotton Technological Research Laboratory, Bombay.
150. Bharat Earth Movers Ltd., Bangalore.
151. Hindustan Machine Tools, Bangalore.
152. Indian Telephone Industries Ltd., Bangalore.
153. Bharat Electronics Ltd., Bangalore.
154. The Kolar Gold Mining Undertakings, Oorgaum P.O. (Mysore).
155. Hindustan Aeronautics Ltd., Bangalore.
156. Central Arecanut Research Station, Vittal, S. Kanara.
157. Coffee Board, Bangalore.
158. Port of Paradeep, P.O. Bhubaneswar, District Puri (Orissa).
159. Central Rice Research Institute, Cuttack.
160. Amritsar Productivity Council, Amritsar.
161. Instrumentation Ltd., Kota.
162. Sambhar Salts Ltd., Sambhar Lake (Rajasthan).
163. Central Sheep and Wool Research Institute, Malpura.
164. Central Arid Zone Research Institute, Jodhpur.
165. National Police Academy, Abu.
166. Oil and Natural Gas Commission, Dehra Dun.
167. Forest Research Institute & College, P.O. New Forest, Dehra Dun.
168. Indian Veterinary Research Institute, Izatnagar.
169. Bharat Heavy Electricals Ltd., Ranipur, Hardwar.
170. Chief Controller of Telegraphs Stores, Indian Posts and Telegraphs Department, Calcutta.
171. General Manager, P & T Workshops, Indian Posts and Telegraphs Department, Calcutta.
172. Director General of Ordnance Factories, Ministry of Defence, Calcutta.
173. India Government Mint, Alipore, Calcutta.
174. Port Commissioner, Calcutta.
175. Export Inspection Council of India, Calcutta.
176. Calcutta Dock Labour Board, Calcutta.
177. Silver Refinery, Calcutta.
178. The National Instruments Ltd., Jadavpur, Calcutta.
179. Damodar Valley Corporation, Calcutta.
180. Garden Reach Workshops Ltd., Calcutta.
181. Jute Commissioner, Calcutta.
182. Central Inland Water Transport Corporation Ltd., Calcutta.
183. Central Road Transport Corporation Ltd., Calcutta.
184. Ministry of Defence, New Delhi.
185. Research and Development Organisation, Ministry of Defence, New Delhi.
186. Directorate General of Inspection, Ministry of Defence (Department of Defence Production), New Delhi.
187. Ministry of Railways (Railway Board), New Delhi.
188. Ministry of Health and Family Planning (Department of Health), New Delhi.
189. Ministry of Health and Family Planning (Department of Family Planning), New Delhi.
190. Ministry of Works, Housing and Supply (Department of Works and Housing), New Delhi.
191. Ministry of Irrigation and Power, New Delhi.
192. Ministry of Petroleum and Chemicals, New Delhi.
193. Ministry of Food, Agriculture, Community Development and Cooperation (Department of Food), New Delhi.
194. Ministry of Food, Agriculture, Community Development and Cooperation, Department of Agriculture (Fisheries Division), New Delhi.
195. Inspector General of Forests, Ministry of Food, Agriculture, Community Development and Cooperation (Department of Agriculture), New Delhi.
196. Directorate of Economics and Statistics, Ministry of Food, Agriculture, Community Development and Cooperation (Department of Agriculture), New Delhi.
197. Land Reforms Unit, Ministry of Food, Agriculture, Community Development and Cooperation, New Delhi.
198. Ministry of Home Affairs, New Delhi.
199. Ministry of Commerce, New Delhi.
200. Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment), New Delhi.
201. Department of Social Welfare, New Delhi.
202. Ministry of Industrial Development and Company Affairs, New Delhi.
203. Ministry of Transport & Shipping, New Delhi.
204. Ministry of Finance (Department of Economic Affairs), New Delhi.
205. Overseas Communication Service, Department of Communication, Government of India, New Delhi.
206. Cabinet Secretariat, Government of India, New Delhi.
207. Hindustan Housing Factory Ltd., New Delhi.

208. Central Medical Stores Organisation, D.G.H.S., New Delhi.
209. Hindustan Insecticides Ltd., (New Delhi Factory).
210. Asoka Hotels Ltd., New Delhi.
211. Indian Drugs & Pharmaceuticals Ltd., New Delhi.

[In respect of their three units:—

- (a) Antibiotics Plant, Rishikesh (U.P.),
 (b) Surgical Instruments Plant, Madras,
 (c) Synthetic Drugs Plant, Hyderabad.]

212. Janpath Hotels Ltd., New Delhi.
213. National Projects Construction Corporation Ltd., New Delhi.
214. The National Industrial Development Corporation Ltd., New Delhi.
215. Indian Airlines Corporation, Headquarters, New Delhi.
216. The National Small Industries Corporation Ltd., New Delhi.
217. Employees' State Insurance Corporation, New Delhi.
218. National Productivity Council, New Delhi.
219. The Fertilizer Corporation of India Ltd., (Head Office), New Delhi.
220. The Minerals and Metals Trading Corporation of India Ltd., New Delhi.
221. Mormugao Port Trust, Goa.
222. Labour Bureau, Simla.

III. Employers' Organisations :

223. The Hyderabad State Film Chamber of Commerce, Secunderabad.
224. The Film Exhibitors Association, Hyderabad.
225. The Federation of Andhra Pradesh Chambers of Commerce and Industry, Hyderabad.
226. Hyderabad Hotel Owners' and Confectioners' Association, Hyderabad.
227. The Shahabad Stone Quarry Lease-holders' Association, Hyderabad.
228. The All-India Manufacturers' Organisation, District Council, Tinsukia.
229. Assam Tea Planters' Association, Jorhat.
230. Nowgong Ricemillers' Association, Nowgong.
231. Assam Rice Mills Association, Gauhati.
232. Assam Manufacturers' Association, Silpukhuri, Gauhati.
233. Bihar Chamber of Commerce, Patna.
234. Bihar Provincial Cold Storage Owners' Association, Patna City.
235. Bihar Roller Flour Millers' Association.
236. Bihar Industries Association, Patna.
237. Indian Colliery Owners' Association, Dhanbad.
238. The Federation of Gujarat Mills and Industries, Baroda.
239. The Ahmedabad Millowners' Association, Ahmedabad.
240. Gujarat Vepari Mahamandal, Ahmedabad.
241. The Southern Gujarat Chamber of Commerce and Industry, Surat.
242. All-India Manufacturers' Organisation (Gujarat).
243. Kashmir Carpet Manufacturers' Association, Srinagar.
244. Kashmir Hotel & Restaurant Owners' Association, Srinagar.
245. Chamber of Commerce, Jammu.
246. Industrial Estate Manufacturers' Association, Jammu.
247. Kashmir Chamber of Commerce & Industry, Srinagar.
248. The Malabar Bus Owners' Association, Calicut.
249. The Malabar Tile Manufacturers' Association, Feroke (Kerala).
250. The Travancore Oil Millers' Association, Alleppey.
251. Madhya Pradesh Chamber of Commerce and Industry, Gwalior.
252. The Madhya Pradesh Textile Mills Association, Indore.
253. Madhya Pradesh Organisation of Industries, Bhopal.
254. M. P. State Board of the All India Manufacturers' Organisation, Indore.
255. The Employers' Federation of Southern India, Madras.
256. United Planters' Association of South India, Coonoor.
257. Andhra Chamber of Commerce, Madras (and Secunderabad).
258. Hindustan Chamber of Commerce, Madras.
259. The South Indian Film Chamber of Commerce, Madras.
260. The Southern India Millowners' Association, Coimbatore.
261. The Madras State Federation of Co-operative Sugar Factories Ltd., Madras.
262. Indian Drug Manufacturers' Organisation, Bombay.
263. Indian Merchants' Chamber, Bombay.
264. All India Manufacturers' Organisation, Bombay.
265. The Scientific and Surgical Instrument Manufacturers' and Traders' Association, Bombay.
266. Bombay Chamber of Commerce and Industry, Bombay.
267. Silk and Art Silk Manufacturers' Association, Bombay.
268. Bombay Industries Association, Bombay.
269. Labour Secretariat of Banks in India, Bombay.
270. The Maharatta Chamber of Commerce and Industry, Poona.
271. Vidarbha Industries Association, Nagpur.
272. The Indian Cotton Mills' Federation, Bombay.
273. Managements of the following institutions in Bombay:—
- (a) S.K. Patil Aryogyadham, Malad,
 (b) Krishan Lal Jalan Ayurvedic Aushdhalaaya, Malad,
 (c) Sarvodaya Hospital, Ghatkopar,
 (d) Nanavati Hospital, Vile Parle.

- (e) Sir H.N. Hospital, Charni Road,
 (f) Bombay Hospital, Marine Lines,
 (g) Bhatia General Hospital, Tardeo,
 (h) Parsee General Hospital, Cumballa Hill.
274. The Vidarbha Region Cotton Gin Press Karkhandar Federation, Khamgaon.
275. The Nagpur Itwari Kirana Merchants' Association, Nagpur.
276. The Amravati District Gin Press Factory Owners' Association, Amravati.
277. Vidarbha Factory Owners' Association, Nagpur.
278. Bidi, Bidi Leaves and Tobacco Merchants' Association, Gondia.
279. Nag-Vidharbha Chamber of Commerce, Nagpur.
280. Maharashtra Mofussil Mills Association, Nagpur.
281. Engineering Association of India (Western Region), Bombay.
- *282. Organisation of Pharmaceutical Producers of India, Bombay.
283. The All India Manufacturers' Organisation, Central Office, Bombay.
284. Federation of Associations of Stevedores, Bombay.
285. Hindustan Chamber of Commerce, Bombay.
286. Indian Engineering Association (Western Region) (Received through Calcutta office).
287. The Mysore Chamber of Commerce, Bangalore.
288. District Small Scale Industries Association (Mysore), Mysore.
289. The Western India Tile Manufacturers' Association, Mangalore.
290. The Mangalore Cashew Manufacturers' Association, Mangalore.
291. The Kanara Chamber of Commerce, Mangalore.
292. Orissa Millowners' Association, Cuttack.
293. The Punjab Textile Manufacturers' Association, Amritsar.
294. The Powerloom Factories Association, Ludhiana.
295. Northern India Commerce & Industries Federation, Amritsar.
296. Amritsar Small Scale Industries & Commercial Association (Regd.), Ludhiana.
297. Factories' Association, Batala.
298. Textile Manufacturers' Association, Amritsar.
299. The Jullundur District Industries Association (Regd.), Jullundur City.
300. The Punjab Federation of Industry and Commerce, Amritsar.
301. Jullundur District Regd. Factory Owners' Association, Jullundur City.
302. Chamber of Industrial and Commercial Undertakings, Ludhiana.
303. The Employers' Association of Rajasthan, Jaipur.
304. The Rajasthan Textile Mills Association, Jaipur.
305. The Employers' Association of Northern India, Kanpur.
306. J.K. Organisation, Kanpur.
307. Indian Sugar Mills Association (U.P. Branch), Lucknow.
308. The Western U.P. Chamber of Commerce, Meerut-Cantt.
309. The Indian Engineering Association, Calcutta.
310. Bengal Millowners' Association, Calcutta.
311. Bharat Chamber of Commerce, Calcutta.
312. The Bengal Chamber of Commerce & Industry, Calcutta.
313. Engineering Association of India, Calcutta.
314. Indian Chamber of Commerce (Labour Department), Calcutta.
315. Indian Jute Mills Association, Calcutta.
316. Indian Sugar Mills Association, Calcutta.
317. The All India Manufacturers' Organisation, West Bengal State Board, Calcutta.
318. Federation of Small and Medium Industries, West Bengal, Calcutta.
319. Indian Tea Association, Calcutta.
320. Indian Mining Association, Calcutta.
321. Bengal National Chamber of Commerce and Industry, Calcutta.
322. Eastern India Motion Picture Association, Calcutta.
323. Tea Association of India, Calcutta.
324. The All India Pottery Manufacturers' Association, Calcutta.
325. Merchants' Chamber of Commerce, Calcutta.
326. Howrah Manufacturers' Association, Howrah.
327. The Consultative Committee of Plantation Association, Calcutta.
328. Punjab, Haryana & Delhi Chamber of Commerce and Industry, New Delhi.
- †329. The Federation of Hotel and Restaurant Associations of India, New Delhi.
330. Council of Indian Employers, New Delhi.
331. Delhi Hindustani Mercantile Association (Regd.), Chandni Chowk, Delhi.
332. The Federation of Indian Traders' Associations, New Delhi.
333. The Indian and Eastern Newspaper Society, New Delhi.
334. Delhi Printers' Association, New Delhi.
335. United Chamber of Trade Association, Delhi.
336. Delhi Factory Owners' Association, New Delhi.
337. New Delhi Traders' Association, New Delhi.
338. Federation of Indian Manufacturers, New Delhi.
339. The All India Manufacturers' Organisation (Delhi State Board), New Delhi.
340. Goa Mineral Ore Exporters' Association, Panjim.
341. Goa Mining Association, Panaji, Goa.
342. Kangra Tea Association, Dharmsala.

IV. Employees' Organisations :

343. Andhra Pradesh I.N.T.U.C. and Indian National Paper Mills Workers' Federation, Hyderabad.
344. Representatives of—
 (a) Andhra Pradesh Labour Party, Hyderabad.
 (b) Indian Detonators Ltd. Workers' Union, Hyderabad.
 (c) Andhra Pradesh Shop Employees' Federation, Secunderabad.
 (d) Andhra Pradesh Cinema Theatre Employees' Federation, Hyderabad.
 (e) Andhra Pradesh (Telengana Area) Handloom Workers' Federation, Hyderabad.
 (f) Ritz Hotel Employees' Union, Hyderabad.
345. Andhra Pradesh Trade Union Congress (A.P. State Committee of AITUC), Hyderabad.
346. The All India P & T Employees' Federation, Hyderabad.
347. Andhra Pradesh Agricultural Labour Union, Hyderabad.
348. Cachar Cha Sramik Union, Cachar.
349. Cachar Mills Workers' Union, Silchar.
350. Assam Cha Karamchari Sangha, Dibrugarh.
351. Indian National Plantation Workers' Federation, Silchar P.O., Cachar.
352. I.N.T.U.C., Assam Branch, Gauhati.
353. A.I.T.U.C. (Assam State Committee), Tinsukia.
354. Assam Chah Mazdoor Sangha, P.O. Dibrugarh.
355. Assam Tea Labourers' Association, P.O. Cinamara, Jorhat.
356. The Electricity Coordination Committee, Assam comprising of —
 (a) The Assam State Electricity Workers' Union;
 (b) The A.S.E.B. Admn. Employees' Union; and
 (c) The Subordinate Engineers' Association, Assam State Electricity Board.
357. Assam Chah Sramik Union, P.O. Tezpur, Darrang District (Assam).
358. The Bihar Labour & Welfare Officers' Association, Patna.
359. A.I.T.U.C. (Bihar State Committee), Patna.
360. I.N.T.U.C. (Bihar Branch), Patna.
361. North Eastern Railway Licensed Vendors' Union, Barauni, District Monghyr (Bihar).
362. Bhartiya Mazdoor Sangh (Bihar State).
363. Hind Mazdoor Sabha (Bihar State Branch), Patna.
364. Indian National Sugar Mills Workers' Federation (Bihar Branch), Permanandpur, District Saran (Bihar).
365. The Tata Workers' Union, Jamshedpur.
366. Bihar Agricultural Workers' Union, Patna.
367. Shri T. Parmanand and Independent Trade Unions, Patna.
368. United Trades Union Congress (Bihar State Committee), Patna.
369. The Indian Cable Workers' Union, Jamshedpur.
370. I.N.T.U.C. Unions, Jamshedpur:—
 (a) Golmuri Tinplate Workers' Union,
 (b) Tube Co. Workers' Union,
 (c) Tatanagar Foundry Workers' Union,
 (d) T.R.F. Workers' Union,
 (e) Wire Product Labour Union,
 (f) Telco Workers' Union.
371. Ispat Mazdoor Panchayat, Jamshedpur.
372. The Wire Products Labour Union, Jamshedpur.
373. Jamshedpur:—
 (a) Hekett Workers' Welfare Union;
 (b) Steel Factory Contractors' Union;
 (c) Tata Robins Fraser Employees' Union;
 (d) Punj Employees' Union; and
 (e) TISCO Guest House Workers' Union.
374. Noamundi Mazdoor Union, P.O. Noamundi, District Singhbhum (Bihar).
375. Bihar Rajya Khet Mazdoor Sabha, Patna.
376. Indian Mine Managers' Association, P.O. Dhansar (District Dhanbad), Bihar.
377. The Indian National Iron and Steel Workers' Federation, Jamshedpur.
378. Hatia Project's Workers' Union (INTUC), Ranchi.
379. Hindustan Steel Employees' Union, Ranchi.
380. TISCO Karamchari Sangh, Jamshedpur.
381. Federation of Medical Representatives Associations of India, Patna.
382. All India Guards' Council, Gandhidham.
383. I.N.T.U.C. (Gujarat Branch) and Textile Labour Association, Ahmedabad.
384. Maha Gujarat Trade Union Congress, Ahmedabad.
385. Surat Silk Mill Workers' Union, Surat.
386. Hind Mazdoor Sabha (Gujarat State), Ahmedabad.
387. Mill Mazdoor Union, Ahmedabad.
388. Gujarat Rajya Sthanik Swarajya Sanstha Karamchari Mahamandal, Ahmedabad.
389. Indian National Textile Workers' Federation, Ahmedabad.
390. Textile Mazdoor Sabha, Hissar.
391. Gurgaon District Transport Workers' Union (Regd.) No. 3, Gurgaon.
392. Gandhi Sewa Dal, Faridabad.
393. Jagadhari Metal Mazdoor Sabha, Jagadhari.
394. A.I.T.U.C. (Haryana State Committee), Bhiwani.
395. I.N.T.U.C. (Haryana), Bhiwani. (Through Shri Sagar Ram Gupta).
396. Hissar Textile Mills Workers' Union, Hissar.
397. The State Central Labour Union, Srinagar.
398. All Jammu & Kashmir Bank Employees' Federation (Regd.), Srinagar.
399. M.L.As. representing Doda forest and other labour (J & K).

400. All Jammu & Kashmir Minerals Workers' Union, Srinagar.
401. Posts and Telegraphs Trade Unions, Srinagar.
402. State Central Labour Union, Jammu.
403. Industrial Estate Workers' Union, Jammu.
404. Trade Employees' Association (Regd.), Jammu.
405. Jammu Bank Employees' Union, Jammu.
406. The High Range Estate Employees' Association, Mundakayam P.O., Kerala.
407. Hind Mazdoor Sabha, Kerala, Kozhikode.
408. Kerala State Trade Union Council of the A.I.T.U.C., Trivandrum.
409. I.N.T.U.C., Kerala Branch, Ernakulam.
410. Hind Mazdoor Sabha, Kerala State, Ernakulam.
411. M.P. Rashtriya Koyla Khadan Mazdoor Sangh, Chandametta (M.P.).
412. B.S.P. Shramik Sangh, Bhilai Nagar (M.P.).
413. Ispat Karamchari Sangh, Bhilai.
414. Bhilai Steel Mazdoor Sabha (A.I.T.U.C.), Bhilai.
415. I.N.T.U.C. (M.P. Branch), Indore.
416. United Steel Workers of Bhilai, Bhilai.
417. Madhya Pradesh Trade Union Congress (State Committee of A.I.T.U.C.), Indore.
418. Heavy Electricals Mazdoor Trade Union, Bhopal.
419. Heavy Electricals Shramik Sangh, Bhopal.
420. Bhartiya Mazdoor Sangh (M.P. Branch), Indore.
421. Burhanpur Tapti Mill Mazdoor Sangh (H.M.S.), Burhanpur.
422. The Estate Staffs Union of South India, Coimbatore.
423. Life Insurance Agents Federation of India, Madras.
424. Tamilnad Trade Union Congress (Tamilnad Committee of the A.I.T.U.C.), Madras.
425. Papanasam Labour Union, Vikramasingapuram, District Tirunelveli (Madras).
426. I.N.T.U.C. (Tamilnad Branch), Madras.
427. Madras Labour Union, Madras.
428. Workers Progressive Unions, Coimbatore.
429. The Madras Provincial Motor Transport and General Workers' Federation, Madras.
430. The Madras Sheet Glass Factory Employees' Union, Tiruvottiyur.
431. The Nilgiri Estate Workers Progression Union, Coonoor.
432. Rashtriya Press Kamgar Union, Government of India Press, Nasik.
433. National Defence Employees' Union, High Explosives Factory, Kirkee (Poona).
434. Bharatiya Mazdoor Sangh, Bombay.
435. Petroleum Workmen's Union, Bombay.
436. Rayon Workers' Union, Thana, Bombay.
437. Maharashtra Gumaste Mandal, Nagpur.
438. Mill Mazdoor Sabha, Bombay.
439. Hind Mazdoor Panchayat, Bombay.
440. Independent Labour Organisation, Nagpur.
441. Mumbai Girni Kamgar Union, Bombay.
442. Hotel Mazdoor Sabha, Bombay.
443. I.N.T.U.C. (Maharashtra Branch), Bombay.
444. Hind Mazdoor Sabha (Maharashtra State Council), Bombay.
445. A.I.T.U.C. (Maharashtra State), Bombay.
446. Rashtriya Mill Mazdoor Sangh, Bombay.
447. Bombay Pharmaceutical Employees' Union, Bombay.
448. Maharashtra Rajya Trade Union Committee (A.I.T.U.C.), Bombay.
449. Nagpur Corporation Employees' Association, Nagpur.
450. Siddharth Mill Kamgar Sangh, Nagpur.
451. All India P&T Employees' Federation, Nagpur.
452. Rashtriya Bidi Mazdoor Sangh, Nagpur.
453. Girni Majoor Sangh (and Nagpur Gumastha Mandal, Bhaldarpura), Nagpur.
454. United Federation of Manganese Workers and Maharashtra State Bidi Mazdoor Sangh, Kamptee.
455. Nagpur (In respect of):—
- (a) Vidarbha National Textile Federation,
- (b) Rashtriya Mill Mazdoor Sangh,
- (c) Nagpur Textile Union,
- (d) Litho Press Kamgar Union.
456. I.N.T.U.C. (Maharashtra Branch) Nagpur. (Through Shri S. W. Dhabe — *President*).
457. I.N.T.U.C. (Maharashtra Branch), Vidarbha Area, Nagpur. (Through Shri G. M. Khode — *Organising Secretary*).
458. United Trades Union Congress, Bombay.
459. Maharashtra State Transport Workers' Union, Dhulia.
460. Indian National Cement Workers' Federation, Bombay.
461. Rashtriya Girni Kamgar Sangh, Sholapur.
462. Ahmednagar Zilha Shet Majoor Union, Ahmednagar.
463. Hind Mazdoor Sabha (National Headquarters), Bombay.
464. National Organisation of Bank Workers, Central Office, Nagpur.
465. The Maritime Union of India, Bombay.
- *466. Coordinating Committee of Independent Trade Unions, Bombay.
467. The Federation of the Bank of India Officers' Association, Bombay.
468. All India Train Controllers' Association, Bombay.
469. Sanganner Akola Biri Mazdoor Sabha, Sanganner.
470. Hind Mazdoor Sabha, Karnatak, Bangalore-2.
471. I.N.T.U.C. (Mysore State Branch), Bangalore.
472. Karnatak Pradesh Trade Union Congress, Bangalore.
473. A.I.T.U.C. (Mysore State), Bangalore.
474. Bharatiya Mazdoor Sangh, Bangalore.
475. Coorg District General Workers' Union, Virajpet.

476. Coorg District Estate Workers' Union, Mercara.
477. Mysore Bidi Mazdoor Association, Mysore.
478. Cashewnut Workers' Union, Mangalore.
479. Bharatiya Mazdoor Sangh, Mangalore.
480. S.K. Coffee Cardamom and Allied Workers' Union, Mangalore.
481. South Kanara Tile Workers' Union, Mangalore.
482. The Cashewnut and Allied Workers' Union, Mangalore.
483. Dakshina Kannada Hanchina Kalasagarara Sangh, Manglore.
484. S. K. General Labour Union, Mangalore.
485. Rourkela Mazdoor Sabha, Rourkela.
486. Rourkela Steel Mazdoor Union (A.I.T.U.C.), Rourkela.
487. Constituents of Hind Mazdoor Sabha (Utkal), Cuttack—
- (a) Orissa Medical Workers' Union.
- (b) Orissa Local Bodies Employees' Federation.
- (c) Orissa Government Press Employees' Union.
488. Talcher Thermal Scheme Employees' Union, Talcher.
489. I.N.T.U.C. (Orissa Branch), P.O. Barabil, District Keonjhar.
490. Hind Mazdoor Sabha (State Branch), Orissa.
491. Orissa State Electricity Board Workcharged Employees' Union, Bhubaneswar.
492. The Orissa Government Press Employees' Union, Cuttack. (Through Shri Srikant Panda — *Dy. President*).
493. A.I.T.U.C. (Utkal State Committee), Cuttack.
494. Hindustan Steel Workers' Association, Rourkela.
495. All Orissa Motor Transport Employees' Federation, Bhubaneswar.
496. All India Cycle Trade Travellers' Association, Ludhiana.
497. A.I.T.U.C. (Punjab State Committee), Chandigarh.
498. Punjab, Himachal, Haryana, Jammu & Kashmir Motor Transport Workers' Federation (Regd.), Jullundur.
499. Nangal Fertilizer Workers' Union; and Bhakra Power Employees' Union, Naya Nangal (Through Shri J. N. Bhardwaj — *President*).
500. I.N.T.U.C. (Punjab), Chandigarh.
501. The Shops Trade Employees' Union, Patiala.
502. Punjab Dihat Mazdoor Sabha, Chandigarh.
503. Irrigation Technical Staff Union, Kota.
504. (a) The Jaipur Paschim Railway Mazdoor Union, Jaipur.
- (b) Phulera Paschim Railway Mazdoor Union, Phulera.
505. Rajasthan Khadi Gramudyog Karamchhari Sangh, Jaipur.
506. I.N.T.U.C. (Rajasthan Branch), Jaipur.
507. (a) Ajmer Motor Mazdoor Union, Ajmer.
- (b) Engineering and Metal Workers' Union, Ajmer.
- (c) P.W.D. Mazdoor Union, Ajmer.
508. Rajasthan Rajya Trade Union Congress, Jaipur.
509. Tonk Bidi Kamgar Union, Tonk.
510. (a) Reserve Bank Employees' Association, Jaipur.
- (b) Reserve Bank 'D' Class Employees' Union, Jaipur.
- (c) Jaipur Metal Industries Workers' Union, Jaipur.
- (d) Man Industrial Corporation Workers' Union, Jaipur.
- (e) Suti Mill Mazdoor Ekta Samiti.
- (f) Engineering (Ball Bearing) Workers' Union.
511. Rajasthan Working Journalists' Union, Jaipur.
512. Western Railway Employees' Union, Jaipur.
513. Rajasthan Khadi Gramudyog Board Karamchhari Sangh, Jaipur.
514. State Roadways Works Union, Ajmer Branch.
515. Kishengarh Mill Rashtriya Mazdoor Congress, Kishengarh (Rajasthan).
516. Khan Udyog Mazdoor Sangh, District Chitorgarh, Rajasthan.
517. All India Railway Commercial Clerks' Association, Ajmer.
518. All India Railway Commercial Clerks' Association, Ajmer Division (Western Zone), Ajmer.
519. Kota Kashetriya Pathar Khan Kamgar Sangh, Kota.
520. All India Bank Employees' Federation, Central Office, Kanpur.
521. Lucknow Division Insurance Employees' Association, Lucknow.
522. I.N.T.U.C. (U.P. Branch), Lucknow.
523. N.E. Railway Mazdoor Union, Gorakhpur.
524. East Indian Railwaymen's Union, Lucknow.
525. Uttariya Railway Mazdoor Union, Lucknow.
526. Bharatiya Mazdoor Sangh (U.P.), Lucknow.
527. U.P. Trade Union Congress (State Unit of A.I.T.U.C.), Kanpur.
528. The Indian National Sugar Mills Workers' Federation, Lucknow.
529. Bhartiya Pratiraksha Mazdoor Sangh, Kanpur.
530. All India Railway Claims/Commercial Inspectorate Staff Council, Varanasi.
531. Roadways Karamchhari Samyukti Parishad, Dehra Dun.
532. Indian Federation of Independent Trade Unions, Calcutta.
533. West Bengal Tea Employees' Association, P.O. Chelsea, District Jalpaiguri.
534. West Bengal Cha Sramik Union, P.O. Jalpaiguri.
535. South Eastern Railwaymen's Union, Kharagpur.
536. I.N.T.U.C. (West Bengal Branch), Calcutta.
537. The West Bengal Shop Assistants Federation, Calcutta.
538. Raymon Engineering Workmen's Union, Howrah.
539. Bhartiya Mazdoor Sangh (West Bengal Branch), Calcutta.
540. Indian Journalists' Association, Calcutta.
541. West Bengal Provincial Kisan Sabha, Calcutta.

542. United Trades Union Congress, Central Office, Calcutta.
543. West Bengal Shops and Establishments Employees' Association, Calcutta.
544. A.I.T.U.C. (West Bengal Committee), Calcutta.
545. C.L.W. Railwaymen's Union, Chittaranjan.
546. C.L.W. Labour Union, Chittaranjan.
547. United Trades Union Congress (Dharamtala), Central Office, Calcutta.
548. Indian National Mineworkers' Federation, Calcutta.
549. Asansol Iron and Steel Workers' Union, Burnpur—Kulti.
550. All India Posts and Telegraphs Industrial Workers' Union, Calcutta.
551. (a) Uttar Railway Number Porters' Union, Delhi.
(b) National Federation of Railway Porters & Vendors, New Delhi.
552. Association of Central Government Labour Officers, New Delhi.
553. Central Industrial Relations Machinery Officers' Association, New Delhi.
554. I.N.T.U.C. (Central Office), New Delhi.
555. All India Railwaymen's Federation, New Delhi.
556. United Trades Union Congress, New Delhi. (Through Shri N. Sreekantan Nair, M.P. — *President*).
557. FICCI Staff Union, New Delhi.
558. National Federation of Indian Railwaymen, New Delhi.
559. All India R.M.S. Assistant Superintendents and Inspectors Association, Central Headquarters, Delhi.
560. All India Bank Employees' Association, Delhi.
561. I.N.T.U.C. (Delhi Branch), Delhi.
562. New Delhi Trade Employees' Association, New Delhi.
563. Hind Mazdoor Panchayat, Delhi.
564. I.C.F.T.U. — Asian Regional Organisation, New Delhi.
565. Indian Railways Engineering Inspectors' Association, West Azadnagar, Delhi.
566. Indian Rural Labour Union, New Delhi.
567. All India Trade Union Congress, New Delhi.
568. I.N.T.U.C., Himachal Pradesh, Simla.
569. Municipal Employees' Union, Simla.
570. Tripura Cha Mazdoor Union, Agartala, Tripura.
575. Associated Industries (Assam) Ltd., P.O. Chandrapur, District Kamrup (Assam).
576. Indian Carbon Ltd., Noonmati, Gauhati.
577. Bharat Sugar Mills, P.O. Sidhwalia, District Saran (Bihar).
578. Rohtas Industries Ltd., P.O. Dalmianagar, District Shahbad, Bihar.
579. The Tata Iron and Steel Co. Ltd., Jamshedpur.
580. The Tinsplate Company of India Ltd., P.O. Golmuri, District Singhbhum, Bihar.
581. Ahmedabad Advance Mills Ltd., Ahmedabad.
582. Shri Digvijay Cement Company Ltd., Sika (Gujarat State).
583. The Atlas Cycle Industries Ltd., Sonapat.
584. Hindustan National Glass Manufacturing Co. Ltd., Bahadurgarh (Haryana).
585. Goodyear India Ltd., Ballabgarh (Haryana).
586. Hissar Textile Mills, Hissar.
587. Kapoor Silk Mills, Barbar Shah, Srinagar.
588. The Nangarath Coir Factory, P.O. Ramanthali, District Cannanore (Kerala).
589. The Western India Plywoods Ltd., Balia-patam, Cannanore District (Kerala).
590. The Indore Malwa United Mills Ltd., Indore.
591. The Binod Mills Co. Ltd., Ujjain.
592. Zandu Pharmaceutical Works Ltd., Bombay.
593. Josts Engineering Company Ltd., Bombay.
594. Pyarchand Keshorimal Porwal, Bidi Manufacturers and Exporters, Kamptee (Nagpur).
595. Prakash Fabricators, Kolhapur.
596. Esso Standard Eastern Inc., Bombay.
597. Zenith Steel Pipes Ltd., Khopoli (Bombay).
598. Raja Oil and Rice Mills, Mysore.
599. Indian Aluminium Co. Ltd., Reduction Works, P.O. Hirakud, District Sambalpur (Orissa).
600. Bolani Ores Ltd., Bolani P.O., Keonjhar, Orissa.
601. Orissa Textile Mills Ltd., P.O. Chowdwar, District Cuttack (Orissa).
602. Orient Paper Mills, P.O. Brajrajnagar, District Sambalpur (Orissa).
603. The Amritsar Rayon and Silk Mills (P) Ltd., Amritsar.
604. The British India Corporation Ltd., (New Egerton Woollen Mills Branch), Dhariwal (Punjab).
605. The Batala Engineering Co. Ltd., Batala.
606. The Oriental Carpet Manufacturers (India) Private Ltd. (The O.C.M. Woollen Mills Division), Amritsar.
607. Bicycle Manufacturing Corporation, Ludhiana.
608. Hindustan Wire Products Ltd., Patiala.
609. Balrampur Sugar Company Ltd., Balrampur (U.P.).
610. The Mahabir Sugar Mills Private Ltd., P.O. Siswabazar, District Gorakhpur (U.P.).
611. Eye Hospital, Sitapur (U.P.).
612. The National Iron and Steel Company Ltd., Calcutta.

V. Companies/Business Houses in Private Sector :

571. Indian Detonators Ltd., Hyderabad.
- *572. Indian Leaf Tobacco Development Co. Ltd., Guntur.
573. The Hyderabad Allwyn Metal Works Ltd., Sanatnagar, Hyderabad.
574. The Assam Oil Co. Ltd., P.O. Digboi, Upper Assam.

*Also sent supplementary memorandum.

613. Shri Mool Chand Kharaiti Ram Trust, New Delhi.
 614. Delhi Cloth Mills, Delhi.
 *615. Hamdard Dawakhana (Wakf), Delhi.
 616. Sesa Goa Private Ltd., Panjim.
 617. Baijnath Tea Estate Co. Private Ltd., Baijnath.

VI. Companies/Societies in the Cooperative Sector :

618. The Chodavaram Co-operative Agricultural and Industrial Society Ltd., Govada (A.P.).
 619. Assam Co-operative Sugar Mills Ltd., Baruah-bamungaon.
 620. The Assam Co-operative Apex Bank Ltd., Shillong—State Co-operative Bank, Assam State.
 621. The Co-operative Sugars Ltd., Chittur, Manonpara P.O., Palghat District (Kerala).
 622. The Doaba Co-operative Sugar Mills Ltd., Nawanshahr, District Jullundur (Punjab).

VII. Academic Institutions :

623. Xavier Institute of Social Service, Ranchi.
 624. Department of L.S. Welfare, Patna University, Patna.
 625. Society for the Study of Industrial Medicine, Bombay.
 626. Labour Education Service, Bombay.
 627. Bombay Labour Institute Association, Bombay.
 628. National Institute of Labour Management, Bombay.
 629. Indian Institute of Technology, Kharagpur.
 630. Indian Institute of Personnel Management, Calcutta.
 631. Shri Ram Centre for Industrial Relations, New Delhi.
 632. The Delhi School of Economics, University of Delhi, Delhi.
 633. Goa Medical College, Panaji.

VIII. Local Bodies :

634. Municipal Corporation of Hyderabad, Hyderabad.
 635. Patna Municipal Corporation, Patna.
 636. Ahmedabad Municipal Corporation, Ahmedabad.
 637. Corporation of Madras, Madras.
 638. Bombay Municipal Corporation, Bombay.
 639. Corporation of Calcutta, Calcutta.
 640. Municipal Corporation of Delhi (Delhi Electric Supply Undertaking), Delhi.
 641. Municipal Corporation of Delhi (General Wing), Delhi.
 642. Municipal Corporation of Delhi (Delhi Transport Undertaking), New Delhi.

IX. Others (Individuals/Organisations interested in Labour Problems) :

643. Shri M. Shyam Mohan, Personnel Officer, The S.C. Company Ltd., Belampalli (P.O.) (S.C. Rly.).

644. Shri M. V. Bhadram, M.P., Municipal Colony, Vishakapatnam.
 645. Dr. Mir Siadat Ali Khan, Retd. Judge of the High Court and Ex-Chairman of the Industrial Tribunal, Andhra Pradesh, Hyderabad.
 646. Shri G. Venkata Swamy, M.P., Hyderabad.
 647. Shri Vedula Jaganadha Rao, Advocate, 62/2RT, Saidabad Colony, Hyderabad-38.
 648. Indian Association of Trained Social Workers, Hyderabad.
 649. Shri G. K. Syam Choudhury, Pathecherra Tea Estate, P.O. Kumbhir, District Cachar (Assam).
 650. Shri Hem Datta, Social Worker, Nangthymmai, Shillong.
 651. Assam Tea Garden Tribes Students Association, Shillong.
 652. Shri Ranen Roy, Advocate, Jakhampur, Patna.
 653. Shri Ram Laxman Prasad, S.S.D. Indian Tube Co. Ltd., Jamshedpur.
 654. Shri S. P. Sinha, Assistant Director (Economics & History), Bihar Tribal Welfare Research Institute, Ranchi.
 655. Shri A. C. Banerjee, Kunkun Singh Lane, Patna.
 656. Shri J. L. Dholakia, Reader in Economics, University School of Social Sciences, Gujarat University, Ahmedabad.
 657. Shri K. R. Buch, G.S.F.C., Baroda.
 658. Shri V. Kurien, C/o Kaira District Cooperative Milk Producers' Union Ltd., Anand, Gujarat State.
 659. Dr. M. B. Desai, M.S. University of Baroda, Baroda.
 660. Capt. Ranjit Singh, V & P.O., Dabra, Hissar.
 661. Shri Nand Kishore Jalan, Trustee, Krishanlal Jalan Free Eye Hospital, Bhiwani (Haryana).
 662. Shri K. C. Eapen, President, Coir Labour Union, Alleppey.
 663. Shri P. J. Mathew, Manilethu, Maramon, P.O. (Kerala).
 664. Prof. V. R. Pillai, Head of the Department of Economics, University of Kerala, Trivandrum.
 665. Prof. D. S. Nag, Head of Department of Post-Graduate Studies & Research in Economics, University of Jabalpur, Jabalpur.
 666. Shri Shambhu Kumar Rai, Advocate, Hamidia Road, Bhopal.
 667. Shri Ram Singh Bhai Varma, 32-L.I.G. Colony, Indore.
 668. Shri K. Gurumurthy, Simpson Group Companies Union, Madras.
 669. Shri Karumuthu Thiagarajan, Madurai.
 670. Shri V. Murthy, Head of Department of Political Science & Public Administration, University of Nagpur, Nagpur.
 671. Shri Jaysingh R. Jagtap, Nityanand Bhuvan, Datta Mandir Road, Bhandup, Bombay.
 672. Shri S. R. Mohan Das, 2A-Prospect Chambers, Dr. D. N. Road, Fort, Bombay.
 673. Shri M. R. Meher, I.C.S. (Retd.), 67, Adarsh Nagar, Worli, Bombay.

674. Shri Y. N. Josyulu, Advocate, Sion West, Bombay.
675. Shri S. S. Mani, Personnel Department, Hindustan Lever Ltd., Bombay.
676. Shri K. N. Subramanian, Flat No. 33, Ashoka Apartments, Nepean Sea Road, Bombay-6.
677. Shri R. S. Kulkarni, Advocate, Block No. 5, Janardin Mandir, Dr. Ghanti Road, 770, Parsi Colony, Dadar, Bombay-14.
678. Shri S. J. Shirgaonkar, 5, Goodwill Assurance Building, Manamala Tank Road, Bombay-16.
679. All India Women's Conference, Bombay.
680. Kamgar Hakka Parchar Sabha, Thana, Bombay.
681. Representatives of All Political Parties in the Maharashtra State Legislature, Bombay.
682. Samajwadi Yuvak Sabha, National House, 6-Tulloch Road, Bombay-1.
683. Bharatiya Jana Sangh, Maharashtra Pradesh, Bombay.
684. Shri S. Venkat Ram, C/o Binny's Staff Union, Bangalore.
685. Repeater Station Assistants, Manipur Road Station (Shri H. K. Nag Choudhury and nine others).
686. Shri B. S. Patnaik, Presiding Officer, Industrial Tribunal, Orissa, Bhubaneswar.
687. Orissa Krushak Samaj, Bhubaneswar.
688. Shri S. N. Dasmahapatra, Project Administrator, Hira Cement Works, P.O. Bardol, District Sambalpur (Orissa).
689. Shri Gopal Chandra Rath, Head of Department of Social Welfare, Berhampur University, Berhampur.
690. Shri S. B. Nanda, Advocate, Medical College Road, Ranihat, Cuttack.
691. Shri Rajballav Misra, Minister for Labour, Orissa.
692. Shri Srinivas, Member of Punjab Labour Advisory Board, Ludhiana.
693. Shri S. N. Dhyani, Lecturer-in-charge, Post Graduate Diploma Course in Labour Laws, Labour Welfare and Personnel Management, University of Rajasthan, Jaipur.
694. Shri Shiv Charan Mathur, Minister of Education, Rajasthan, Jaipur.
695. Shri Dinesh Khare, B-139, Vijay Pathi, Tilak Nagar, Jaipur.
696. Shri Hiralal Jain, Vice-President, All India Hind Mazdoor Panchayat and President, Rajasthan H.M.P., Kota.
697. Dr. V. B. Singh, Department of Economics, Lucknow University, Lucknow.
698. Shri Surendra Kumar, Secretary, Gandhi Eye Hospital Trust, Aligarh.
699. Shri B. D. Shukla, President, H.M.S. (U.P.), 3, Gopal Niwas, Sunderbagh, Lucknow.
700. Shri Sarjoo Prasad Haveliwala, Shri Janki Sugar Mills & Co., Doiwala (Dehra Dun).
701. Shri Mithan Lal (Retd. High Court Judge), Presiding Officer, Industrial Tribunal, Uttar Pradesh.
702. Shri Ram Rattan Gupta, Mayfair Cinema, Lucknow.
703. Shri M. P. Saxena, Chemist, M.S.M. Co. Ltd., P.O. Iqbalpur, District Saharanpur (U.P.).
704. Shri K. C. Lalwani, Indian Institute of Technology, Kharagpur.
705. Shri M. Sinha Ray, Lecturer in Economics, Visvabharati, Santiniketan.
706. Dr. Subratesh Ghosh, Lecturer in Economics, Jadavpur University, Calcutta.
707. Shri P. N. Krishna Pillai, Indian Aluminium Co. Ltd., H.O. Calcutta.
708. West Bengal Lawyers' Association, Calcutta.
709. Shri S. K. Gupta, 3D, Roy Street, Elgin Road, Calcutta.
710. Shri R. P. Sinha, E-II/26/17, Vidyapati Road, Durgapur.
711. Shri S. K. Wadhawan, Central Provident Fund Commissioner, 43, Rabindra Nagar, New Delhi.
712. Shri O. Venkatachalam, Chief Labour Commissioner (Central), Ministry of Labour, Employment & Rehabilitation, New Delhi.
713. Shri R. C. Vyas, M.P. President, Rajasthan I.N.T.U.C., 170, North Avenue, New Delhi.
714. Father A. Fonseca, Indian Social Institute, New Delhi.
715. Shri J. M. Lobo Prabhu, M.P., New Delhi.
716. Dr. Paresnath Chattopadhyay, 7A/2-W.E.A., Karol Bagh, New Delhi.
717. Shri V. V. Giri, Vice-President of India, New Delhi.
718. (a) Shri Kashi Nath Pandey, M.P.
(b) Shri Vishwa Nath Pandey, M.P.
(c) Shri Sheo Narain, M.P.
(d) Shri Shiva Chandika, M.P.
(e) Shri Shambu Nath, M.P.
(f) Shri Ram Swarup, M.P.
(g) Shri Onkarlal Berwa, M.P.
(h) Shri B. N. Kureel, M.P.
719. Industrial Disputes Bureau, Delhi.
720. The Swedish Trade Union Confederation (I.O).
721. International Brotherhood of Electrical Workers, 1200 Fifteenth St., N.W. Washington, D.C. 20005.
722. Industrial Relations Research Institute, University of Wisconsin, Madison Wisconsin 63706.
723. Mr. Bruce H. Millen, Former U.S. Labour Attache in New Delhi.
724. Mr. Robert L. Walkinshaw, Labour Attache, Foreign Service of the United States of America, Djakarta, Indonesia.
725. Mr. Leonard P. Adams, New York State School of Industrial and Labour Relations, Cornell University, Ithaca, New York 14850.
726. Mr. L. Lawrence Schultz, National Representative and Training Officer, Federal Mediation And Conciliation Service, United States Government, Washington D.C. 20427.

B. FOREIGN

727. Department of Health, Education and Welfare (Social Security Administration), United States Government.
728. Mr. Bertram N. McNamara, Director, United Steelworkers of America, District 32, Lewis Center—615 E. Michigan Street, Milwaukee, Wis. 53202.
729. Mr. Solomon B. Levine, Professor of Labor and Industrial Relations, Institute of Labor and Industrial Relations, University of Illinois, Illinois 61820.
730. Dr. Edith Wall Andrews, Bureau of Labor Statistics, U.S. Department of Labor, Washington D.C.
-

(i) Liaison Officers of Central Ministries And Public Sector Undertakings*Liaison Officer of the Ministry**Liaison Officers of the Central Public Sector Undertakings*

I. MINISTRY OF COMMERCE

Shri G. C. L. Joneja,
Joint Secretary,
Ministry of Commerce,
New Delhi.

- (1) Shri A. J. Thomas,
Secretary,
Metal Scrap Trade Corporation
Ltd.,
11, Rabindra Sarani, 3rd Floor,
Calcutta.
- (2) Shri R. Krishnamurthy,
Publicity Officer,
Export Inspection Council of India,
World Trade Centre, 14/1-B,
Ezra Street, 7th Floor,
Calcutta.
- (3) Shri S. R. Ullal,
Secretary,
Central Silk Board,
'Meghdoot', 65-B,
Marine Drive,
Bombay.
- (4) Shri M. P. Alexander,
Chairman, Cardamom Board,
27/462, Mareena Building,
Mahatma Gandhi Road,
Ernakulam, (Kerala).
- (5) Shri N. C. Jain,
Divisional Manager,
The Mineral & Metals Trading
Corporation of India,
Express Building,
Bahadur Shah Zafar Marg,
New Delhi.
- (6) Shri T. V. Joseph,
Secretary,
Rubber Board,
Kottayam, (Kerala).
- (7) Shri K. B. Ummithan,
Chief Research Officer,
Coir Board, P. Box No. 80,
Ernakulam.
- (8) Shri F. C. Dhaun,
Divisional Manager,
The State Trading Corporation
of India Limited, Express Building,
Bahadur Shah Zafar Marg,
New Delhi.
- (9) Shri G. N. Gondhalekar,
Director, Khadi & Gramodyog
Commission, Bombay.
- (10) Shri S. P. S. Sodhi,
Secretary-cum-Chief Accounts Officer,
Handicraft & Handlooms Exports,
Lok Kalyan Bhawan,
III-A Rouse Avenue Lane,
New Delhi.

*Liaison Officer of the Ministry**Liaison Officers of the Central Public Sector Undertakings*

- (11) Shri B. N. Chatterjee, M. P.,
Secretary, Tea Board,
14, Brabourne Road,
Calcutta-1.
- (12) Shri Prem Nath,
Executive Director,
Indian Council of Trade &
Exhibitions, Jhansi Castle,
Cooperage Road, *Bombay.*
- (13) Shri A. N. Balaram,
Secretary,
Coffee Board, Post Box No. 302,
Bangalore-1.

II. DEPARTMENT OF COMMUNICATIONS

Shri A. S. Bhatnagar,
Deputy Secretary,
Department of Communications,
New Delhi.

- (1) Shri Mahabir Sarup,
Personnel Manager,
Indian Telephone Industries
Limited, Doorvani Nagar,
Bangalore-16.
- (2) Shri G. K. Parthasarathy,
Administrative Manager,
Hindustan Teleprinters Ltd.,
G. S.T. Road, Guindy,
Madras-32.

III. MINISTRY OF DEFENCE

Shri R. B. Vaghaiwalla,
Joint Secretary,
Ministry of Defence,
New Delhi.

- (1) Shri R. L. Kapoor,
Deputy General Manager,
Bharat Earth Movers Ltd,
Bangalore.
- (2) Shri S. T. Lakshminarayan,
Secretary, Praga Tools Ltd.,
Secunderabad.
- (3) Shri Joy Joseph,
Finance Manager,
Garden Reach Workshops Ltd.,
Calcutta.
- (4) Lt. Col. W. C. Cole,
Personnel Manager,
Mazagon Dock Ltd.,
Bombay.
- (5) Shri B. S. Hanuman,
Administrative Manager,
Bharat Electronics Ltd.,
Bangalore.
- (6) Shri B. N. Jayasimha,
Chief Administrative Officer,
HAL, Bangalore Division,
Hindustan Aeronautics Ltd.,
Bangalore.

IV. MINISTRY OF FINANCE
(Deptt. of Economic Affairs)

Shri M. S. Nanjundiah,
Director (IE),
Ministry of Finance,
Deptt. of Economic Affairs,
New Delhi.

- (1) Shri N. D. Prabhu,
General Manager,
Security Paper Mills,
Hoshangabad (M. P.)

Liaison Officer of the Ministry

Shri M. R. Shroff,
Director, Economic Division,
Ministry of Finance,
Deptt. of Economic Affairs,
North Block,
New Delhi.

Liaison Officers of the Central Public Sector Undertakings

- (2) Shri P. M. Rau,
Deputy Master,
India Security Press,
Nasik Road (*Maharashtra*).
- (3) Shri P. K. Tikku,
Master of the Mint,
Alipore, *Calcutta-53*.
- (4) Shri B. Nand,
Senior Labour Officer,
Kolar Gold Mining Undertakings,
Oorgaum P. O., *Mysore State*.
- (5) Shri M. V. Sobonic,
Executive Director,
L. I. C. Central Office,
P. B. No. 252, *Bombay*.
- (6) Shri S. K. Datta,
Chief Officer (Personnel),
State Bank of India,
Central Office, *Bombay-1*.
- (7) Shri S. Narayanswamy,
Personnel Manager,
Department of Administration,
Reserve Bank of India,
Central Office, *Bombay*.
- (8) Shri V. G. Pendharkar,
Economic Adviser to the
Reserve Bank of India,
Central Office, *Bombay*.

V. MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT
AND COOPERATION

(Department of Food)

Shri K. S. Murthy,
Deputy Secretary (Adm),
Department of Food,
New Delhi.

- (1) Chief Executive Officer & Secretary,
Central Warehousing Corporation,
New Delhi.
- (2) The Secretary,
Food Corporation of India,
Madras.
- (3) Shri V. K. Venkataraman,
Secretary, Modern Bakeries
(India) Ltd., Room No. 568,
Fifth Floor, Krishi Bhawan,
New Delhi.

(Department of Agriculture)

Shri J. S. Sarma,
Economic & Statistical
Adviser,
Ministry of Food and
Agriculture (Deptt. of
Agriculture), New Delhi.

- (1) Shri J. Veeraraghavan,
Managing Director and Chief
Administrative Officer,
National Seeds Corporation
Ltd., No. 3, West Patel Nagar,
New Delhi.
- (2) Shri S. Ray,
Managing Director,
Central Fisheries Corporation,
Ltd., 14, Walkin Lane, *Howrah*.

Liaison Officer of the Ministry

*Liaison Officers of the Central Public Sector
Undertakings*

VI. MINISTRY OF HEALTH AND FAMILY PLANNING

(Department of Health)

Shri Gian Prakash,
Joint Secretary,
Department of Health,
New Delhi.

- (1) Shri M. G. Pandit,
A. D. G. (M.S.),
Medical Stores Depots & Factories,
(Directorate General of Health Services),
Patiala House, *New Delhi.*

(Department of Family Planning)

Shri K. N. Srivastava,
Joint Secretary,
Department of Family
Planning, *New Delhi.*

Shri K. N. Srivastava,
Chairman,
Hindustan Latex Ltd.,
Patiala House, *New Delhi.*

VII. MINISTRY OF HOME AFFAIRS

Smt. R. M. Shroff,
Deputy Secretary,
Ministry of Home Affairs,
New Delhi.

VIII. MINISTRY OF INDUSTRIAL DEVELOPMENT & COMPANY AFFAIRS

Shri O. N. Misra,
Joint Secretary,
Ministry of Industrial
Development & Company
Affairs. (Deptt. of Industrial
Development), *New Delhi.*

- (1) Shri S. K. Ray,
Personnel Manager,
Heavy Electricals (India) Ltd.,
Bhopal.
- (2) Shri S. C. Banerjee,
Deputy General Manager (Adm),
Mining & Allied Machinery
Corporation Ltd.,
P. O. *Durgapur-10.*
- (3) Shri P. L. Singhanian,
Deputy General Manager & Secretary,
The National Newsprint &
Paper Mills Ltd.,
Nepanagar (M.P.).
- (4) Shri P. R. S. Rao,
Administrative Officer,
Hindustan Photo Films
Manufacturing Company Ltd.,
Indu Nagar, Ootacamund.
- (5) Shri D. N. Nigam,
Personnel Manager,
Heavy Electrical Equipment
Plant, Bharat Heavy
Electricals Ltd.,
Ranipur, Harwar.
- (6) Shri K. C. Chakrabarti,
Head of the Personnel Department,
Cement Corporation of India
Ltd., 5-A, Bahadur Shah Zafar Marg,
New Delhi.
- (7) Shri R. K. Gupta,
Personnel Manager,
Triveni Structurals Ltd.,
7, Liddle Road, George Town,
Allahabad.
- (8) Shri S. Natarajan,
Secretary, Instrumentation
Ltd., Kota, *Rajasthan.*

*Liaison Officer of the Ministry**Liaison Officers of the Central Public Sector Undertakings*

- (9) Shri C. G. Singh,
Assistant Superintendent,
Personnel Division,
Heavy Engineering Corporation
Ltd., Dhurwa,
Ranchi-4.
- (10) Shri K. C. Bhalla,
Secretary,
The National Industrial
Development Corporation Ltd.,
Udyog Bhavan, New Delhi.
- (11) Shri R. P. Sikka,
Labour Officer,
Hindustan Salts Ltd.,
Bhagwan Das Road,
P. B. No. 146,
Jaipur (Rajasthan).
- (12) Shri Kaushal Kumar,
Divisional Manager (Admn).
The National Small Industries
Corporation Ltd., Near Okhla
Industrial Estate,
New Delhi.
- (13) Shri S. P. Das Gupta,
Welfare/Personnel Officer,
The National Instruments Ltd.,
Jadavpur, Calcutta-32.
- (14) Shri S. K. Nanda,
Personnel Manager-cum-Town
Administrator, Hindustan
Machine Tools Ltd.,
Bangalore.

IX. MINISTRY OF IRRIGATION & POWER

Shri K. G. R. Iyer,
Joint Secretary,
Ministry of Irrigation &
Power, New Delhi.

Shri S. K. Ray,
Director of Personnel,
Damodar Valley Corporation,
Anderson House, Alipore,
Calcutta-27.

X. MINISTRY OF PETROLEUM & CHEMICALS

Shri M. V. Rajwade,
Joint Secretary,
Ministry of Petroleum and
Chemicals, New Delhi.

- (1) Shri B. N. Mehrotra,
Personnel Officer,
Indian Oil Corporation Ltd.,
(Pipeline Division),
18, Jorbagh,
New Delhi.
- (2) Shri Mohd. Fazal,
Managing Director,
Hindustan Insecticides Ltd.,
C-255, Defence Colony,
New Delhi-3.
- (3) Shri Daulat Singh,
Coordination Manager,
Indian Oil Corporation Ltd.
(Chairman's Office)
4th Floor, Link House,
B. Shah Zafar Marg,
New Delhi.

*Liaison Officer of the Ministry**Liaison Officers of the Central Public Sector Undertakings*

- (4) Shri G. S. Pillai,
Industrial Relations Manager,
The Fertilisers & Chemicals
Travancore Ltd.,
P. O. Udyogmandal,
Alwaye, Kerala State.
- (5) Shri B. L. Wedehra,
Industrial Relations Adviser,
The Fertilisers Corporation of
India Ltd., F-43 South Extension,
Part-I, Ring Road,
New Delhi.
- (6) Shri B. R. S. Bhatnagar,
Managing Director,
Pyrites & Chemical Development
Company Ltd., Joseph House,
Canal Road, Dehri-on-Sone,
(Bihar).
- (7) Shri M. S. Pathak,
Resident Manager,
Engineers India Ltd.,
Apte Estates,
(4th Floor), Opp. Haines Road,
Worli, *Bombay-18.*
- (8) Shri N. S. Rao,
Secretary of the Board of Directors,
Madras Refineries Ltd.,
Madras.
- (9) Shri R. K. Chandrashekharan,
Financial Adviser, Indian
Drugs & Pharmaceuticals Ltd.,
N-12, Ring Road, South Extension,
Part-I, *New Delhi.*
- (10) Shri P. S. Palande,
Administrative Officer,
Hindustan Organic Chemicals Ltd.,
P. O. Rasayani, Distt. Kolaba,
Maharashtra.
- (11) Brig. S. C. Vyas, Director (Adm),
Oil & Natural Gas Commission,
Tel Bhavan, *Dehra Dun.*
- (12) Shri O. S. Yusaf,
Personnel Manager, Cochin Refineries
Ltd., Post Box No. 501,
Ernakulam-6, Kerala State.
- (13) Shri V. Sundaram,
Company Secretary,
Hindustan Antibiotics Ltd.,
Pimpri, *Poona-18.*

XI. MINISTRY OF RAILWAYS

Shri K. V. Kasturi Rangan,
Director, Establishment,
Ministry of Railways,
Railway Board,
Rail Bhavan,
New Delhi.

- (1) Chief Personnel Officer,
Central Railways, *Bombay, V. T.*
- (2) Shri S. C. Chatterjee,
Chief Personnel Officer,
Northern Railway,
Baroda House, *New Delhi.*

*Liaison Officer of the Ministry**Liaison Officers of the Central Public Sector Undertakings*

- (3) Chief Personnel Officer,
Eastern Railway, Fairlie Place,
Calcutta.
- (4) Chief Personnel Officer,
North Eastern Railway,
Gorakhpur.
- (5) Chief Personnel Officer,
North East Frontier Railway,
Pandu.
- (6) Chief Personnel Officer,
Southern Railway, Park Town,
Madras.
- (7) Chief Personnel Officer,
South Central Railway,
Secunderabad.
- (8) Chief Personnel Officer,
South Eastern Railway,
Garden Reach, *Calcutta-43.*
- (9) Chief Personnel Officer,
Western Railway, Churchgate,
Bombay Central.
- (10) Deputy General Manager,
Chittaranian Locomotive Works
Chittaranian (*West Bengal*).
- (11) Personnel Officer,
Integral Coach Factory,
Perambur, *Madras.*
- (12) Personnel Officer,
Diesel Locomotive Works,
Varanasi.
- (13) Personnel Officer,
Railway Electrification,
Calcutta.
- (14) Personnel Officer,
Dandakaranya Bolangir,
Kiriburi, Railway Project,
Waltair.

XII. DEPARTMENT OF SOCIAL WELFARE

Shri M. C. Nanavatty,
Deputy Secretary, Deptt. of
Social Welfare, *New Delhi.*

XIII. MINISTRY OF STEEL, MINES & METALS

(Deptt. of Mines & Metals)

Shri Ajit Singh,
Deputy Secretary,
Department of Mines & Metals,
New Delhi.

- (1) Shri Ramachander,
Deputy General Manager,
(Establishment & General),
Neyveli Lignite Corporation Ltd.,
P. O. Neyveli,
South Arcot District
(*Madras State*).

*Liaison Officer of the Ministry**Liaison Officers of the Central Public Sector Undertakings*

- (2) Shri C. S. Venugopala Rao,
Chief Project Officer,
Bharat Aluminium Co. Ltd.,
C-29, South Extension Part II,
New Delhi-16.
- (3) Shri A. D. Jahagirdar,
Secretary, Manganese Ore
(India) Ltd.,
3, Mount Road Extension,
P. O. Box No. 34, Nagpur
(Maharashtra).
- (4) Shri A. H. Azad,
Officer In-charge,
Personnel Department,
National Coal Development
Corporation Ltd.,
Darbhanga House, Ranchi.
- (5) Shri M. N. Pancholy,
Chief Executive Officer,
Hindustan Zinc Ltd.,
11/221, Hospital Road,
Udaipur.
- (6) Shri V. L. Karwonde,
Deputy General Manager,
Singareni Collieries Co. Ltd.,
P. O. Belampelli,
Adilabad District (A.P.)

(Department of Iron Steel)

Shri C. V. S. Mani,
Deputy Secretary,
Deptt. of Iron and Steel,
New Delhi.

- (1) Shri Ramanand Sinha,
Chief, Establishment,
Manpower & Industrial Relations,
Hindustan Steel Ltd.,
Ranchi (Bihar).
- (2) Shri S. N. Chakraverty,
Deputy Personnel Manager,
Bokaro Steel City,
P. O. Maraphani (Bihar).

XIV. MINISTRY OF TOURISM & CIVIL AVIATION

Shri J. N. Goyal,
Joint Secretary,
Ministry of Tourism & Civil
Aviation, New Delhi.

- (1) Shri A. S. Banavalikar,
Personnel Manager,
Air India, Santa Cruz,
Bombay-29.
- (2) Shri B. A. Deshmukh,
Personnel Manager,
Indian Airlines Corporation,
Airlines House, Gurudwara
Rakabganj Road, New Delhi.
- (3) Shri G. P. Chadha,
Administrative Officer,
Indian Tourism Development
Corporation, 63, Sunder Nagar,
New Delhi.

XV. MINISTRY OF TRANSPORT & SHIPPING

Shri R. Doriswamy,
Joint Secretary,
Ministry of Transport &
Shipping, New Delhi.

- (1) Shri H. C. Raut,
Managing Director,
Hindustan Shipyard Ltd.,
Gandhigra, Visakhapatnam.

*Liaison Officer of the Ministry**Liaison Officers of the Central Public Sector Undertakings*

- (2) Shri C. P. Srivastava,
Chairman & Managing Director,
Shipping Corporation of India
Ltd., Steelcrete House,
Dinshaw Wacha Road,
Church Gate, Reclamation,
Bombay.
- (3) Shri S. K. Venkatachalam,
Managing Director,
Mogul Line Ltd.,
Bank Street, *Bombay.*
- (4) Shri A. K. Mazumdar,
Managing Director,
Central Road Transport
Corporation, 18, Rabindra Sarani,
Calcutta-1.
- (5) Shri L. M. Nadkarni,
Chairman, Bombay Port Trust,
Bombay.
- (6) Shri B. B. Ghosh,
Chairman, Calcutta Port Commissioners,
Calcutta.
- (7) Shri T. K. Palaniappan,
Chairman, Madras Port Trust,
Madras.
- (8) Shri K. Srinivasan,
Managing Director,
Rivers Steam Navigation Co. Ltd.,
4, Fairlie Place,
Calcutta.
- (9) Shri E. H. Simoes,
Chairman, Mormugao Port Trust,
Mormugao, Goa.
- (10) Shri C. R. Reddy,
Chairman,
Visakhapatnam Port Trust,
Visakhapatnam (Andhra).
- (11) Shri K. P. K. Menon,
Chairman, Cochin Port Trust,
Cochin-3.
- (12) Shri S. K. Chatterjee,
Chairman,
Kandla Port Trust, Gandhidham, P. O.
District Bhuj (*Kutch*).
- (13) Shri Kartar Singh,
Administrator,
Paradeep Port,
Bhubaneswar (Orissa).

XVI. MINISTRY OF WORKS, HOUSING & SUPPLY

Shri B. L. Chak,
Joint Secretary,
Ministry of Works, Housing
& Supply,
New Delhi.

- (1) Shri N. P. Dube,
Managing Director,
Ashoka Hotels Ltd.,
New Delhi.

*Liaison Officer of the Ministry**Liaison Officers of the Central Public Sector Undertakings*

- (2) Shri V. P. Sud,
Managing Director,
Janpath Hotels Ltd.,
New Delhi.
- (3) Shri D. Dutt,
Managing Director,
National Buildings Construction
Corporation, New Delhi.
- (4) Shri J. Durai Raj,
Managing Director,
Hindustan Housing Factory,
New Delhi.

XVII. PLANNING COMMISSION

Shri S. Abdul Qadir,
Adviser, Employment,
Labour & Social Planning,
Planning Commission,
New Delhi.

(ii) Liaison Officers of State Governments

1. Shri K. B. Lal,
Labour Commissioner,
Government of Andhra Pradesh,
Hyderabad.
2. Shri B. Sarma,
Labour Commissioner,
Government of Assam,
Shillong.
3. Shri Ishwari Prasad,
Labour Commissioner,
Government of Bihar,
Patna.
4. Shri A. V. Vyas,
Labour Commissioner,
Government of Gujarat,
Ahmedabad-16.
5. Shri D. D. Sharma,
Labour Commissioner,
Government of Haryana,
Chandigarh.
6. Shri S. Y. Andrabi,
Labour Commissioner,
Government of Jammu & Kashmir,
Srinagar.
7. Shri N. Kochukrishnan,
Labour Commissioner,
Government of Kerala,
Trivandrum.
8. Shri M. M. Khar,
Labour Commissioner,
Government of Madhya Pradesh,
Indore.
9. Shri M. M. Rajendran,
Labour Commissioner,
Government of Madras,
Madras.
10. Shri T. R. Bhagwat,
Deputy Commissioner of Labour,
Office of the Commissioner of Labour
and Director of Employment,
Commerce Centre, Tardeo,
Bombay-34.
11. Shri V. Hanumanthappa,
Commissioner of Labour,
Government of Mysore,
Bangalore.
12. Shri U. N. Sahu,
Labour Commissioner,
Government of Orissa,
Bhubaneswar.
13. Shri N. N. Vohra,
Labour Commissioner,
Government of Punjab,
Chandigarh.
14. Shri N. K. Joshi,
Labour Commissioner,
Government of Rajasthan,
Jaipur.
15. Shri Dasrath Singh,
Labour Commissioner,
Government of Uttar Pradesh,
Kanpur (U.P.)
16. Shri B. K. Chatterjee,
Labour Commissioner,
Government of West Bengal,
Calcutta.
17. Shri P. L. Ahuja,
Labour Commissioner,
15, Rajpur Road,
Delhi.

(iii) Liaison Officers of Employers' and Workers' Organisations**Employers' Organisations.**

1. Shri T. S. Swaminathan,
Employers' Federation of India,
148, Mahatma Gandhi Road,
Bombay.
2. Shri P. Chentsal Rao,
All India Organisation of
Industrial Employers,
Federation House,
New Delhi.
3. Shri Shri Ram Agarwal,
All India Manufacturers'
Organisation,
Almecco, Sambhava Chambers,
Sir P. M. Road,
Bombay-1.
4. Shri S. K. Sen,
Labour Adviser,
Indian Engineering Association,
6, Netaji Subhas Road,
Calcutta-1.
5. Shri B. V. Apte,
Builders' Association of India,
United India Building,
2nd Floor, West Wing,
Sir P. M. Road, Fort,
Bombay.

Workers' Organisations.

6. Shri N. K. Bhatt, M. P.
Assistant Secretary,
Indian National Trade Union
Congress,
17, Janpath,
New Delhi.
7. Shri Satish Loomba,
All India Trade Union Congress,
24, Canning Lane,
New Delhi.
8. Shri Pratul Chaudhri,
United Trades Union Congress,
780, Billimaran,
Delhi-6.
9. Shri Tulsi Boda,
General Secretary,
The Institute of Public
Undertaking,
Manik Nivas,
A/19, Sardar Kunj Society,
Shahpur, *Ahmedabad.*
10. Shri D. B. Thengdi, M. P.
General Secretary,
Bharatiya Mazdoor Sangh,
57, South Avenue,
New Delhi.
11. Shri V. L. Shanbhag,
Secretary,
Hind Mazdoor Panchayat,
204, Raja Ramnohan Roy Road,
Bombay-4.

List of Members of Parliament who participated in the Commission's discussions with the different Parliamentary groups.

NEW DELHI

August 28, 1968

Bharatiya Jan Sangh Party

1. Shri Jagdambi Prasad Yadav, M.P.
2. Dr. Mahavir, M.P.
3. Shri Manohar Lal Sondhi, M. P.
4. Shri Ram Swarup Vidyarthi, M. P.
5. Shri Rattan Lal, M. P.
6. Shri Suraj Bhan, M. P.

Praja Socialist Party

7. Shri Banka Behary Das, M. P.
8. Shri Srinibas Mishra, M. P.

December 6-7, 1968

D.M.K. Party

9. Shri G. A. Appan, M. P.

Congress Party

10. Shri Arjun Arora, M. P.

Swatantra Party

11. Shri J. M. Lobo Prabhu, M. P.
12. Shri R. K. Amin, M. P.
13. Shri Sundar Mani Patel, M. P.

May 11, 1969

Swatantra Party

14. Shri M. R. Masani, M. P.

APPENDIX VIII

A. List of Organisations/Persons who tendered evidence before the Commission in its Sessions at the State Headquarters and during Chairman's Observation visits.

CHANDIGARH—HARYANA STATE:

September 20-21, 1967

Government of Haryana

1. Shri P. N. Bhalla, Labour Secretary.
2. Shri S. K. Misra, Labour Commissioner.
3. Shri P. N. Sahni, Director of Industries.
4. Shri R. C. Singh, S. E., B & R.
5. Shri P. N. Gupta, S. E., I & B.
6. Shri Jitendra Lal, Director of Employment.
7. Dr. K. S. Mann, Deputy Director (Agriculture).
8. Shri B. S. Nat, X'en R/C Head Office, Irrigation.
9. Dr. P. N. Duggal, Assistant Director (Health—E. S. I.).
10. Shri Nand Kishore Jalan, Trustee, Krishan Lal Jalan Free Eye Hospital, Bhiwani.

Hissar Textile Mills, Hissar

11. Shri H. C. Jain, General Manager.
12. Shri G. C. Bhandari.
13. Shri Manohar Lal.
14. Shri Om Dutt Sharma.
15. Shri J. P. Sangal.
16. Shri B. Maira.
17. Shri K. P. Agarwal, Manager (Labour), Goodyear India Ltd., Ballabgarh.
18. Shri M. L. Manchanda, President, Faridabad Industries' Association, Faridabad.
19. Capt. Ranjit Singh, V & P. O. Dabra, Hissar.

I. N. T. U. C. (Haryana Branch)

20. Shri G. C. Joshi, General Secretary, I. N. T. U. C., Yamuna Nagar.
21. Shri J. D. Bakshi, General Secretary, All India Cantonment Board Employees' Federation, Ambala Cantt.
22. Shri Sagar Ram Gupta, Ex-Minister, Lohar Bazar, Bhiwani.

A.I.T.U.C. (Haryana Branch)

23. Shri Satish Loomba, President.
24. Shri Makhun Singh, General Secretary.
25. Shri Darshan Singh, Assistant General Secretary.
26. Shri Raghubir Singh, Secretary.
27. Shri Rachhpal Singh.
28. Shri Chhatar Singh.

29. Shri Kanwar Singh.
30. Shri Abhai Singh.
31. Shri Kirpal Singh and ten others.
32. Shri K. N. Gulati, General Secretary, Gandhi Sewa Dal, *Faridabad*.
33. Shri Rajinder Nagar, General Secretary, Hissar Textile Mills Workers' Union, *Hissar*.
34. Shri Jaswant Singh, President, Haryana Roadways Workers' Union, *Rohatki*.
35. Shri G. N. Tandon, Secretary, Petroleum Workers' Union, *Ambala Cantt.*

CHANDIGARH—PUNJAB STATE : *September 22-23, 1967.*

Government of Punjab

36. Shri I. C. Puri, Secretary, Labour and Employment Department.
37. Shri M. L. Trighatia, Under Secretary, Labour.
38. Shri P. L. Sondhi, Labour Commissioner.
39. Shri Harbans Raj Singh, Joint Labour Commissioner.
40. Shri Sham Lal, Deputy Labour Commissioner.
41. Shri Joginder Singh, Assistant Labour Commissioner.
42. Shri S. L. Nanda.
43. Shri P. P. Shukla. } *Labour-cum-Conciliation Officers*
44. Shri Attar Singh. }
45. Shri Chaman Lal, Statistical Officer (Labour).
46. Shri M. L. Bhandari, Inspector of Factories.
47. Shri G. N. Murthy, Director, Small Industries Service Institute, *Ludhiana*.
48. Shri R. S. Gill, Chairman, Punjab State Electricity Board.
49. Shri D. R. Singal, Chief Engineer, Punjab P. W. D., Public Health Branch.

Textile Manufacturers' Association, Amritsar

50. Shri G. K. Nayar, Hony. Labour Secretary.
51. Shri Inderjit Menon.
52. Shri R. Kaushik, Personnel Officer, Hindustan Wire Products Ltd., *Patiala*.
53. Shri D. N. Agarwal, Powerloom Factories Association, *Ludhiana*.
54. Mr. A. P. Mayer, President, Jullundur Distt. Registered Factory Owners' Association, *Jullundur*.

Northern India Commerce and Industries' Federation, Amritsar

55. Shri M. L. Sahni (Labour Law Adviser), General Secretary.
56. Shri S. S. Minhs.
57. Mr. C. Constantinides, Managing Director, Oriental Carpet Manufacturers (India) Pvt. Ltd., *Amritsar*.
58. Shri K. J. Malhotra, Bata Engineering Co. Ltd., *Batala*.

Chamber of Industrial and Commercial Undertakings, Ludhiana

59. Shri Pran Nath.
60. Shri G. S. Grewal.
61. Shri R. C. Kapoor.
62. Shri M. S. Bhogal.
63. Shri Didar Singh.

A. I. T. U. C. (Punjab Committee)

64. Shri Kartar Singh, President.
65. Shri Madan Lal Didi, General Secretary.
66. Shri Parduman Singh (General Secretary, Textile Mazdoor Ekta Union, *Amitsar*).
67. Shri Om Parkash (General Secretary, Fertiliser Mazdoor Union, *Naya Nangal*).
68. Shri Karnail Singh (President, P. R. T. Corp. Workers Union, *Patiala*).
69. Shri Tajinder Singh, (General Secretary, District Engineering Workers' Union, *Patiala*).
70. Shri Sunchari Lal, (General Secretary, P. R. T. Corp. Workers' Union, *Patiala*).
71. Shri Piara Singh, Secretary.
72. Shrimati Sheila Didi, Member, Working Committee.
73. Shri Jaswant Singh Samre, (General Secretary, Punjab Government National Motor Transport Workers' Union, *Jullundur*).
74. Shrimati Sita Devi, M. L. C., President, Punjab, Himachal, Haryana, Jammu and Kashmir Motor Transport Workers' Federation, *Jullundur*.

I. N. T. U. C. (Punjab Branch)

75. Shri Sat Pal Bhushan, President.
76. Shri H. N. Biswas, Permanent Secretary.
77. Shri J. N. Bhardwaj, President, Nangal Fertiliser Workers' Union (INTUC), and Bhakra Power Employees' Union (INTUC), *Naya Nangal*.

Bharatiya Mazdoor Sangh (Punjab Branch)

78. Shri Om Prakash Aghi, General Secretary.
79. Shri Payara Lal Beri, Secretary.
80. Shri Sat Paul Dang, Minister for Food and Supplies, Punjab State, *Chandigarh*.
81. Shri Krishen Lal, Minister for Labour, Punjab State, *Chandigarh*.
82. Shri Piara Ram Dhannewall, Minister for Welfare, Punjab State, *Chandigarh*.

Punjab, Haryana and Delhi Chamber of Commerce and Industry, New Delhi

83. Shri I. P. Anand, Chairman.
84. Shri Amarjit Singh, Deputy Chairman.
85. Shri H. P. Nanda.
86. Shri Prem Pandhi.
87. Shri Santosh Nath.
88. Shri S. P. Viramani.
89. Shri A. K. Saran.
90. Shri B. D. Pathak.
91. Shri S. B. Kale.
92. Shri M. L. Nandrajog, Secretary.

SRINAGAR - JAMMU AND KASHMIR STATE : September 25-26, 1967.

Government of Jammu and Kashmir and State Public Sector Undertakings

93. Shri L. S. Titus, Secretary to Government, Industries and Commerce Department.
94. Shri S. M. Aga, Managing Director, J. & K. Industries Ltd., Srinagar.

95. Shri B. Karim, Managing Director, J. & K. Minerals Ltd., Srinagar.
96. Shri Qazi Mohd Afzal, Chief Engineer, P. W. D. (R. & B.), *Kashmir*.
97. Shri G. M. Mir, Director, Food and Supplies.
98. Shri J. S. Jamwal, Director, Government Transport Undertakings.
99. Shri J. M. Mengi, Joint Director, Industries.
100. Shri K. K. Madan, General Manager, Woollen Mills (Unit JKI).
101. Shri H. N. Tiku, Administrative Officer, J. & K. Industries Ltd., *Srinagar*.
102. Shri J. L. Sazawal, Manager, Government Spinning Mills (Unit JKI).
103. Shri G. Qadir, Manager, Government Joinery Mills.
104. Shri A. L. Mengi, Manager, Government Silk Weaving Factory, *Srinagar*.
105. Shri G. Nabi, Manager, Sericulture, *Kashmir*.
106. Shri Q. R. Singhal, Assistant Personnel Officer, J. & K. Minerals Ltd., *Srinagar*.
107. Shri G. H. Lone, Labour Welfare Officer, Govt. Woollen Mills, *Srinagar* (Unit JKI).
108. Shri A. Rashid, Labour Welfare Officer, Govt. Silk Weaving Factory, *Srinagar* (Unit JKI).
109. Shri Ram Gopal, Kapoor Silk Mills, *Srinagar* (with one).

Kashmir Carpet Manufacturers' Association, Srinagar

110. Kumari Nora, President.
111. Shri Gulam Rusull, Secretary.
112. Shri A. Razak.

Kashmir Hotels and Restaurants Owners' Association, Srinagar

113. Shri Mohd. Sultan, President.
114. Shri Gulam Mohd. Mir, Vice President.
115. Shri Gulam Mohd. Khan, Secretary.
116. Shri Prem, Joint Secretary.
117. Shri Ahad Joo Wani, Member.
118. Shri D. S. Sawhny, President, Kashmir Chamber of Commerce and Industry, Srinagar.
119. Shri Shambu Nath, Secretary, Silk Manufacturers' Association, Srinagar.

State Central Labour Union, Srinagar

120. Shri Pyare Lal Karihalu, President.
121. Shri Mohd. Yusuf (President, Kapur Silk Mills Workers' Union), Vice President.
122. Shri Jialal Tameri, Organiser.
123. Shri Shambu Nath (Worker of Government Silk Weaving Factory), Secretary.
124. Shri Gulam Ahmed Khanda (President, Government Spinning Mill Workers' Union, *Srinagar*), Secretary.
125. Shri Azim Din (Secretary, Government Woollen Mills Labour Union), Joint Secretary.
126. Shri Gulam Ahmed Bhat (President, Water Workers' Union), Cashier.
127. Shri Mohd. Shaban (President, Food Control Labour Union).
128. Shri Gulam Rasul (Secretary, Food Control Labour Union).
129. Shri Gulam Ahmed Mir (President, Private Silk Handloom Weavers' Union).

130. Shri Abba Dar (President, Government Silk Factory Workers' Union, *Srinagar*.)
131. Shri Khizar Mohd. Dar (President, Government Woollen Mills Labour Union).
132. Shri Akbbar Bhat (President, Match and Santonin Factories Workers' Union).
133. Shri Ali Mohd. Sidiqi (Secretary, Supplies Hamalan Union, *Srinagar*).
134. Shri Gulam Ahmed Pathan (President, Namchabal Centre Workers' Union, Govt. Arts Emporium).
135. Shri Mohd. Sidiq (President, Carpet Weavers' Union).
136. Shri Gulam Ahmed Thukur (President, Govt. Joinery Mill Workers' Union).
137. Shri Sardar Gul Majid (President, Govt. Transport Drivers' and Cleaners' Union).
138. Shri Assadullah Bhat (President, Govt. Handloom Silk Weaving Factory Workers' Union).
139. Shri Abdul Samad (President, Hamalan Supplies Union).
140. Shri Mohd. Ismail Bhat (President, Food Control Workers' Union).
141. Shri Gulam Mohd. (President, Govt. Brick and Tile Factory Workers' Union).
142. Shri Mohd. Subhan (Secretary, Govt. Silk Weaving Factory Workers' Union).
143. Shri Gulam Mohd. Baghat (President, Govt. Silk Weaving Factory Workers' Union).
144. Shri Habi-bullah Malik (Cashier, Government Silk Weaving Factory Workers' Union).
145. Shri S. N. Kachru, President, J. & K. Minerals (Headquarters) Workers' Union, *Srinagar*.
146. Shri P. N. Kaul, General Secretary, All J. & K. Daily Wages Labour Union and Chairman, P. & T. Coordinating Committee of Unions, *Srinagar*.

All J. & K. Minerals Workers' Union, Srinagar

147. Shri S. N. Kachroo, President.
148. Shri M. L. Tikoo, Organiser.
149. Shri Manohar Nath, Treasurer.
150. Shri M. N. Koul, Member.

All J. & K. Bank Employees' Federation, Srinagar

151. Shri O. N. Wali, President.
 152. Shri Krishen Lal, Vice President.
 153. Shri C. L. Raina, General Secretary.
 154. Shri C. L. Ganju, Organiser.
 155. Shri Moti Lal Kaul, Treasurer.
-
156. Shri C. L. Kachru.
 157. Shri J. R. Gupta.
 158. Shri Vijay Kumar.
 159. Shri Autar Krishen.

} *Members*

Representatives of Forest and other Labour in Doda District

160. Shri G. M. Ishrat, M.L.A., *Kishtwar*.
 161. Shri Jagat Ram Aryan, M.L.A., *Bhaderwah*.
 162. Shri Sonallah, M.L.C., *Bannihal*.
-
163. Shri Gias-ud-Din, Minister for Industries, Power and Labour, Jammu and Kashmir State, *Srinagar*.

Labour Department, Govt. of Jammu and Kashmir, Srinagar

164. Shri P. N. Kaul, Secretary to Government, Health Deptt. (Labour).
 165. Shri S. Y. Andrabi, Labour Commissioner.
 166. Shri Ghanshyam Sharma, Deputy Labour Commissioner (*Migratory*).
 167. Shri A. A. Bhat, Deputy Labour Commissioner, *Srinagar*.

BOMBAY—MAHARASHTRA STATE : *October 19—21, 1967.*

I.N.T.U.C. (Maharashtra State Branch) and Rashtriya Mill Mazdoor Sangh, Bombay

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|--|--|
| 168. Shri S. W. Dhabe, President. | } I.N.T.U.C. (<i>Maharashtra State Branch</i>) |
| 169. Shri N. S. Deshpande, Vice President. | |
| 170. Shri H. N. Trivedi, Treasurer. | |
| 171. Shri Y. V. Patwardhan, Secretary. | |
| 172. Shri A. T. Bhonsale, Vice President, Rashtriya Mill Mazdoor Sangh, <i>Bombay</i> . | |
| 173. Shri Mahesh Joshi, General Secretary, Maharashtra Co-operative Workers' Federation, <i>Bombay</i> . | |
| 174. Shri M. P. Thorat, Secretary. | } <i>Rashtriya Mill Mazdoor Sangh, Bombay</i> |
| 175. Shri D. S. Dalvi, Secretary. | |
| 176. Shri P. N. Inamdar, Editor, "KAMGAR", <i>Bombay</i> . | |
| 177. Shri Dajiba Patil, General Secretary, Rashtriya Mill Mazdoor Sangh, <i>Amalner</i> . | |
| 178. Shri Raja Kulkarni, General Secretary, National Federation of Petroleum Workers, <i>Bombay</i> . | |
| 179. Dr. A. N. Likhate, In-Charge, Workers' Education. | } <i>Rashtriya Mill Mazdoor Sangh, Bombay</i> |
| 180. Kumari E. D'Souza, In-Charge, Social Security. | |

A.I.T.U.C. (Maharashtra Rajya Trade Union Council)

181. Shri K. N. Joglekar, President.
 182. Shri B. S. Dhume, General Secretary.
 183. Shri G. V. Chitnis, Secretary.
- | | |
|-----------------------------|-------------------------------------|
| 184. Shri Vithal Chowdhary. | } <i>Members, Working Committee</i> |
| 185. Shri G. Sundaram. | |
| 186. Shri P. V. Upadhyaya. | |
| 187. Shri S. Y. Kolhatkar. | |
| 188. Shri P. K. Kurane. | |
189. Shrimati Roza Deshpande.
 190. Shri V. M. Varghese.

Hind Mazdoor Sabha (Maharashtra State Council)

191. Shri Vasant Khanolkar, General Secretary.
 192. Shri Vilas Gandhi, Joint Secretary.
 193. Shri Vasant Gupte.
 194. Shri S. S. Tawde.
 195. Shri Ram Mahadik.

Hind Mazdoor Panchayat, Bombay

196. Shri D. V. Lonkar.
 197. Shri V. N. Sane.

Bharatiya Mazdoor Sangh (Maharashtra)

198. Shri G. S. Gokhale, Vice President.
 199. Shri D. B. Thengadi, M.P., General Secretary. } *All India Bharatiya Mazdoor Sangh*
 200. Shri M. P. Mehta, Treasurer. }
 201. Shri K. R. Deshpande, General Secretary, All India Bharatiya Textile Workers' Federation.
 202. Shri Raman G. Shah, General Secretary, All India Bharatiya Engineering Mazdoor Mahasangh.
 203. Shri Prabhakar R. Keluskar, Secretary, Bharatiya Mazdoor Sangh, *Bombay*.
 204. Shri S. R. Mohan Das, 2A, Prospect Chambers, Dr. D. N. Road, Fort, *Bombay*.
 205. Shri V. B. Karnik, Labour Education Service, 127, Mahatma Gandhi Road, *Bombay*.

Milowners' Association, Bombay.

206. Shri Pratap Bhogilal.
 207. Shri Ramprasad Poddar.
 208. Dr. Mohanlal Piramal.
 209. Shri R. L. N. Vijayanagar.
 210. Shri P. M. Mantri.
 211. Shri J. L. Gore.
 212. Shri G. B. Date.

All India Manufacturers' Organisation, Bombay.

213. Shri B. D. Somani.
 214. Dr. B. V. Bhoote.
 215. Shri N. D. Sahukar.
 216. Shri Ram Agrawal.
 217. Shri G. M. Parikh.
 218. Shri G. L. Kothari.
 219. Shri P. L. Badami.

Cement Manufacturers' Association

220. Shri G. L. Govil, Associated Cements Ltd.
 221. Shri R. G. Gokhale.

Automobile Dealers' Association of Western India Ltd.

222. Shri M. G. Chinoy.
223. Shri M. S. Hathi.

Federation of Electricity Undertakings

224. Shri H. R. Vajifdar.
225. Shri N. C. Janokia.
226. Shri A. T. Kajiji, Engineering Association of India (Western Region).

Bombay Chamber of Commerce and Industry and Indian Engineering Association (Western Region)

227. Mr. J. B. Bowman.
228. Shri L. C. Joshi.
229. Shri L. M. Parischia.
230. Shri P. C. Mehta.
231. Shri R. R. Vicaji.
232. Shri S. C. Bakshi.
233. Shri T. L. A. Acharya.
234. Mr. T. Mathew, Guest, Keen, Williams Ltd.
235. Lt. Col. W. C. Cole, Mazagon Dock Ltd.
236. Shri N. M. Tidke, Minister for Labour, Maharashtra State, *Bombay*.

Labour Department, Government of Maharashtra

237. Shri S. V. Bhave, Secretary, Industries and Labour Department.
238. Shri B. V. Laud, Deputy Secretary.
239. Shri D. G. Kale, Commissioner of Labour.
240. Shri C. Thomas, Director of Employment.
241. Shri N. L. Gadkari, Chief Inspector of Factories.
242. Shri T. R. Bhagawat, Deputy Commissioner of Labour.
243. Shrimati F. A. Irani, Municipal Corporation of Greater Bombay.
244. Shri R. J. Tamboli, Bombay Municipal Corporation.

B. E. S. T. Undertakings

245. Shri D. S. Dandekar.
246. Shri S. R. Paranjpe.

Bombay Port Trust, Bombay

247. Shri B. H. Mehta.
248. Shri M. R. S. Captain.
249. Shri R. K. Shetty.

Government of Maharashtra

250. Shri D. S. Borkar, Building and Construction Department.
251. Shri J. W. D'Souza, Directorate of Printing and Stationery, Industry and Labour Department.
252. Dr. L. D. Thatte, Deputy Director, E. S. I. Scheme.

Irrigation and Power Department

253. Shri V. B. Mulley.
 254. Shri V. R. Deuskar.
 255. Shri V. G. Marathe, Deputy Director of Fisheries, Department of Fisheries.

Maharashtra State Road Transport Corporation, Bombay

256. Shri V. D. Shirke, Divisional Controller (Adm.)
 257. Shri G. K. Sant, Chief Statistician.
 258. Shri C. N. Bagwe, Chief Labour Officer.
 259. Shri Shanti Bhushan, O. & M. Officer.
 260. Dr. R. C. Cooper, President.

Indian Merchants' Chamber, Bombay.

261. Shri Chandrakant Patel (Hindustan Tractors Ltd).
 262. Shri S. V. Desai (Amar-Dye-Chem. Ltd).
 263. Shri S. N. Cooper (Associated Cement Cos. Ltd).
 264. Shri C. G. Mahant (Chief Executive, National Rayon Corporation Ltd).
 265. Shri W. A. Rego (Bank of India Ltd).
 266. Shri F. A. Mehta (Tata Industries (P) Ltd.,
 267. Shri S. D. Vimalal, Bar-at-Law.
 268. Shri Manek A. Gagrath, Advocate.
 269. Shri C. L. Gheevala, Secretary.
 270. Shri S. K. Aiyar, Deputy Secretary.
 271. Superintendent, Bhatia General Hospital, Tardeo, *Bombay*.
 272. Shri S. C. Sheth, Federation of Association of Stevedores, *Bombay*.
 273. Dr. Suresh C. Sheth.
 274. Shri K. K. Somani, Shri Digvijaya Cement Co. Ltd., *Sikka*.

Zandu Pharmaceutical Works, Bombay

275. Shri G. M. Parikh.
 276. Shri H. H. Panchal.
 277. Shri S. C. Nanabhai.
 278. Lt. Col. W. C. Cole, Mazagon Dock Ltd., *Bombay*.
 279. Shri Nand Kishore Jalan, Kishanlal Jalan Ayurvedic Aushadhalaya, Malad, *Bombay*.
 280. Shri N. N. Kailas, S. K. Patil Arogyadham, Malad, *Bombay*.

Indian Banks' Association, Bombay

281. Shri V. C. Patel, Central Bank of India Ltd.
 282. Mr. A. A. Norrie, Chartered Bank Ltd.
 283. Shri M. G. Parikh, Bank of Baroda Ltd.
 284. Shri P. C. Mevawalla, Central Bank of India Ltd.
 285. Shri C. E. Kamath, Canara Bank Ltd,

286. Shri P. F. Gutta, Union Bank of India Ltd.
 287. Shri K. K. Kamath, Canara Bank Ltd.
 288. Dr. S. G. Panandikar, Indian Banks' Association.
 289. Shri N. R. Pandit, Legal Adviser, Labour Secretariat of Banks in India.
 290. Shri R. K. Ghotgalkar, Labour Officer, Indian Banks Association.

Life Insurance Corporation, Bombay

291. Shri M. V. Sohoni.
 292. Shri M. R. Meher.
 293. Shri B. H. Bhukhanwala.

State Bank of India, Bombay.

294. Shri R. G. Cokhale, Industrial Relations Consultant.
 295. Shri S. K. Datta.
 296. Shri K. N. Subramanian, Ashoka Apartments, Napean Sea Road, *Bombay-6**

BANGALORE—MYSORE STATE : *October 23—25, 1967.*

I.N.T.U.C. (Mysore State Branch)

297. Shri K. B. Thimmiah, President.
 298. Shri N. Kesava. }
 299. Shri K. Sriramulu. } *Vice-Presidents*
 300. Shri V. Hari Rao. }
 301. Shri D. Venkatesh, General Secretary.

A.I.T.U.C. (Mysore State)

302. Shri S. Suryanarayana Rao. }
 303. Shri B. N. Kuttappa. } *Vice-Presidents*
 304. Shri M. C. Narasimhan, General Secretary.
 305. Shri M. S. Rama Rao. }
 306. Shri U. S. Venkataraman. } *Members*
 307. Shri K. Kannan, President, Hind Mazdoor Sabha, Karnatak, *Bangalore.*

Central Public Sector Undertakings

308. Shri Uma Shankar, Mg. Director, Indian Telephone Industries Ltd., *Bangalore.*
 309. Shri S. M. Patil, Chairman and Mg. Director, Hindustan Machine Tools Ltd., *Bangalore.*
 310. Shri M. H. Parthasarathy, Mg. Director, Kolar Gold Mining Undertakings, Oorgaun P. O., Kolar Gold Field (*Mysore*).
 311. Shri B. S. Hanuman, Administrative Manager, Bharat Electronics Ltd., *Bangalore.*
 312. Shri B. N. Jayashimha, Chief Administrative Officer, Hindustan Aeronautics Ltd. *Bangalore.*
 313. Shri K. P. Rabindranathan, Chief Administrative Officer, Hindustan Aeronautics Ltd. (Head Office).
 314. Shri S. A. Chaugule, Industrial Relations Manager, Hindustan Aeronautics Ltd., *Bangalore.*

* *Continued evidence on 1-8-1968.*

315. Shri T. R. Mantan, Industrial Relations Manager, Indian Telephone Industries Ltd., *Bangalore*.
 316. Shri D. Thambiah, Personnel Manager, Hindustan Aeronautics Ltd., *Bangalore*.
 317. Shri Mahavir Sarup, Personnel Manager, Indian Telephone Industries Ltd., *Bangalore*.
 318. Shri K. B. S. Reddy, Personnel Manager, Bharat Electronics Ltd., *Bangalore*.
 319. Dr. N. S. Sidhu, Assistant Director, Central Sericultural Research and Training Institute, *Mysore*.
 320. Shri B. V. Krishnaiah, Chief Engineer, Kolar Gold Mining Undertakings, Oorgaum P. O., Kolar Gold Field (*Mysore*).
 321. Shri B. Nand, Chief Labour Officer, Kolar Gold Mining Undertakings, Oorgaum P. O., Kolar Gold Field (*Mysore*).
 322. Shri P. K. Mukundan, Assistant Personnel Manager, Bharat Earth Movers Ltd., *Bangalore*.

Mysore Chamber of Commerce, Bangalore

323. Shri Y. N. Gangadhar Setty, President.
 324. Shri M. Krishna Murthy, Vice-President.
 325. Shri N. W. Gurjar (Kirloskar Electric Co. Ltd.)
 326. Shri Ravi L. Kirloskar (Kirloskar Electric Co. Ltd).
 327. Shri G. N. Krishna Murthy, Secretary.
 328. Shri C. V. Narayana Rao (Personnel Officer, Binny Mills).
 329. Shri A. V. Sirur (Mysore Spg. & Mfg. Co. Ltd. and Minerva Mills Ltd.)
 330. Shri Jayant N. Gurjar (Kirloskar-ASEA Ltd).
 331. Shri V. N. Gopinath (Motor Industries Co. Ltd).
 332. Shri B. R. Puttananjapa (Mysore State Employers' Association).
 333. Shri M. Kulkarni (Personnel Manager, Mysore Spg. and Mfg. Co. Ltd. and Minerva Mills Ltd).
 334. Shri A. T. Akolkar (Kirloskar Electric Co. Ltd).

Mysore State Electricity Board Employees' Union

335. Shri A. V. Raju, Vice-President.
 336. Shri K. L. Nandaram, General Secretary.
 337. Shri S. Venkat Ram, Executive Secretary.

Bangalore' Woollen, Cotton and Silk Mills Staff Union

338. Shri S. John Prema, President.
 339. Shri S. Venkata Ram, Vice-President.

Bharatiya Mazdoor Sangh, Bangalore

340. Shri S. Krishnaiah, President.
 341. Shri Allampalli Venkataram, Secretary.

Government of Mysore and State Public Sector Undertakings

342. Shri T. R. Jayaraman, Secretary to Government, Education Department.
 343. Shri N. S. Ramachandra, Secretary to Government, Municipal Administration.
 344. Shri D. J. Balarai, Secretary to Government, Industries and Commerce Department, and Chairman, Mysore Sugar Co. Ltd.

345. Shri M. Subramanyam, Director, Industries and Commerce.
 346. Shri M. A. Srirama, Director of Printing and Stationery.
 347. Shri A. R. Adinarayanaiah, General Manager, Mysore State Road Transport Corporation.
 348. Shri K. Balasubramanyan, Administrator, City Municipal Corporation, *Bangalore*.
 349. Shri M. D. Shivananjappa, Mg. Director, Mysore Iron and Steel Ltd., *Bhadrawati*.
 350. Shri M. Sachidanand Murthy, Mg. Director, New Government Electric Factory, *Bangalore*.

Mysore State Electricity Board

351. Shri G. Sambasiviah, Chairman.
 352. Shri A. B. Datar, Secretary.

353. Shri M. V. Rama Rao, Minister for Home and Labour, Mysore State, *Bangalore*.

Department of Labour, Government of Mysore

354. Shri R. Ananda Krishna, Secretary to Government, Food, Civil Supplies and Labour Department.
 355. Shri V. Hanumanthappa, Commissioner of Labour.
 356. Shri R. Sampath Kumaran, Director of Employment and Training.

AHMEDABAD—GUJARAT STATE : *November 9—11, 1967.*

Ahmedabad Millowners' Association, Ahmedabad

357. Shri Balkrishna Harivallabhadras, President.
 358. Shri Jayantilal Bhikhabhai, Vice-President.
 359. Shri Surettam P. Hatheesingh.
 360. Shri Rasik Lal C. Nagri.
 361. Shri Kanti Lal Kanaiyalal.
 362. Shri H. G. Acharya, Secretary.
 363. Shri R. G. Acharya.
 364. Shri S. P. Dave, Assistant Secretary.
 365. Shri D. R. Droni.
 366. Shri J. N. Shah.
 367. Shri B. T. Nagrawala.

Federation of Gujarat Mills and Industries, Baroda

368. Shri P. V. Kale.
 369. Shri M. B. Trivedi.
 370. Dr. T. V. Srinivasiah.
 371. Shri R. H. Desai.
 372. Shri S. R. Girvante.

Gujarat State Fertilizer Co. Ltd., Baroda

373. Shri J. B. Shah, Personnel Adviser.
 374. Shri D. P. Mehta, Personnel Manager.

Gujarat Refinery, Baroda

375. Shri N. S. Tyabji.
 376. Shri V. P. Bhatnagar, Personnel Officer.

Kandla Port Trust, Gandhidam, Kutch

377. Dr. R. P. Bhargava, Secretary.
378. Shri R. L. Sharma, Labour Officer.

Gujarat Electricity Board, Baroda

379. Shri V. Subramaniam, Member (Accounts).
380. Shri J. V. Vyas, Secretary.

Ahmedabad Municipal Corporation, Ahmedabad

381. Dr. Vasudev Tripathi, Mayor.
382. Shri A. S. Thakore, Deputy Municipal Commissioner.

Gujarat State Transport Corporation, Ahmedabad

383. Shri K. P. Shah, Chairman.
384. Shri A. N. Buch, Member.
385. Shri M. J. Bhansali, Chief Labour Officer.

I. N. T. U. C. (Gujarat) and Textile Labour Association, Ahmedabad

386. Shri N. H. Sheikh, President, Gujarat I. N. T. U. C. and Secretary, Textile Labour Association.
387. Shri A. N. Buch, General Secretary, Gujarat I. N. T. U. C.; and Textile Labour Association.

Textile Labour Association.

388. Shri N. M. Barot.
389. Shri Manharbhai Shukla, Head of Social Welfare Department.
390. Shri Mohanlal B. Joshi (Chairman, Majur Sahkari Bank), Treasurer.
391. Shri R. M. Shukla, Head of Legal Department.
392. Shri Manubhai A. Vyas.
393. Shri Dinoobhai Trivedi, Research Officer.

394. Shri Vijashanker Trivedi (Gujarat I. N. T. U. C.).
395. Shri Chandulal G. Shah (President, Gujarat State Transport Workers' Federation).
396. Shri Rasiklal C. Mehta (General Secretary, Saurashtra Majoor Mahajan Sangh, *Rajkot*).
397. Shri Bipinchandra Yajnik (I. N. T. U. C. Centre, Bhavnagar); and 14 others.

Maha Gujarat Trade Union Congress, Ahmedabad (A. I. T. U. C.—Gujarat)

398. Shri P. D. Gandhi.
399. Shri Bhalchandra Trivedi.
400. Shri Namdeo Shenmara (A. I. T. U. C., Surat).

Hind Mazdoor Sabha (Gujarat State)

401. Shri Natwar Shah.
402. Shri Sanat Mehta.
403. Shri Surendra Shah.

Gujarat Rajya Sthanik Swarajya Sanstha Karamchhari Mahamandal, Ahmedabad

404. Shri Someshwar I. Pandya, President.
 405. Shri Rajinder Shah, General Secretary.
 406. Shri Rameshchandra Manilal Patel.
 407. Prof. J. L. Dholakia, Reader in Economics, University School of Social Sciences, Gujarat University, *Ahmedabad*
 408. Shri Shashikant M. Kabbar, Branch Secretary, All India Guards Council, *Mehsana*.
 409. Shri S. R. Shah, Minister for Labour, Gujarat State, *Ahmedabad*.

Government of Gujarat*Labour Department*

410. Shri S. M. Dudani, Secretary.
 411. Shri B. B. Brahmabhatta, Deputy Secretary.
 412. Shri R. B. Shukla, Commissioner of Labour.
 413. Shri C. R. Desai, Chief Inspector of Steam Boilers.
 414. Shri R. P. Paul, Chief Inspector of Factories.
 415. Shri D. L. Sharma, Director of Employment.
 416. Shri A. V. Vyas, Deputy Commissioner of Labour.
 417. Shri A. G. Kulkarni, Divisional Employment Officer.
 418. Shri A. P. Acharya, Assistant Director of Employment.

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|------------------------|-------------------------------------|
| 419. Shri A. N. Ram. | } Assistant Commissioners of Labour |
| 420. Shri C. J. Raval. | |
| 421. Shri K. A. Sheth. | |
| 422. Shri L. A. Dodia. | |
| 423. Shri N. M. Desai. | |

424. Shri P. V. Swaminathan, Deputy Secretary, Industries Department.
 425. Shri B. C. Shah, Deputy Secretary, P. W. D.

JAIPUR—RAJASTHAN : *November* 13-14, 1967

I. N. T. U. C. (Rajasthan Branch)

426. Shri D. Durgavat.
 427. Shri Brij Mohanlal Sharma.
 428. Shri Hazari Lal Sharma.
 429. Shri Damodar Maurya.
 430. Shri Ganpat Lal Pareek.
 431. Shri Ram Chander Sharma.
 432. Shri Mangi Lal Sharma.
 433. Shri Bram Deo Rajotia.
 434. Shri Hazari Lal Verma.
 435. Shri Shyam Lal Mathur.

Rajasthan Khadi Gramudyog Karamchari Sangh, Jaipur

436. Shri Raiendra Kumar 'Ajeya', President, Khadi Gramudyog Samiti.
 437. Shri Hanuman Prasad Sharma, General Secretary.
 438. Shri Govind Narain Sharma, Secretary.
 439. Shri Shiv Charan Mathur, Minister for Education, Rajasthan State, *Jaipur*.

Rajasthan Rajya Trade Union Congress, Jaipur (A. I. T. U. C.—Rajasthan Branch)

440. Shri Hiren Mukherji.
 441. Shri Jayanti Lal Shah.
 442. Shri K. Viswanathan.

Rajasthan Working Journalists' Union, Jaipur

443. Shri I. M. Bapna.
 444. Shri P. C. Chhabra.
 445. Shri Vijay Bhandari.

Jaipur Paschim Railway Mazdoor Union, Jaipur, and Phulera Paschim Railway Mazdoor Union, Phulera.

446. Shri Birdhi Chand.
 447. Shri C. S. Parashar.

Irrigation Technical Staff Union, Kota

448. Shri Chandratan Acharya.
 449. Shri Ishwardutt Madhan.
 450. Shri M. P. Bhargava.
 451. Shri M. Rankavat.
 452. Shri Yogesh Bhardwaj.

Employers' Association of Rajasthan, Jaipur, Rajasthan Textile Mills Association, Jaipur and Chamber of Commerce and Industry

453. Shri K. R. Podar.
 454. Shri M. L. Gupta.
 455. Shri M. L. Bhartiya.
 456. Shri K. C. Sogani.
 457. Shri R. L. Toshniwal.
 458. Shri B. T. Shimpi.
 459. Shri V. N. Soral.
 460. Shri N. M. Gupta.
 461. Shri A. C. Mukharji.
 462. Shri J. K. Mathur.
 463. Shri K. C. Bakiwala.
 464. Shri S. K. Iyer.
 465. Shri D. P. Sharma.

Central Public Sector Undertakings

466. Shri S. R. Bose, General Manager. }
 467. Shri R. C. Goel, Personnel Officer. } *Sambhar Salts Ltd., Sambhar Lake*
 468. Shri R. P. Sikka, Labour Officer. }

469. Shri M. M. Sharma, Chief Administrative and Personnel Officer, Instrumentation Ltd., Kota.

Government of Rajasthan and State Public Sector Undertakings

Rajasthan State Electricity Board, Jaipur

470. Shri S. L. Khurana, Chairman.
 471. Shri T. V. Ramanan, Secretary.
 472. Shri K. K. Bhatnagar, Director of Administration.
 473. Shri N. J. Misra, Personnel Officer.
 474. Shri Prithivi Singh, Chief Engineer.

State Enterprises Department

475. Shri B. Hooja, Commissioner.
 476. Shri Ramakant, Deputy Commissioner and General Superintendent, Sodium Sulphate Plant.

Ganga Nagar Sugar Mills Ltd.

477. Shri V. S. Sud, Chief Executive Officer.
 478. Shri K. M. Rastogi, Secretary.
 479. Shri H. S. Baxi, Assistant Director, Directorate of Local Bodies.

Rajasthan State Road Transport Corporation, Jaipur

480. Shri Sher Singh, Chairman.
 481. Shri A. N. Bhargava, Labour Officer.

Public Works Department (Buildings and Roads), Rajasthan

482. Shri K. K. Sarin, Superintending Engineer.
 483. Shri M. C. Sharma, Executive Engineer.
 484. Shri B. D. Harsh, Personnel Officer.
 485. Shri Hari Singh Chowdhary, Chief Engineer, Rajasthan Canal Project.
 486. Shri Khem Chand, Secretary, Irrigation and Power Department.
 487. Shri M. L. Mathur, General Manager, Rajasthan Salt Sources.
 488. Shri Vishnu Dutt Sharma, Home Commissioner.

University of Rajasthan, Jaipur

489. Prof. M. V. Mathur, Vice-Chancellor.
 490. Shri S. N. Dhyani.
 491. Shri Brij Sunder Sharma, Minister for Labour, Rajasthan State, Jaipur

Labour Department, Government of Rajasthan

492. Shri J. S. Mehta, Labour Secretary.
 493. Shri N. K. Joshi, Labour Commissioner.
 494. Shri T. C. Jain, Joint Labour Commissioner.
 495. Shri H. R. Pabowal, Chief Inspector of Factories and Boilers,

TRIVANDRUM—KERALA STATE : February 16-17, 1968

A. I. T. U. C. (Kerala State Trade Union Council)

496. Shri P. Balachandra Menon, M. P., General Secretary.
497. Shri A. George Chadayammurry, Secretary.
498. Shri C. K. Viswanathan, Secretary/Vice-President, Kerala State Chethu Thozhialaly Federation, *Alleppey*.
499. Shri K. A. Rajan, Secretary.
500. Shri P. K. Bhaskaran, Office Secretary.
501. Shri G. Gopinathan Pillai (General Secretary, Quilon Taluk Textile Labour Union, Quilon).
502. Shri K. A. Paul (General Secretary, Head Load Workers' Union, Trichur).
503. Shri K. C. Mohanan (Secretary, Kerala Kasuvandi Thozhilaly Central Council, Quilon).
504. Shri K. Gangadhara Marar (Pierce Leslie Estate Workers' Union, Ernholi).
505. Shri K. K. Sukhalal (General Secretary, Sherthally Taluk Chethu Thozhilaly Council, Sherthally).
506. Shri K. Pavithran (Joint Secretary, Gwalior Rayons Workers' Union, (A.I.T.U.C.)
507. Shri K. S. Damodaran (General Secretary, Sherthally Coir Factory Workers' Union, Sherthally).
508. Shri N. Parameswaran Nair (Vijayamohini Watch and Ward and Staff Union, *Thirumala*).
509. Shri P. S. Namboodiri, M. L. A. (President, Tile Workers' Union, *Puducaud*).
510. Shri P. Ramalingam, M. L. A. (President, Kerala State Plantation Federation, *Trivandrum*).
511. Shri P. S. Prabha (General Secretary, Mukhathala Kasuvandi Thozhilaly Council, *Mukhathala*).
512. Shri R. Balakrishna Pillai (General Secretary, Titanium Workers' Union, *Trivandrum*).
513. Shri R. P. Parmeswaran Nair (Vijayamohini Watch and Ward and Staff Unions, *Thirumala*).
514. Shri T. K. Karunakaran (Vice-President, Kerala State Municipal Workers' Federation).
515. Shri J. F. Kuriyan, Secretary, Hind Mazdoor Sabha (Kerala State), *Ernakulam*.

I. N. T. U. C. (Kerala Branch)

516. Shri C. M. Stephen, President.
517. Shri K. Karunakaran, M. L. A. }
518. Shri S. Varadarajan Nair. } *Vice-Presidents*
519. Shri G. S. Dhara Singh, General Secretary.
520. Shri M. Sreedharan Pillay, Joint Secretary.
521. Shri S. F. Britto, Executive Member.
522. Shri R. Kuppuswamy, President, South Indian Plantation Workers' Union, Mannar, High Range, *Kerala*.
523. Shri R. Narayanan Nair (Joint Secretary, Kerala State Transport Workers' Union).
524. Shri R. Gangadharan Nair (General Secretary, Trivandrum Distt. I. N. T. U. C).
525. Shri A. Venkitachalam (Treasurer, Trivandrum Distt. I. N. T. U. C).

United Trades Union Congress (Kerala Branch)

526. Shri T. K. Divakaran (Minister for Works, Kerala State)—President.
527. Shri K. Pankajakshan, General Secretary.
528. Shri K. C. Vamadevan, Member, Executive.
529. Shri P. K. Sankaran Kutty, Hind Mazdoor Sabha, Kozhikode.

United Planters' Association of Southern India, Coonoor, and Association of Planters of Kerala, Kottayam.

530. Mr. C. H. S. London (President, U.P.A.S.I.).
 531. Shri M. M. Varghese, Member, Executive Committee.
 532. Shri O. C. Mathew (Secretary, APK).
 533. Shri T. V. Padmanabha Kurup, P.A. to the Mg. Director, Western India Plywoods Ltd., Baliapatam, Cannanore Distt.

Malabar Tile Manufacturers' Association, Feroke.

534. Shri A. Balakrishna Menon, Secretary.
 535. Shri K. V. Abdulrahaman (Commonwealth Trust Ltd., Calicut).

West Coast Employers' Federation, Cochin

536. Shri P. Sethuram, Secretary.
 537. Shri V. G. Bhaskaran Nair.

Travancore Oil Millers' Association, Alleppey

538. Shri C. K. Chandrasekharan Nair, Hony. Secretary.
 539. Shri B. S. Krishnan, Law Officer.

Government of Kerala

540. Shri T. P. Joseph, Chief Engineer, P. W. D.
 541. Shri D. Appukutan Nair, S. E.-in-Charge, Public Health Engg. Department.
 542. Shri V. Balangadharan, Director of Municipalities.
 543. Shri V. Venkita Narayanan, Director of Industries and Commerce.
 544. Shri A. Abubaker, Deputy Director, National Employment Service.
 545. Shrimati K. Gouri Amma, Deputy Director of Panchayats.
 546. Shri T. K. S. Monie, Deputy Director, Directorate of Training.
 547. Shri K. Swaminathan, Superintendent of Govt. Press, *Trivandrum*.
 548. Shri R. Ravi Varma, Administrative Officer, Directorate of Fisheries.

Central and State Public Sector Undertakings

549. Shri K. B. Unnithan, Secretary, Coir Board, Ernakulam.
 550. Shri O. S. Yusuf, Personnel Manager, Cochin Refineries Ltd., *Ernakulam*.
 551. Shri P. G. Ramachandran, Personnel Manager, Fertilizers and Chemicals (Travancore) Ltd., *Alwaye*.
 552. Shri K. Damodaran, Administrative Officer, Central Tuber Crops Research Institute, *Trivandrum*.
 553. Shri K. Balakrishna Panicker, Chief Labour and Personnel Officer, Kerala State Road Transport Corporation, *Trivandrum*.
 554. Shri A. K. S. Nair, Personnel Officer, Hindustan Insecticides Ltd., *Alwaye*.
 555. Shri K. Chandrasekharan Nair, Personnel Officer, Kerala State Electricity Board, *Trivandrum*.
 556. Prof. V. R. Pillai, Professor of Economics, University of Kerala; and Chairman, Minimum Wages Advisory Board.
 557. Shri Mathai Manjooran, Minister for Labour, Kerala State, *Trivandrum*.

Labour Department, Government of Kerala

558. Shri C. K. Kochukoshy, Secretary, Health and Labour.
 559. Shri S. Nagarajan, Deputy Secretary, Health and Labour.
 560. Shri N. Kochukrishnan, Labour Commissioner.
 561. Shri N. H. Bava, Deputy Labour Commissioner.
 562. Shri Gopalankutty Vaidyar, Chief Inspector of Plantations.
 563. Shri Mathew, Regional Inspector of Factories.
 564. Shri Bhaskaran, Inspector of Factories.

MADRAS—*MADRAS STATE : *February 19-20, 1968*

I. N. T. U. C. (Tamilnad Branch)

565. Shri R. Rengasamy.
 566. Shri K. Ramaswamy Naidu.
 567. Shri R. Raman Nair, M. L. C.
 568. Shri M. S. Ramachandran.
 569. Shri P. L. Subbiah.
 570. Shri K. C. Ramaswamy.
 571. Shri S. M. Narayanan.
 572. Shri I. M. Moinuddin.
 573. Shri D. Bommiah.
 574. Shri M. Balakrishnan.
 575. Shri K. R. Bellie.
 576. Shri R. Venkataraman.
 577. Shri G. Rajaraman.

Tamilnad Trade Union Congress, Madras (A. I. T. U. C.—Tamilnad Committee)

578. Shri K. M. Sundaram, General Secretary.
 579. Shri Sachithanandam (Joint Secretary, Enfield Employees' Union, *Madras*).

Hind Mazdoor Sabha (Tamilnadu Branch)

Madras Labour Union, Madras

580. Shri S. G. C. Anthoni Pillai, President.
 581. Shri G. Balaram, Vice-President.
 582. Shri P. A. Kannayya, President, Papanasam Labour Union for Textile Workers, Vickramasingapuram, *Tirunelveli Dist.*

Estates Staffs' Union of South India, Coimbatore

583. Dr. P. H. Daniel, President.
 584. Shri K. Rajagopal, General Secretary.
 585. Shri M. Kulandhaivelu, General Secretary, Madras Provincial Motor Transport and General Workers' Federation, *Madras*.
 586. Shri S. Raghavanandam, President, Madras Sheet Glass Works Employees' Union, *Madras*.
 587. Shri K. Gurumurti, President, Simpson Group Companies' Union, *Madras*.

*Since re-named TAMIL NADU.

Central Public Sector Undertakings*Madras Port Trust, Madras*

588. Shri V. Karthikeyan, Chairman.
589. Shri T. K. Parameswaran Nambiar, Secretary.

Neyveli Lignite Corporation Ltd., Neyveli

590. Shri J. G. Kumaramangalam, Mg. Director.
591. Shri P. V. Kalyanaraman, Senior Personnel Officer.
592. Shri C. A. Cornelius, Mg. Director, Hindustan Teleprinters Ltd., Madras.

Surgical Instruments Plant, Madras

593. Shri H. G. V. Reddy, Project Administrator.
594. Shri R. C. Gupta (Deputy Secretary, I. D. P. L., New Delhi).
595. Shri S. V. Ramaswami, Labour Welfare Officer.

Government of Madras and State Public Sector Undertakings

596. Shri P. A. Raman, Additional Chief Engineer, Madras State Electricity Board, Madras.
597. Shri M. K. Gomethaga Velu, Director, Stationery and Printing.

Madras State Transport Department

598. Shri T. V. Venkataraman, Director.
599. Shri P. V. Venkatakrishnan, Joint Director.
600. Shri S. Jeelani, Welfare Officer.

601. Shri V. Raman, Financial Adviser.

602. Shri T. Ramalingam, Labour and Welfare Officer.

} Madras State Small Industries Corporation Ltd., Madras.

603. Shri J. A. Ambasankar, Commissioner, Corporation of Madras.

604. Shri T. S. Ramakrishnama Raja, Mg. Director, North Arcot District Cooperative Spg. Mills, Vellore.

605. Shri M. R. Srinivasan, Works Manager, Government Press, Madras.

Employers' Federation of Southern India, Madras

606. Shri N. S. Bhat.

607. Shri R. Ramanujam.

608. Shri V. A. Ramachandran.

609. Mr. R. W. England, Chairman, Indian Engineering Association (Southern Region), Madras.

Southern India Millowners' Association, Coimbatore

610. Shri C. G. Reddi.

611. Shri M. Krishnamoorthy.

612. Shri C. Ramanathan.

613. Shri K. Vinayaka Rao.

614. Shri S. N. Subramanian.

United Planters' Association of Southern India, Coonoor

615. Mr. C. H. S. London, President.

616. Shri M. R. M. Punja, Vice-President.

617. Shri M. M. Muthiah (Chairman, Association of Planters of the State of Madras), Member, Executive Committee.

618. Shri V. I. Chacko, Secretary and Adviser.

Hindustan Chamber of Commerce, Madras

619. Shri Balwant Rai.
 620. Shri G. R. Rao.
 621. Shri J. K. Mullick.
 622. Shri R. Narayanan, South Indian Film Chamber of Commerce, Madras.

Andhra Chamber of Commerce, Madras-1.

623. Shri V. G. S. V. Prasad, President.
 624. Shri J. P. Sanghrajka, Chairman, Labour and Management Sub-Committee.
 625. Shri M. S. Sambasivam, Secretary.
 626. Shri K. V. Srinivasan, Vice-Chairman, Madras State Board, All India Manufacturers' Organisation.
 627. Shri S. Narayanaswami, Sheriff of Madras.
 628. Shri S. Madhavan, Minister for Labour, Madras State, *Madras*.

Labour Department, Government of Madras

629. Shri M. G. Balasubramanian, Secretary, Industries, Labour and Housing Department.
 630. Shri V. S. Subbiah, Additional Secretary.
 631. Shri T. S. Sankaran, Labour Commissioner.
 632. Shri G. D. Nandagopal, Director of Statistics.
 633. Shri Rangaswamy, Director of Employment.
 634. Shri G. Kamalaratnam, Special Deputy Labour Commissioner.
 635. Shri K. V. Parthasarathy, Deputy Labour Commissioner (Inspection).
 636. Shri C. T. Srinivasan, Deputy Chief Inspector of Factories.

HYDERABAD—ANDHRA PRADESH : February 21-22, 1968

637. Shri S. B. Giri, President, Hind Mazdoor Sabha.
 638. Shri I. R. Govinda Rao, Joint Secretary, Hind Mazdoor Sabha (*Andhra Pradesh*).

I. N. T. U. .C. (Andhra Pradesh)

639. Shri G. Sanjiva Reddy, M. L. A., President.
 640. Shri G. V. Anjeneya Sarma, Vice-President.
 641. Shri V. V. Subba Rao, General Secretary.
 642. Shri M. Nawaz Khan. }
 643. Shri S. M. Ramaswamy. } *Secretaries*
 644. Shri B. S. Mallikarjuna Rao, Committee-Member.
 645. Shri D. Achiah.
 646. Shri G. Ram Reddy.
 647. Shri K. Chandra Reddy.
 648. Shri V. Jagannadha Rao.

Andhra Pradesh Trade Union Congress, Hyderabad (A. I. T. U. C. Andhra Pradesh Committee)

649. Shri J. Satyanarayana, President.
 650. Shri M. V. Bhadram, Vice-President.
 651. Shri N. Satyanarayana Reddy, General Secretary.
 652. Shri M. A. Razak, Member, Working Committee.
 653. Shri K. Srinivas Rao, Office Secretary.
 654. Shri T. Anjiah, M. L. A., Chairman, Andhra Pradesh Labour Party, *Hyderabad*.
 655. Shri K. Kishore Dutt, President, Indian Detonators Ltd. Workers' Union, *Hyderabad*.
 656. Shri P. Vasudev, President, Andhra Pradesh Shop Employees' Federation, *Secunderabad*.
 657. Shri D. Venkatesham, General Secretary, Andhra Pradesh (Telengana Area), Handloom Workers' Federation, *Hyderabad*.
 658. Shri Deen Dayal S. Mahendra, General Secretary, A. P. (T. A.) Agricultural Engineering Workers' Union.

Electricity Workers' Union and Super Bazar Employees' Union

659. Shri M. A. Khan, Vice-President.
 660. Shri Mohd. Husain.
 661. Shri M. Taskeen, Organiser, Hyderabad Rickshaw Drivers' Union.

Federation of Andhra Pradesh Chambers of Commerce and Industry, Hyderabad

662. Shri K. Srinivasa Murthy, Chairman, Labour Committee.

- | | | |
|-------------------------------|---|----------------|
| 663. Shri A. M. Lal. | } | <i>Members</i> |
| 664. Shri L. K. Behl. | | |
| 665. Shri A. K. Mukarji. | | |
| 666. Shri B. Rajasekhara Rao. | | |
| 667. Shri K. Rama Rao. | | |
| 668. Shri N. V. Sanzgiri. | | |
| 669. Shri D. K. Dutt. | | |
| 670. Shri E. Moses. | | |
| 671. Shri R. C. Gupta. | } | |

672. Shri C. A. Rebello, Secretary.
 673. Shri N. R. Krishna Murthy, Research Officer.

Andhra Chamber of Commerce

674. Shri M. Harischandra Prasad, Vice-President.
 675. Shri K. P. Rama Murthy, Assistant Secretary.
 676. Shri M. Achutaramiah, Assistant.
 677. Shri R. Ramananda Rao, Chief Personnel Manager, Indian Leaf Tobacco Development Co. Ltd., *Guntur*.

Indian Detonators Ltd., Hyderabad.

678. Shri M. Varada Rajan, Mg. Director.
 679. Shri M. S. Nilakantan, Secretary.
 680. Shri J. D. Dadademery, Deputy Works Manager.
 681. Shri M. N. Dhamdhere, Financial Controller.

**Hyderabad State Film Chamber of Commerce, Secunderabad ; and Hyderabad
Film Exhibitors Association, Hyderabad**

682. Shri Ramesh Chandra Lahoti, President.
683. Shri V. R. Patel, Vice-President.
684. Shri M. Roshanlal, Executive-cum-Member.
685. Shri B. D. Partani (Executive-cum-Member Hyderabad Film Exhibitors' Association).
686. Shri P. S. Prakasa Rao, Chief Personnel Officer and Secretary, Hindustan Shipyard, Ltd., *Visakhapatnam*.
687. Shri C. S. Anand, Labour Officer, Visakhapatnam Port Trust, *Visakhapatnam*.

All India P. & T. Employees' Federation, Hyderabad

688. Shri Busi Macharaiiah.
689. Shri N. Bhaskara Rao.
690. Shri G. V. Subbaiah.
691. Shri J. Narasimloo.
692. Shri E. Lingaiah.
693. Shri K. Nagaih.
694. Shri S. Sarangadhar.
695. Shri B. V. Ramanayya, M. L. A.
696. Shri Ely. Vadapalli, M. L. A.
697. Shri S. Jagannadham.
698. Shri M. S. Narsinga Rao.
699. Shri P. Bitchalu.
700. Shri R. Ekambaram.

Andhra Pradesh State Road Transport Corporation, Hyderabad

701. Shri N. R. K. Doss, Director of Personnel.
702. Shri V. Jagannadha Rao, L. W. O.
703. Shri D. C. Mukherjea, Master, India Government Mint, *Hyderabad*.
704. Shri S. A. M. Moosvi, Personnel Officer, Andhra Pradesh State Electricity Board, *Hyderabad*.

Indian Association of Trained Social Workers, Hyderabad

705. Shri S. A. Moosvi, President.
706. Shri V. Jagannadha Rao, Secretary.
707. Shri R. Balakrishna, Member.
708. Shri P. J. Reddy, Welfare Officer, Dock Labour Board, *Visakhapatnam*.
709. Shri N. Raghava, Commissioner, Municipal Corporation of Hyderabad, *Hyderabad*.
710. Shri M. V. Bhadram, M. P., Municipal Colony, *Visakhapatnam*.
711. Dr. Mir Siadat Ali Khan, Retd. Judge of the High Court and Ex-Chairman of the Industrial Tribunal Andhra Pradesh, *Hyderabad*.
712. Shri Konda Lakshman Bapuji, Labour Minister, Andhra Pradesh, *Hyderabad*.

Government, Andhra Pradesh

713. Shri K. B. Lal, Commissioner of Labour.
 714. Shri B. N. Raman, Director, Public Relations & Information Department.
 715. Shri V. Srinivasachari, Director of Employment & Training.
 716. Shri D. Rangaramanujam, Director, Bureau of Economics & Statistics.
 717. Shri G. M. Ahmed, Joint Secretary, Home (Lab.) Department.
718. Shri B. N. Waghray. }
 719. Shri J. Viswanathan Reddy. } *Deputy Commissioners of Labour*
 720. Shri Y. Sivasankara Reddy. }
721. Shri C. J. Reddy, Chief Inspector of Establishments.
 722. Shri D. Lakshminarayanan, Deputy Chief Inspector of Factories.
 723. Shri K. S. Shafeeq, Research Officer, Labour Department.
 724. Shri T. Gopalakrishna Rao, Assistant Commissioner of Labour.
 725. Shri S. K. Chari, Regional Assistant Commissioner of Labour.
 726. Shri B. Ramachandra Reddy, Assistant Secretary (Labour).

LUCKNOW—UTTAR PRADESH : *March 8-9, 1968*

I.N.T.U.C. (U. P. State Branch) and Indian National Sugar Mill Workers' Federation, Lucknow

727. Shri Jagdish Chandra Dikshit, General Secretary, INTUC ; and Vice-President I.S.M.A.
 728. Shri Rameshwar Saran Singh (Secretary, INTUC).
 729. Shri P. K. Sharma (Organising Secretary, INTUC ; and Secretary, ISMA).
 730. Shri Prabhaker Tripathy (Secretary, INTUC).
 731. Shri Ram Nath Bharati (Secretary, INTUC and ISMA).
 732. Shri Shripat Narain (Assistant Secretary, INTUC).

U. P. Trade Union Congress (A. I. T. U. C.—U. P. State Branch)

733. Shri S. S. Yusuf, President.
 734. Shri Ram Asrey, General Secretary.
 735. Shri Harish Tewari, Secretary.
 736. Shri Ramesh Shrivastava, Member, Working Committee.

Hind Mazdoor Sabha (U. P. State Branch)

737. Shri B. D. Shukla, President.
 738. Shri Vimal Mehrotra, General Secretary.
 739. Shri G. N. Misra, Secretary.

N. E. Railway Mazdoor Union, Gorakhpur

740. Shri Priya Gupta. }
 741. Shri Ramkaran Singh, M. L. A. } *Vice-Presidents*
 742. Shri K. L. Gupta, General Secretary.

Bharatiya Mazdoor Sangh (U. P. State Branch)

743. Shri B. K. Mukherjee, President.
744. Shri Suresh Chandra Rastogi, Regional Organising Secretary.

All India Bank Employees' Federation, Central Office, Kanpur

745. Shri M. R. Sood, Organising Secretary.
746. Shri J. S. Shukla, Office Secretary.
747. Shri R. B. Prasad, Finance Secretary.
748. Shri V. K. Shukla, Member of the Executive.

Lucknow Division Insurance Employees' Association, Lucknow

749. Shri Y. A. Siddiqui, President.
750. Shri J. K. Bajpai, General Secretary.
751. Shri D. K. Mukherji, Treasurer.
752. Shri R. M. Mehrotra, Joint Secretary.
753. Shri S. C. Dixit, Joint Secretary.
754. Shri M. B. Goswami, Joint Treasurer.
755. Shri S. P. Sherma, Joint Secretary.

756. Shri C. B. Srivastava. }
757. Shri R. K. Verma. } *Members, Working Committee*

Indian Sugar Mills Association (U. P. Branch), Lucknow and Balrampur Sugar Co. Ltd., Balrampur

758. Shri R. P. Nevatia.
759. Shri Seth M. L. Modi.
760. Shri D. R. Dani.
761. Shri Seth Kashi Prasad.
762. Shri Seth Kishori Lal.
763. Lala Daya Ram.
764. Shri S. R. Bhawsinghka.
765. Shri P. C. Jhunjhunwala.
766. Shri L. K. Jhunjhunwala.
767. Shri L. N. Wahi.
768. Shri A. K. Dhaon.
769. Shri J. C. Aurora.
770. Shri B. N. Khanna.

Employers' Association of Northern India, Kanpur

771. Shri Govind Hari Singhania.
772. Shri Lala P. D. Singhania.
773. Shri Kishan Narain.
774. Shri V. S. Kapur.

775. Dr. K. P. Agarwal.
 776. Shri M. L. Khullar.
 777. Shri B. S. Agarwal.
 778. Shri R. K. Jain, Secretary, Western U. P. Chamber of Commerce, *Meerut-Cantt.*
 779. Shri R. C. Kaushik, Director, Forest Education, Forest Research Institute, *Dehradun.*

Government of Uttar Pradesh and State Public Sector Undertakings

Department of Industries

780. Shri N. P. Chatterjee, Secretary.
 781. Shri A. K. Sharma, Special Secretary.
 782. Shri Ashok Chandra, Additional Director.
 783. Shri R. H. Chishti, Secretary, Public Works Department.
 784. Shri K. K. Rohtagi, Engineer Manager, Government Precision Instruments Factory, Lucknow.
 785. Shri Bharat Narain, Member-Secretary, U. P. State Electricity Board, *Lucknow.*
 786. Shri I. D. Singh, Personnel Officer, U. P. Government Cement Factory, *Churk.*
 787. Shri R. Bhardwaj, Transport Commissioner, Public Motor Transport U. P. (U. P. Roadways).
 788. Shri V. P. Puri, Deputy Transport Commissioner, Public Motor Transport U. P. (U. P. Roadways).
 789. Shri Prabhu Narain Singh, President, Hind Mazdoor Panchayat and Ex-Labour Minister, U. P.

Eye Hospital, Sitapur

790. Dr. H. L. Patney.
 791. Shri D. P. Nath.
 792. Shri N. P. Sinha.
 793. Dr. V. B. Singh, Department of Economics, Lucknow University, Lucknow.
 794. Dr. Asha Ram, Allahabad University, *Allahabad.*
 795. Shri Mithan Lal (Retd. High Court Judge), Chairman, State Industrial Tribunal, *Allahabad.*

Labour Department, Government of Uttar Pradesh

796. Shri A. K. Sharma, Secretary, Labour.
 797. Shri R. K. Gupta, Deputy Secretary, Labour.
 798. Shri J. N. Tiwari, Labour Commissioner.
 799. Shri J. Prasad, Joint Labour Commissioner.
 800. Shri H. M. Misra. }
 801. Shri S. P. Singh. } *Deputy Labour Commissioners*

NEW DELHI : March 11, 1968

Shri Ram Centre for Industrial Relations, New Delhi

802. Shri K. N. Vaid, Director of Research.

803. Shri C. P. Thakur. }
 804. Shri O. P. Dhingra. } *Research Officers*

PATNA—BIHAR STATE : April 15—17, 1968

I.N.T.U.C. (Bihar Branch)

805. Shri R. N. Sharma, M. L. A., Vice-President.
 806. Shri Sidheshwar Chaudhary, General Secretary.
 807. Shri Satyapal Mishra.
 808. Shri A. P. Sharma, M. P.
 809. Shri R. N. Choubey.

Hind Mazdoor Sabha (Bihar State Branch)

810. Shri Basawan Sinha. }
 811. Shri B. K. Shastri. } *Vice-Presidents*

812. Shri M. K. Sinha, General Secretary.
 813. Shri Balbhadra N. Singh, Joint Secretary.

814. Shri G. V. Raghavan. }
 815. Shri Ramdeo Singh. } *Members, Executive Committee*

United Trades Union Congress (Bihar State Committee)

816. Shri Gurbachan Singh.
 817. Shri J. Krishna.
 818. Shri K. P. Agarwal.
 819. Shri T. K. Parkash.
 820. Shri Jugeshwar Prasad.
 821. Shri Bhola Prasad.
 822. Shri Ratan Roy, General Secretary, A.I.T.U.C. (Bihar State Committee), Patna.

Bharatiya Mazdoor Sangh (Bihar State)

823. Shri Rama Shanker Sinha, President.
 824. Shri Ramdeo Prasad, General Secretary.
 825. Shri Anirudha Mishra. }
 826. Shri Krishna Thakur. } *Joint Secretaries*

Indian Sugar Mills Association (Bihar Branch)

827. Shri S. S. Kanodia.
 828. Shri S. C. Chowdhuri.
 829. Shri G. C. Goel, Secretary.

Bharat Sugar Mills Ltd., Sidhwalia P.O., Distt. Saran (Bihar)

830. Shri G. P. Dhurka.
 831. Shri B. M. Kaura.

Bihar Chamber of Commerce, Patna

832. Shri Tara Kishore Prasad (Vice-President, Bihar Organisation of Industrial Employers)—Member.
 833. Shri G. M. Sahai, Chairman, Labour Sub-Committee.
 834. Shri C. M. Saxena, Hony. Secretary.
 835. Shri S. N. Prasad, Under Secretary.

Bihar Industries Association, Patna

836. Shri U. P. Agarwal, Deputy Chairman.
 837. Shri M. K. Varma, Advocate & Labour Adviser.
 838. Shri Ranen Roy, Advocate, Jakhanpur, Patna.
 839. Dr. Ganesh Prasad Sinha, Department of Labour and Social Welfare, Patna University, Patna.
 840. Shri R. S. Pande, Resident Director, Tata Iron & Steel Co. Ltd., Jamshedpur.

Government of Bihar and State Public Sector Undertakings

841. Shri Ram Janma Ojha, Chairman, Bihar State Small Industries Corporation Ltd.
 842. Shri B. N. Sinha, Chairman, Bihar State Electricity Board, Patna.
 843. Shri S. A. F. Abbas, Chief Administrator-cum-Secretary, River Valley Projects Department.
 844. Shri V. Balasubramanyam, Secretary to Government, Industries and Technical Education Department.
 845. Shri P. S. Appu, Secretary to Government, Finance Department.
 846. Shri S. K. Sinha, Secretary to Government, Political (Transport) Department.
 847. Shri H. Prasad, Secretary to Government, Local Self Government & Housing Department.
 848. Shri R. T. Sinha, Secretary to Government, Public Works Department and Public Health Engineering Department.
 849. Shri U. N. Rai, Secretary to Government, Irrigation & Electricity Department.
 850. Shri C. S. Kumar, General Manager, Bihar State Road Transport Corporation, Patna.
 851. Shri K. L. Swani, Mg. Director, Bihar State Industrial Development Corporation Ltd., Patna.
 852. Shri R. N. Sinha, Chief of Administration, Bihar State Road Transport Corporation, Patna.
 853. Shri S. S. P. Sinha, Administrator, Patna Municipal Corporation, Patna.

Bihar State Electricity Board, Patna

854. Shri R. N. Sharma, Director of Personnel.
 855. Shri B. Kumar, Deputy Director of Personnel.
 856. Shri N. B. Ghosal, Personnel Officer.
 857. Dr. Ram Tarneja (Director of Personnel, Sahu Jain Services Ltd.), Rohtas Industries Ltd., P. O. Dalmia Nagar, Distt. Sahabad, Bihar.
 858. Prof. A. D. Singh, Chief Personnel Manager, Tata Iron & Steel Co. Ltd., Jamshedpur.

Bokaro Steel Ltd., Bokaro

859. Shri S. N. Chakravarty, Personnel Manager.
 860. Shri R. N. P. Sinha, Personnel Officer.
 861. Shri M. P. Singh, Assistant Personnel Officer.

Bihar Roller Flour Millers' Association, Patna

862. Shri N. Kabra, Hony. Secretary.
 863. Shri K. N. Khanna, Executive Secretary.

Xavier Institute of Social Service, Ranchi

864. Shri Aroon Bose.
 865. Shri T. S. Rao.
 866. Shri T. Parmanand, President, BP-PWD Workers Union; and BS-Independent Trade Unions, Patna.
 867. Shri Yogindra Prasad Gupt, General Secretary, North Eastern Railway Licensed Vendors, Union, Barauni.

Labour Department, Government of Bihar

868. Shri Ram Chandra Sinha, Secretary to Government, Labour and Employment Department.
 869. Shri Rash Bihari Lal, Director, Statistics & Evaluation; Ex-Officio Secretary.
 870. Shri Ishwari Prasad, Labour Commissioner.
 871. Shri S. N. Saigal, Director, Employment and Training.
 872. Shri B. P. Varma, Joint Labour Commissioner.
 873. Shri A. N. Singh, Chief Inspector of Factories.
 874. Dr. L. K. Thakur, Administrative Medical Officer, Employees' State Insurance Scheme.
- | | |
|------------------------|----------------------------------|
| 875. Shri S. K. Datta. | } Deputy Commissioners of Labour |
| 876. Shri L. D. Sinha. | |
| 877. Shri B. Singh. | |
| 878. Shri G. Prasad. | |
879. Shri D. C. De, Statistics Authority.

LUCKNOW—UTTAR PRADESH : April 18, 1968

880. Dr. Radha Kamal Mukherjee.

I.N.T.U.C. (U.P. Branch)

881. Shri Kashi Nath Pandey, President.
 882. Shri J. C. Dikshit, General Secretary.
 883. Shri Sant Singh Yusuf, President, U.P. Trade Union Congress (A.I.T.U.C.—U.P. State Branch).

Hind Mazdoor Sabha (U.P. State Branch)

884. Shri B. D. Shukla, President.
 885. Shri Vimal Mehrotra, General Secretary.
 886. Shri B. K. Mukherjee, President, Bharatiya Mazdoor Sangh (U.P. State Branch).
 887. Shri Prabhu Narayan Singh, President, Hind Mazdoor Panchayat.
 888. Lala P. D. Singhania, Employers' Association of Northern India, *Kanpur*.
 889. Shri R. K. Jain, Secretary, Western U.P. Chamber of Commerce, *Meerut*.
 890. Shri R. P. Nevatia, Member Indian Sugar Mills Association (U.P. Branch).
 891. Dr. V. B. Singh, Department of Economics, Lucknow University, *Lucknow*.
 892. Shri Mithan Lal, Chairman, Industrial Tribunal, U.P.

Government of Uttar Pradesh and State Public Sector Undertakings

893. Shri N. P. Chatterjee, Secretary, Industries Department.
 894. Shri R. H. Chishti, Commissioner & Secretary, P.W.D. and Transport.
 895. Shri J. N. Tewari, Secretary, Irrigation and Power Department.
 896. Shri A. K. Sharma, Secretary, Labour Department.
 897. Shri Dashrath Singh, Labour Commissioner.

State Electricity Board

898. Shri S. K. Jain, Chairman.
 899. Shri S. P. Bhatnagar, Secretary.
 900. Shri H. C. Saxena, Director, Government Cement Factory, Churk (Mirzapur).

NEW DELHI : May 2—4 & 6—8, 1968

Railway Board, Ministry of Railways, Government of India

901. Shri G. D. Khandelwal, Chairman.
 902. Shri R. Gopalakrishnan, Additional Member (Staff).
 903. Shri Kunwar Bahadur, Joint Director.

**Department of Communications, Government of India and its Organisations/
Public Sector Undertakings***Posts & Telegraphs Board*

904. Shri S. K. Kanjilal, Senior Member (Telecom Operations).
 905. Shri L. K. Narayanswamy, Member (Administration).
 906. Shri Uma Shankar, Mg. Director, Indian Telephone Industries Ltd., Bangalore.
 907. Shri C. A. Cornelius, Mg. Director, Hindustan Teleprinters Ltd.

**Ministry of Commerce, Government of India and its Organisations/Public Sector
Undertakings**

908. Shri K. B. Lall, Secretary.
 909. Shri H. K. Kochar. }
 910. Shri P. C. Alexander. } *Joint Secretaries*
 911. Shri G. C. L. Joneja, Commissioner of Civil Supplies.
 912. Shri B. P. Patel, Chairman, State Trading Corporation, New Delhi.
 913. Shri A. K. Roy, Chairman, Tea Board, Calcutta.
 914. Shri K. N. Channa, Director, Minerals and Metals Trading Corporation, New Delhi.
 915. Shri H. K. Bansal, Deputy Secretary.
 916. Shri A. G. V. Subrahmaniam, Under Secretary.
 917. Shri N. C. Rustogi, Deputy Director.
 918. Shri R. Krishnamurthy, Deputy Director (Admn.) & Liaison Officer, Export Inspection Council, Calcutta.

**Ministry of Transport and Shipping, Government of India and its Organisations/
Public Sector Undertakings**

919. Shri S. Chakravarti, Secretary.
 920. Shri B. B. Ghosh, Chairman, Calcutta Port Commissioners.
 921. Shri L. M. Nadkarni, Chairman, Bombay Port Trust.
 922. Shri S. K. Ghosh, Deputy Chairman, Calcutta Port Commissioners.
 923. Shri P. R. Subramanian, General Manager, Bombay Port Trust.
 924. Shri K. Srinivasan, Mg. Director, Central Inland Water Transport Corporation and Central Road Transport Corporation.
 925. Shri S. Ramanathan, Director.

926. Shri K. Narayanan, }
 927. Shri R. Ramakrishna. } *Deputy Secretaries*
 928. Shri G. V. Karlekar, Chief Labour Officer, Calcutta Port Commissioners.
 929. Shri Batuk H. Mehta, Chief Labour Officer, Bombay Port Trust.

**Ministry of Tourism and Civil Aviation, Government of India and its Organisations/
 Public Sector Undertakings**

930. Shri J. N. Goyal, Joint Secretary.
 931. Shri B. Israni, Assistant General Manager, Indian Airlines Corporation, *New Delhi*.
 932. Shri A. S. Banavalikar, Personnel Manager, Air India, *Bombay*.
 933. Shri B. A. Deshmukh, Personnel Manager, Indian Airlines Corporation, *New Delhi*.

All India Bank Employees' Association, Delhi

934. Shri Prabhat Kar.
 935. Shri H. L. Parvana.
 936. Shri Rajinder Sayal.
 937. Shri P. L. Syal.
 938. Shri S. K. Bannerjee.
 939. Shri Jagdish Oberai.
 940. Shri K. D. Bhandari.

**All India R.M.S. Assistant Superintendents and Inspectors' Association, Central
 Headquarters, Delhi**

941. Shri Sant Lal, General Secretary.
 942. Shri Pritam Singh Sethi, Divisional Secretary.

National Federation of Railway Porters and Vendors, New Delhi

943. Shri Yash Paul Miglani, Secretary.
 944. Shri Sant Lal Khemka, Organising Secretary.
 945. Shri Jaishi Ram, Member, Working Committee.

**Ministry of Health & Family Planning and Urban Development, Government of
 India, and its Organisations/ Public Sector Undertakings**

946. Shri R. N. Madhok. }
 947. Shri Gian Prakash. } *Joint Secretaries*
 948. Shri K. N. Srivastava. }
 949. Shri Krishna Bihari. }
 950. Shri D. N. Chaudhri. } *Deputy Secretaries*
 951. Dr. H Bannerjee, Assistant Commissioner.
 952. Shri M. G. Pandit, Assistant Director-General (Stores), Medical Stores Depot and Factories.
 953. Shri A. P. Atri, Under Secretary.

Ministry of Defence, Government of India, and its Organisations/Public Sector Undertakings

954. Shri H. C. Sarin, Secretary
955. Shri R. B. Vaghaiwalla. }
 956. Shri M. M. Sen. } *Joint Secretaries*
 957. Shri S. Y. Ranade. }
958. Air Marshal P. C. Lal, Mg. Director, Hindustan Aeronautics Ltd.
959. Major General R. G. Williams, Director of Inspection.
960. Major General P. R. Kumar, Mg. Director, Bharat Earth Movers Ltd., *Bangalore.*
961. Shri G. C. Mukherjee, Mg. Director, Praga Tools Ltd.
962. Shri J. Joseph, Acting Mg. Director, Garden Reach Workshops Ltd., *Calcutta.*
963. Shri R. L. Kapoor, Deputy General Manager, Bharat Earth Movers Ltd., *Bangalore.*
964. Shri B. S. Hanuman, Administrative Manager, Bharat Electronics Ltd., *Bangalore.*
965. Shri A. K. Sud, Financial Controller, Mazagon Dock Ltd., *Bombay.*
966. Shri K. P. Rabindranathan, Chief Administrative Officer, Hindustan Aeronautics Ltd.
967. Lt. Col. W. C. Cole, Personnel Manager, Mazagon Dock Ltd., *Bombay.*

Ministry of Industrial Development and Company Affairs, Government of India and its Organisations/Public Sector Undertakings

968. Shri N. N. Wanchoo, Secretary.
969. Shri O. N. Misra, Joint Secretary.
970. Shri C. Balasubramaniam, Deputy Secretary.
971. Shri S. Swayambu, Chairman and Mg. Director, Heavy Electricals (India) Ltd., *Bhopal.*
972. Shri Jagdeesh Prasad, General Manager, Bharat Heavy Electricals Ltd., *Ranipur (Hardwar).*
973. Shri O. P. Sarbhoy, Industrial Relations Officer, Heavy Electricals (India) Ltd., *Bhopal.*
974. Shri D. N. Nigam, Personnel Manager, Bharat Heavy Electricals Ltd., *Ranipur (Hardwar).*

National Newsprint & Paper Mills Ltd., Napanagar

975. Shri P. L. Singhanian, Deputy General Manager.
976. Shri C. L. Tiwari, Personnel Officer.
977. Shri J. N. Singh, Director (IS), National Productivity Council, *New Delhi.*
978. Shri K. C. Bhalla, Secretary, National Industrial Development Corporation, *New Delhi.*
979. Shri K. S. Rajagopalan, Deputy General Manager, National Instruments Ltd., *Jadavpur, Calcutta.*

Heavy Engineering Corporation Ltd., Ranchi

980. Shri D. N. Ghosh, Chief, Personnel Division.
981. Shri C. G. Singh, Assistant Superintendent.

**Ministry of Irrigation and Power, Government of India, and its Organisations/
Public Sector Undertakings**

982. Shri K. P. Mathrani, Secretary.
 983. Shri K. G. R. Iyer, Joint Secretary.
 984. Shri D. B. Anand, Chairman, Central Water & Power Commission.
 985. Shri A. R. Venkataraman, Chairman-cum-Mg. Director, National Projects Construction Corporation.
 986. Shri S. K. Ray, Director of Personnel, Damodar Valley Corporation, *Calcutta*.

National Projects Construction Corporation

987. Shri S. P. Gugnani, Financial Adviser and Chief Accounts Officer.
 988. Shri S. S. Chaudhry, Welfare Officer.

**Ministry of Works, Housing & Supply (Department of Works & Housing),
Government of India, and its Organisations/Public Sector Undertakings**

989. Shri B. L. Chak,
 990. Shri P. Prabhakar Rao } *Joint Secretaries*
 991. Shri P. K. Sen. }
992. Shri M. L. Nanda, Chief Engineer, C. P. W. D.
 993. Shri N. P. Dube, Mg. Director, Ashoka Hotels Ltd., New Delhi.
 994. Shri D. Dutta, Mg. Director, National Building Construction Corporation Ltd.
 995. Shri J. Durai Raj, Mg. Director, Hindustan Housing Factory Ltd., *New Delhi*.
 996. Lt. Col. K. K. Chandran, Mg. Director, Janpath Hotels Ltd., *New Delhi*.
 997. Shri P. S. L. Sarma, Controller of Administration, Office of Chief Controller of Printing and Stationery.
 998. Shri P. D. Garg, O. S. D. (*Housing*).
 999. Shri R. T. D. Joseph, O. S. D. (J).
 1000. Shri N. G. Sanyal, O. S. D. (*Labour*).
 1001. Shri V. K. Leekha, Personnel Officer, Ashoka Hotels Ltd., *New Delhi*.
 1002. Shri N. N. Maitra, Section Officer.

I. N. T. U. C. (Delhi Branch)

1003. Shri O. P. Verma, President.
 1004. Shri P. N. Bhargava, General Secretary.
 1005. Shri Laxmi Narain, Assistant Secretary.

A. I. T. U. C. (Delhi Branch)

1006. Shri B. D. Joshi, President.
 1007. Shri Janardan Sharma, Vice-President.
 1008. Shri Y. D. Sharma, General Secretary.
 1009. Shri M. Achutan, Secretary.

1010. Shri Sushil Bhattacharya, President, United Trades Union Congress (Delhi Branch).

Bharatiya Mazdoor Sangh (Delhi Branch)

1011. Shri V. P. Joshi, President.
 1012. Shri Jai Bhagwan Sharma, Vice-President.
 1013. Shri Ram Krishan Bhaskar, General Secretary.
 1014. Shri Hari Krishan Pathak, Secretary.

Central Industrial Relations Machinery Officers' Association, New Delhi

1015. Shri D. Panda, President.
 1016. Shri S. B. Singh, General Secretary.
 1017. Shri O. P. Saxena, Executive Member.

Association of Central Government Labour Officers, New Delhi.

1018. Shri N. N. Sharma, President.
 1019. Shri S. C. Anand, General Secretary.
 1020. Shri A. N. Sharma, Hony. Treasurer.
 1021. Shri N. C. Sanyal, Member of Governing Council.
 1022. Shri K. B. Swami, General Secretary, F.I.C.C.I. Staff Union, *New Delhi.*

New Delhi Trade Employees' Association, New Delh

1023. Shri P. S. Varma, President.
 1024. Shri K. L. Bahl, General Secretary.
 1025. Shri S. K. Bhasin, Counsel & Executive Member.
 1026. Shri O. P. Duggal, Executive Member.

Irrigation Technical Staff Union, Kota

1027. Shri M. Rankavat, Executive Member.
 1028. Shri M. K. Sanwar, Office Secretary.

Delhi Newspapers Employees' Federation, New Delhi

1029. Shri H. L. Parvana, President.
 1030. Shri Santosh Kumar, General Secretary.

Federation of Indian Traders' Associations, New Delhi

1031. Shri Desh Bandhu Gupta, Hony. Secretary.
 1032. Shri Jitendra Mohan Rastogi.
 1033. Shri H. S. Singal.
 1034. Shri Dwarka Parshad Goel.
 1035. Sardar Jodh Singh.
 1036. Shri Manohar Lal.
 1037. Shri J. L. Duggal.

} *Members*

1038. Shri O. P. Agarwal, Secretary, United Chamber of Trade Associations, *Delhi.*

Delhi Factory Owners' Federation, New Delhi

1039. Shri S. R. Gupta, *President*.
 1040. Shri B. K. Gupta, *Vice-President*.
 1041. Shri J. R. Jindal, *Member, Executive*.
 1042. Shri G. C. Bhandari, *Labour Law Adviser*.
 1043. Shri K. K. Khullar, *Adviser*.
 1044. Shri C. M. Lal, *Labour Officer*.

Indian and Eastern Newspaper Society, New Delhi

1045. Shri M. Yunus Dehlvi, *Vice-President*.
 1046. Shri Santosh Nath, *Member*.
 1047. Shri R. D. Seth, *Secretary*.

Delhi Printers' Association, New Delhi

1048. Shri Vedavrata. }
 1049. Shri Vishwa Nath. } *Members, Executive Council*

Delhi Cloth Mills, Delhi

1050. Shri R. N. Kapur, *Works Manager*.
 1051. Shri G. C. Bhandari, *Labour Law Officer*.
 1052. Shri Manohar Lal, *Industrial Relations Officer*.
 1053. Shri Om Dutt Sharma, *Chief Labour Officer*.
 1054. Shri M. L. Chaudhary. }
 1055. Shri D. R. Thadani. } *Law Officers*
1056. Prof. A. Das Gupta, *Director, Delhi School of Economics, Delhi*.
 1057. Shri K. Kishore, *General Manager, Delhi Transport Undertaking, New Delhi*.
 1058. Shri J. N. Singh, *Dy. Commissioner (E), Delhi Municipal Corporation, Delhi*.
 1059. Shri J. M. Raina, *General Manager, Delhi Electric Supply Undertaking, New Delhi*.

Members, Metropolitan Council, Delhi

1060. Shri I. K. Trehan.
 1061. Shri Inder Mohan Schgal.
 1062. Shri V. P. Singh.

Ministry of Food, Agriculture, Community Development and Cooperation, Government of India, and its Organisations/Public Sector Undertakings*Department of Agriculture*

1063. Shri B. Sivaraman, *Secretary (Agriculture)*.
 1064. Shri Saran Singh, *Joint Secretary (Agriculture)*.
 1065. Shri J. S. Sarma, *Economic & Statistical Adviser*.
 1066. Shri G. N. Mitra, *Joint Commissioner (Fisheries)*.

Department of Food

1067. Shri Mangal Behari, Deputy Director General (Food).
 1068. Shri I. S. Kansal, Joint Personnel Manager, Food Corporation of India, New Delhi.
 1069. Shri R. B. Srivastava, Chief Accounts Officer, Modern Bakeries (India) Ltd.
 1070. Shri P. S. Balasubramanian, Deputy Secretary, Central Warehousing Corporation.

Delhi Hindustani Mercantile Association, Delhi

1071. Shri Sardari Lal.
 1072. Shri Shankar Lal Agarwal. } *Members, Executive Committee*
 1073. Shri Hardayal Mal. }
 1074. Shri B. P. Maheshwari, Legal Adviser.
 1075. Shri P. C. Pandey, Labour Officer.
 1076. Shri R. K. Tandon, Assistant Secretary.

Industrial Disputes Bureau, Delhi.

1077. Shri Y. R. Bhasin, Director-in-Charge.
 1078. Shri Balraj K. Palli (Advocate), Adviser.
 1079. Shri S. K. Bhasin, Partner.

Shri Mool Chand Kharaiti Ram Trust, New Delhi

1080. Shri Haridatt Shastri, Director.
 1081. Shri Jugal Kishore, Office Superintendent.

New Delhi Traders' Association, New Delhi

1082. Shri Girdhari Lal, President.
 1083. Shri M. M. Aggarwall, Vice-President.
 1084. Shri Kuldip Chandra, Hony. Joint Secretary.
 1085. Shri Vedavrata, Member.
 1086. Shri L. C. Dhingra, Office Secretary.

Federation of Indian Manufacturers, New Delhi

1087. Shri M. R. Bhalla, President.
 1088. Shri D. P. Diwan. }
 1089. Shri A. Mueed. } *Members, Executive*
 1090. Shri S. Hassija, Secretary. }

All India Manufacturers' Organisation (Delhi State Board), New Delhi

1091. Shri Hem Chand Jain, General Secretary.
 1092. Shri G. C. Dhingra, Executive Secretary.
 1093. Shri I. D. Gupta, Labour Adviser.

Ministry of Petroleum and Chemicals, Government of India, and its Organisations/Public Sector Undertakings

1094. Shri P. R. Nayak, Secretary.

Indian Drugs and Pharmaceuticals Ltd., New Delhi

1095. Shri Inderjit Singh, Chairman and Mg. Director.

1096. Shri R. C. Gupta, Deputy Secretary.

Oil and Natural Gas Commission, Dehradun

1097. Shri L. J. Johnson, Chairman.

1098. Shri A. Mitra, Senior Deputy Director.

1099. Shri J. P. Mathur, Labour Officer.

Indian Oil Corporation Ltd., Bombay

1100. Shri N. N. Kashyap, Chairman.

1101. Shri V. P. Baliga, Senior Personnel Officer.

1102. Shri Satish Chandra, Chairman, Fertilizer Corporation of India Ltd., *New Delhi.*

Fertilizer Corporation of India Ltd. (Sindri Unit)

1103. Shri K. C. Sharma, General Manager.

1104. Shri K. S. L. Anand, Personnel Manager.

1105. Shri S. L. Brahmachary, Financial Adviser, Lubrizol India Ltd.

1106. Shri M. Fazal, Mg. Director, Hindustan Insecticides Ltd.

1107. Shri O. S. Yusuf, Personnel Manager, Cochin Refineries Ltd., *Ernakulam.*

1108. Shri P. V. V. Sarma, Liaison Officer, Madras Refineries Ltd.

1109. Shri R. D. Gupta, Chief Administrative Officer, Engineers India.

1110. Dr. G. S. Kasbekar, Mg. Director, Hindustan Organic Chemicals Ltd.

Department of Social Welfare, Government of India

1111. Shri N. Sundaram, Joint Secretary.

1112. Mir Nasrullah, Deputy Secretary.

1113. Shri M. C. Nanavatty, Adviser.

1114. Shri Lal Advani, Education Officer.

1115. Shri O. P. Sehgal, Section Officer.

Ministry of Steel, Mines and Metals, Government of India, and its Organisations/ Public Sector Undertakings

Department of Iron & Steel

1116. Shri H. Lal, Secretary.

1117. Shri N. P. Mathur, Joint Secretary.

Department of Mines and Metals

1118. Shri K. K. Dhar, Director.

1119. Shri Ajit Singh, Deputy Secretary.

1120. Shri B. S. Bhatnagar, Under Secretary, Department of Iron & Steel.

Hindustan Steel Ltd.

1121. Shri R. Sinha, Adviser (Personnel & Manpower).
 1122. Shri V. Manohar, Joint Chief (Industrial Relations).

Bokaro Steel Ltd.

1123. Shri S. N. Pande, Deputy General Manager.
 1124. Shri S. N. Chakravarti, Personnel Manager.
 1125. Shri R. Prasad, Mg. Director, National Coal Development Corporation, Ranchi.
 1126. Shri Hari Singh, Industrial Relations Officer, National Mineral Development Corporation.
 1127. Shri A. Choudhri, Chief Mines Engineer, Nagpur.
 1128. Shri P. V. Kalyanaraman, Senior Personnel Officer, Neyveli Lignite Corporation Ltd.

Delhi Administration

1129. Shri A. C. Shubh, Executive Councillor.
 1130. Shri R. M. Agrawal, Secretary, Labour Department.
 1131. Shri S. C. Vajpeyi, Labour Commissioner.
 1132. Shri M. M. Kher. }
 1133. Shri S. S. Sanzagiri. } *Assistant Labour Commissioners*

CALCUTTA—WEST BENGAL STATE : May 27--30, 1968

West Bengal Pradesh National Trade Union Congress (I.N.T.U.C.—West Bengal Branch)

1134. Shri Kali Mukherji.
 1135. Shri Bishnu Banerjee.
 1136. Shri Sisir Kumar Ganguly.
 1137. Shri Nirmal Kanti Banerjee.
 1138. Shri Aurobindo Bose.
 1139. Shri Bikas Majumdar.
 1140. Shri L. M. Prodhan.
 1141. Shri Kanti Mehta.
 1142. Shri S. Das Gupta.
 1143. Shri Janaki Mukherjee.

A.I.T.U.C. (West Bengal Committee)

1144. Dr. Ramen Sen, M.P., President.
 1145. Shri Md. Ismail, M.P. }
 1146. Shri Indrajit Gupta, M.P. } *Vice-Presidents*
 1147. Shri Sudhir Mukhooi. }
 1148. Shri Monoranjan Roy, General Secretary.
 1149. Shri T. N. Siddhanta, Secretary.

Hind Mazdoor Sabha (West Bengal Branch)

1150. Shri Panchanan Bhattacharya, President.
1151. Shri Narayan Das Gupta, Vice-President.

United Trades Union Congress (Central)

1152. Shri Nikhil Das (President, West Bengal Committee).
1153. Shri Anil Das Chaudhuri (Vice-President, West Bengal Committee).
1154. Shri Jatin Chakravorty, Secretary, All India Committee.

United Trades Union Congress (Dharmatalla Street) (Central)

1155. Shri Subodh Banerjee (General Secretary, West Bengal Branch).
1156. Shri Fatick Ghosh (Secretary, West Bengal Branch).
1157. Shri Sanat Datta.
1158. Shri S. Das Gupta. } *Members, Executive Committee, West Bengal Branch*

West Bengal Cha Sramik Union, Jalpaiguri

1159. Shri Bimal Banerjee, Adviser.
1160. Shri K. Roy, Assistant Secretary.
1161. Shri S. B. Choudhury, West Bengal Tea Employees' Association, P. O. Chelsa, Distt: *Jalpaiguri*.

Indian Federation of Independent Trade Unions, Calcutta

1162. Shri Habibur Rahman.
1163. Shri Parimal Mukherjee.
1164. Shri Zafar Imam.
1165. Shri Jagannath Pandey.
1166. Shri Malay Brahmachari.

South Eastern Railwaymen's Union, Kharagpur

1167. Shri S. Subrahmaniam.
1168. Shri B. C. Mojuandar.

Indian Journalists' Association, Calcutta

1169. Shri P. R. Ganguli.
1170. Shri S. Bhattacharjee. } *Vice-Presidents*
1171. Shri L. M. Banerjee, General Secretary.
1172. Shri S. Ghosh, Convener.
1173. Shri M. Bose, Member. } *Industrial Disputes Sub-Committee*

West Bengal Shop Assistants' Federation, Calcutta

1174. Shri S. P. Dutta, General Secretary.
1175. Shri M. M. Samanta, Organising Secretary.

Bengal National Chamber of Commerce & Industry, Calcutta

- 1176. Shri S. B. Dutt.
- 1177. Dr. U. P. Ganguli.
- 1178. Shri S. C. Nawn.
- 1179. Shri S. N. Bose.
- 1180. Shri S. R. Biswas.

Merchants Chamber of Commerce, Calcutta

- 1181. Shri B. P. Agarwala.
- 1182. Shri B. S. Kothari.
- 1183. Shri R. Mittal.
- 1184. Shri H. R. Bose.

Indian Chamber of Commerce, Calcutta

- 1185. Shri G. K. Bhagat, President.
- 1186. Shri S. S. Kanoria.
- 1187. Shri S. N. Bose.
- 1188. Shri R. S. Tarneja.
- 1189. Shri A. R. Saraogi.
- 1190. Shri P. M. Dutta.

Bengal Chamber of Commerce & Industry, Calcutta

- 1191. Mr. J. M. Parsons.
- 1192. Shri Pran Prashad.
- 1193. Shri M. Ghose, Adviser.

Bharat Chamber of Commerce, Calcutta

- 1194. Shri G. N. Khaitan.
- 1195. Shri C. D. Thakkar.
- 1196. Shri S. N. Bose.
- 1197. Shri L. R. Dasgupta, Secretary.
- 1198. Shri S. B. Sarkar, Assistant Secretary.

All India Manufacturers' Organisation (West Bengal State Board), Calcutta

- 1199. Shri S. P. Saha, President.
- 1200. Dr. B. N. Ghose, Vice-President.
- 1201. Shri B. P. Poddar.
- 1202. Shri S. N. Rungta.
- 1203. Shri C. K. Agarwala.
- 1204. Shri I. P. Poddar.
- 1205. Shri S. K. Bhanja Choudhury, Labour Adviser.
- 1206. Shri P. N. Basu, Secretary.

} Committee Members

Indian Mining Association, Calcutta

- 1207. Shri R. Lall, Chairman.
- 1208. Shri R. Moulik, Vice-Chairman.
- 1209. Shri J. N. P. Sahi, Secretary.
- 1210. Shri R. Varma.
- 1211. Shri P. K. Mazumdar.
- 1212. Shri A. S. Malik.
- 1213. Shri S. K. Nargundkar.

Bengal Millowners' Association, Calcutta

- 1214. Shri Pratap Singh, President.
- 1215. Shri Mohanlal L. Shah.
- 1216. Shri G. M. Pujari.
- 1217. Shri S. Bhattacharjee, Secretary.

Indian Colliery Owners' Association, Dhanbad

- 1218. Shri B. I. Agarwala, President.
- 1219. Shri R. L. Worah, Senior Vice-President.

Engineering Association of India, Calcutta

- 1220. Shri G. R. Hada, President.
- 1221. Shri S. N. Rungta, Vice-President.
- 1222. Shri R. D. Trivedi.
- 1223. Shri A. R. Sarangi.
- 1224. Dr. R. D. Vidyanthi, Secretary.
- 1225. Shri S. K. Asthana, Labour Adviser.

Indian Engineering Association, Calcutta

- 1226. Mr. D. J. D. Sussex, Chairman.
- 1227. Shri S. K. Sen, Labour Adviser.

Tea Association of India, Calcutta

- 1228. Shri P. K. Kanoria, President.
- 1229. Shri H. R. Shah.
- 1230. Shri Sekhar Kumar Datta.

Indian Tea Association, Calcutta

- 1231. Mr. M. Lamond, Vice-Chairman.
- 1232. Mr. E. H. Hamay, Member, General Committee.
- 1233. Mr. P. J. Parr, Senior Adviser.
- 1234. Shri K. K. Chakraborty, Adviser, Indian Tea Planters' Association.

Indian Jute Mills Association, Calcutta

- 1235. Shri S. K. Ghosh, Chairman.
- 1236. Shri R. P. Goenka, Deputy Chairman.
- 1237. Shri D. P. Goenka, Member.
- 1238. Shri R. I. Moitra, Labour Adviser.
- 1239. Shri K. Mukherjee, Deputy Labour Adviser.

Indian Sugar Mills Association, Calcutta

1240. Shri R. P. Nevatia
 1241. Shri S. S. Kanoria. } *Members*
 1242. Shri B. M. Thapar. }
 1243. Shri J. S. Mehta, Secretary.
 1244. Shri P. M. Dutta, Labour Adviser.
 1245. Shri S. Narasimhan, Labour Officer.

Federation of Small and Medium Industries, West Bengal, Calcutta

1246. Shri S. Chakraborty, Vice-President.
 1247. Shri Sudarswan Biswas, Council Member.
 1248. Shri N. K. Das, Labour Adviser, Howrah Manufacturers' Association, Howrah.

Indian Institute of Personnel Management, Calcutta

1249. Dr. P. T. K. Panicker, President.
 1250. Dr. R. M. Sengupta, Chairman, Technical Sub-Committee.
 1251. Shri M. K. Verma. } *Members, General Committee*
 1252. Major J. Sengupta. }

Eastern India Motion Pictures' Association, Calcutta

1253. Shri S. B. Mandal.
 1254. Shri C. L. Ganguli.

West Bengal Shops and Establishment Employees' Association, Calcutta

1255. Shri Haripada Chatterji, Working President.
 1256. Shri Shibnath Chatterjee, General Secretary.
 1257. Shri Manoranjan Saha, Member, Executive Committee.

Government of West Bengal and State Public Sector Undertakings*West Bengal Electricity Board*

1258. Shri S. Dutt Mazumdar, Chairman.
 1259. Shri A. K. Mukherjee, Chief Personnel Officer.
 1260. Shri A. M. Kusari, Secretary. } *Public Works Department*
 1261. Shri B. B. Das Gupta, Chief Engineer. }
 1262. Dr. B. K. Bhattacharya, Chairman, C.S.T.C., N.B.S.T.C., and D.S.T.B.
 1263. Shri J. K. Ray, Secretary, Department of Relief and Social Welfare.
 1264. Shri S. K. Mukherjee, Secretary, Department of Commerce and Industries.
 1265. Shri A. Choudhury, Director. } *Cottage and Small Scale Industries.*
 1266. Shri S. K. Sen Gupta, Joint Director. }
 1267. Shri J. Sanyal, Deputy Secretary, Cottage & Small Scale Industries Department.
 1268. Shri U. Chatterjee, Director of Industries.

1269. Shri D. Chatterjee, Mg. Director, Small Scale Industries Ltd.

1270. Shri N. C. De, Assistant Director of Industries.

Durgapur Projects Ltd.

1271. Shri A. K. Dutta, Mg. Director.

1272. Shri D. N. Mookherjee, Labour Adviser.

1273. Shri R. R. Chatterjee, Mg. Director, Kalyani Spinning Mills.

Calcutta Tramways Co. Ltd.

1274. Shri H. A. H. Masood, Administrator.

1275. Shri N. B. Das, Personnel Officer.

1276. Shri S. C. Sanyal, Labour Officer.

Calcutta Metropolitan Planning Organisation, Calcutta

1277. Shri Ajit N. Bose, Industrial Economist.

1278. Shri S. B. Mukherjee, Economist, Regional Planning.

1279. Shri K. C. Lalwani, Assistant Professor in Economics, Indian Institute of Technology, Kharagpur.

1280. Dr. S. Ghosh, Lecturer, Department of Economics, Jadavpur University, Calcutta.

1281. Shri Gangadhar Pramanick, Ex-Minister of Labour, West Bengal.

1282. Shri Subodh Banerjee, Ex-Labour Minister, West Bengal.

1283. Shri Harekrishna Konar, Ex-Minister of West Bengal.

1284. Shri Biswanath Mukherjee, Ex-Minister of West Bengal.

Labour Department, Government of West Bengal

1285. Shri A. K. Mitra, Joint Secretary.

1286. Shri B. K. Chatterjee, Labour Commissioner.

1287. Shri S. N. Roy, Joint Labour Commissioner.

1288. Shri S. Chaudhury, Chief Inspector of Factories.

1289. Shri P. C. Banerjee, Director.

1290. Shri D. K. Dasgupta, Deputy Director. } *National Employment Service*

1291. Shri S. C. Ray, Chief Inspector of Boilers.

1292. Shri Qader Nowaz, Director, Employees' State Insurance (M.B.) Scheme.

1293. Shri S. Narayan, Director, Employees' State Insurance, Government of India.

BHOPAL — MADHYA PRADESH : July 4—6, 1968

I.N.T.U.C. (M. P. Branch)

1294. Shri V. V. Dravid, President.

1295. Shri Sumer Singh, Vice-President.

1296. Shri Gangaram Tiwari, General Secretary.

1297. Shri Tara Singh Viyogi, Propaganda Secretary.

1298. Shri Mathura Lal Sharma (President, Indore Textile Clerks' Association, Indore).

1299. Shri K. L. Yadav (Secretary, Indore Mill Mazdoor Sangh, Indore).

1300. Shri Ramugrah Singh Gautam (Secretary, Indore Mill Mazdoor Sangh, *Indore*).
 1301. Shri Jawaharlal Rathore, Publicity-in-Charge.
 1302. Shri Hiralal Sharma (President, Ujjain Mill Mazdoor Sangh, *Ujjain*).
 1303. Shri Gordhanlal Za, Member, Working Committee.

Madhya Pradesh Trade Union Congress (State Committee of A.I.T.U.C.)

1304. Shri Shakir Ali Khan, MLA, President.
 1305. Shri Diwakar.
 1306. Shri R. A. Sarvate. } *Vice-Presidents*
 1307. Shri G. P. Shrivastava, Secretary.

Burhanpur Tapti Mill Mazdoor Sangh, Burhanpur

1308. Shri Bharat Singh, General Secretary.
 1309. Shri Anand Rao Shinde.
 1310. Shri Vallabhadas Govindjiwala. } *Member-Executive, Adviser*
 1311. Shri Daulatram Tare, Member-Executive, *Treasurer*.

Bharatiya Mazdoor Sangh (M. P. Branch)

1312. Shri Hukamchand Kachwai, M.P., President.
 1313. Shri T. R. Jumade, Organising Secretary.
 1314. Shri S. N. Sadhu, Divisional Organising Secretary.
 1315. Shri Girirajkishore (President, H.E.L. Factory Workers' Union).
 1316. Dr (Shrimati) Seeta Parmanand, President, Rashtriya Koyala Khadau Mazdoor Sangh, *Chandametta*.

B.S.P. Shramik Sangh, Bhilai Nagar (M.P.)

1317. Shri Satyendra Sadhu, President.
 1318. Shri B. G. Channe, Divisional Organising Secretary, Bharatiya Mazdoor Sangh (M.P.)

M. P. Textile Mills Association, Indore

1319. Shri Tej Kumar Sethi (Binod Mills Co. Ltd., *Ujjain*).
 1320. Shri Kailash Chandra Agarwal (Hukam Chand Mills Ltd., *Indore*).
 1321. Shri Surendra M. Bhandari (Nand Lal Bhandari Mills Ltd., *Indore*).
 1322. Shri R. C. Bhandari, Secretary.
 1323. Shri N. P. Mishra, Labour Officer.
 1324. Dr. Virendra Kumar Gangwal, M. P. Chamber of Commerce and Industry, *Gwalior*.

Madhya Pradesh Organisation of Industries, Bhopal

1325. Shri Narendra Vithaldas, Joint President.
 1326. Shri K. N. Tenany (Orient Paper Mills Ltd., *Amlai*).
 1327. Shri B. V. Shukla (M/s. Mohanlal Hargovinddas, *Jabalpur*).
 1328. Shri A. N. Patel (Bhopal Sugar Industries Ltd., *Sehore*).
 1329. Shri B. D. Kalia (M/s. S. N. Sunderson & Co., *Katni*).
 1330. Shri H. L. Jain, Hony. Joint Secretary.
 1331. Shri Mani Mishra (Orient Paper Mills Ltd., *Amlai*).
 1332. Shri R. K. Manuja, Office Secretary.

All India Manufacturers' Organisation (M. P. State Board), Indore

1333. Dr. V. K. Tongia, President.
 1334. Shri Narendra Vithaldas, Vice-President.
 1335. Shri S. R. Nandedkar, Hony. Treasurer.
 1336. Shri B. L. Mittal, Member.

Security Paper Mills, Hoshangabad

1337. Shri N. D. Prabhu, General Manager.
 1338. Shri S. Ramaswamy, Administrative and Chief Accounts Officer.
 1339. Shri N. Y. Namjoshi, Accounts Officer.

Government of Madhya Pradesh and State Public Sector Undertakings

1340. Shri P. D. Chatterji, Chairman, M. P. Electricity Board, *Jabalpur*.
 1341. Shri P. J. Baspuri, Chairman, Madhya Pradesh State Road Transport Corporation, Bhopal/Madhya Pradesh State Industries Corporation, Bhopal.
 1342. Shri S. H. Aole, Additional Secretary, Home Department.
 1343. Shri S. B. Lal, Secretary, Irrigation and Electricity.
 1344. Shri Narayan Singh, Secretary, Agriculture.
 1345. Shri Rajkumar Khanna, Secretary, Public Works Department.
 1346. Shri K. L. Agrawal, Secretary, Forest and Local Self Government (Urban).
 1347. Shri A. N. Verma, Director of Industries.
 1348. Shri D. G. Bhave, General Manager, Madhya Pradesh State Road Transport Corporation.
 1349. Shri R. P. Kapoor, Registrar, Cooperative Societies.
 1350. Shri R. S. Khanna, Deputy Secretary, Tribal and Harijan Welfare Department.
 1351. Shri S. N. Rao, Deputy Secretary (Forest).
 1352. Shri S. M. Jambholkar, Deputy Secretary, Local Self Government (Urban).
 1353. Shri D. S. Sinha, Chief Engineer (Irrigation)
 1354. Shri K. L. Handa, Chief Engineer, Major Projects, Irrigation.
 1355. Shri Kailash Narayan Mishra, Chief Conservator of Forests.
 1356. Shri K. S. Sivaraman, Superintendent, Government Printing, M. P., Bhopal.
 1357. Shri G. P. Dubey, Director of Fisheries.
 1358. Shri S. S. Joshi, Chief Personnel Officer, M. P. State Road Transport Corporation, *Bhopal*.
 1359. Shri B. G. Naik, Deputy Chief Engineer, Public Works Department.
 1360. Shri S. S. Shrivastava, Conservator of Forests.
 1361. Dr. Ramakrishna, Deputy Director, Agriculture.
 1362. Shri Shambu Kumar Rai, Advocate, Mahidia Road, *Bhopal*.
 1363. Shri Ramsingh Bhai Varma, 32, I.L.C. Colony, *Indore*.
 1364. Shri Ishwar Chandra Jain.
 1365. Shri Chhaganlal Kataria.
 1366. Shri Ganesh Ram Anant, Minister for Labour, Madhya Pradesh, *Bhopal*.
 1367. Shri Virendra Singh, Minister of State for Labour, Madhya Pradesh, *Bhopal*.

Labour Department, Government of Madhya Pradesh

1368. Shri Devi Sahai, Secretary to Government, Commerce, Industry and Labour.
 1369. Kumari Nirmala Yadeva, Deputy Secretary, Commerce, Industry and Labour.
 1370. Shri M. M. Khar, Labour Commissioner.
 1371. Shri C. P. Tyagi, Chief Inspector of Factories.
 1372. Shri I. N. Puranik. }
 1373. Shri L. N. Shandilya. } *Deputy Labour Commissioners*
 1374. Shri N. D. Mishra. }
 1375. Shri K. P. Lele, Deputy Director, Employment Exchanges.
 1376. Shri P. V. Kudaneekar. }
 1377. Shri V. S. Choudhari. } *Assistant Labour Commissioners*
 1378. Shri C. K. Saksena. }
 1379. Shri L. S. Pawar. }

BOMBAY — MAHARASHTRA STATE : August 1, 1968.

All India Women's Conference, Bombay

1380. Shrimati Mehraben Jhabwala, President.
 1381. Shrimati Prabha Tulpule, Hony Secretary, Labour Sub-Committee.
 1382. Kumari Sushila Desai (Chairman, Udyogini, League of Working Women).

Federation of Association of Stevedores, Bombay

1383. Shri S. C. Seth, President.
 1384. Shri C. K. Vyas, Secretary.

BHUBANESWAR — ORISSA STATE : August 2-3, 1958.

I.N.T.U.C. (Orissa Branch)

1385. Shri Kanti Mehta, Working President.
 1386. Shri S. Das Gupta. }
 1387. Shri U. N. Prasad. } *Vice-Presidents*
 1388. Shri Binoy Kumar Mahanti, General Secretary.
 1389. Shri J. R. Dash, Secretary.
 1390. Shri C. D. Parida.
 1391. Shri Chandra Mohan Sinha (Executive Member, I.N.M.W.F.).
 1392. Shri F. M. Satpathy.
 1393. Shri K. C. Das.
 1394. Shri N. K. Mukherjee.
 1395. Shri N. N. Mohanty.
 1396. Shri P. K. Kunar (Assistant Secretary, Barbil Workers' Union).
 1397. Shri P. R. Mazumdar.
 1398. Shri S. L. Passey.
 1399. Shri U. Dixit.

Hindustan Steel Workers' Association, Rourkela

1400. Shri Kanti Mehta.
1401. Shri S. L. Passey.

A. I. T. U. C. (Orissa State Committee)

1402. Shri Ram Chandra Ram, President.
1403. Shri A. C. Mohanty, Vice-President.
1404. Shri A. K. Ray, Office Secretary.

Hind Mazdoor Sabha (Utkal Branch) and Orissa Medical Workers' Union, Cuttack; Orissa Local Bodies Employees' Federation, Cuttack; and Orissa Government Press Employees' Union, Cuttack

1405. Shri Rajkishore Samantrai, M.L.A., President, Hind Mazdoor Sabha (Utkal Branch).
1406. Shri Biswanath Pandit, President, Orissa, Medical Workers' Union.
1407. Shri Krushna Chandra Patra, General Secretary, Hind Mazdoor Sabha (Utkal Branch).
1408. Shri Nishamani Khuntia (President, Paradeep Port Workers' Union, Member-Executive, Hind Mazdoor Sabha).
1409. Shri Jagdish Nag (General Secretary, Rourkela Mazdoor Sabha).
1410. Shri Akulananda Behera, Member-Executive, Hind Mazdoor Sabha (Utkal Branch).
1411. Shri Sadasiba Misra. }
1412. Shri Aroon Kr. Patro. } *Orissa Government Press Employees' Union.*
1413. Shri Anil Kumar Ghose, Hind Mazdoor Sabha.
1414. Shri Jogendra Naik, Orissa Local Bodies Employees' Union.

Rourkela Mazdoor Sabha, Rourkela

1415. Shri Rajkishore Samantrai, M.L.A. (President, H.M.S., Utkal Branch).
1416. Shri Jagdish Nag, General Secretary.
1417. Shri Biswanath Pandit (President, Orissa Medical Workers' Union).
1418. Shri Krushna Chandra Patra (General Secretary, H.M.S., Utkal Branch).
1419. Shri Nishamani Khuntia (President, Paradeep Port Workers' Union).
1420. Shri Akulananda Behera (Member-Executive, H.M.S., Utkal Branch).
1421. Shri Sadasiba Misra (Orissa Government Press Employees' Union.)
1422. Shri Aroon Kr. Patro (Orissa Government Press Employees' Union).
1423. Shri Anil Kumar Ghose (H.M.S.)
1424. Shri Jogendra Naik (Orissa Local Bodies Employees' Union).

Talcher Thermal Scheme Employees' Union, Talcher

1425. Shri Srinivas Misra, President.
1426. Shri Dwarika Mohan Misra, General Secretary.

Orissa State Electricity Board Work-charged Employees' Union Bhubaneswar.

1427. Shri Akhilmohan Patnaik, President.
1428. Shri Prafulla Kumar Mohanty, Vice-President.
1429. Shri Nabakishore Dutta, General Secretary.

Orissa Krushak Samaj, Bhubaneswar

1430. Shri M. C. Rautaroy, Assistant State Organiser.
1431. Shri K. C. Lenka. }
1432. Shri P. K. Singh. } *Members*
1433. Shri P. Khandaitray. }

1434. Shri P. M. Krishna Pillai, Indian Aluminium Co. Ltd., *Calcutta*.

Orissa Millowners' Association, Cuttack

1435. Shri Bansidhar Mohanti, President.
1436. Shri Purshotam Sunderdas, Hony. Secretary.
1437. Shri D. N. Rath (Personnel Officer, Orient Paper Mills Ltd., Brajrajnagar, Distt. Sambalpur).
1438. Shri B. L. N. Swami, Office Secretary.

Indian Aluminium Co. Ltd., Hirakud

1439. Shri V. S. Sachdev, Works Manager.
1440. Shri S. Misra, Personnel Superintendent.
1441. Shri P. N. Krishna Pillai, (Industrial Relations Adviser, Indian Aluminium Co. Ltd., *Calcutta*).
1442. Shri D. P. Rath, Senior Personnel Officer, Bolani Ores Ltd., Bolani, Keonjhar Distt.

Paradeep Port Trust

1443. Shri N. Choudhury, Secretary.
1444. Shri S. K. Das, Labour Officer.

Government of Orissa and State Public Sector Undertakings

1445. Shri V. V. Anantkrishnan, Chairman, Orissa State Electricity Board, *Bhubaneswar*.
1446. Shri B. R. Patel, Secretary to Government, Industries and Commerce Department.
1447. Shri C. B. Jain, Secretary to Government, Works and Transport Department.
1448. Shri B. C. Tripathy, Secretary to Government, Agriculture Department.
1449. Shri T. C. Mahapatra, Chief Engineer, Orissa State Electricity Board, *Bhubaneswar*.
1450. Shri U. N. Mohanty, Director, Agriculture.
1451. Shri N. Chand, Director, State Transport Services, *Cuttack*.
1452. Shri K. Srinivasan, Mg. Director, Orissa Mining Corporation, *Bhubaneswar*.
1453. Shri M. P. Modi, Secretary, Industrial Development Corporation of Orissa Ltd.
1454. Shri U. N. Mishra, Superintendent, Orissa Government Press, *Cuttack*.
1455. Shri A. R. Rao, Mg. Director, Orissa Construction Corporation, *Bhubaneswar*.
1456. Shri Sreepal Jee, Director, Orissa Forest Corporation Ltd., *Cuttack*.
1457. Shri J. N. Panda, General Manager, Orissa Road Transport Co.
1458. Shri S. N. Das Mohapatra, Project Administrator, Hira Cement Works, Cement Nagar, *Sambalpur*.
1459. Shri P. C. S. Patro, Secretary, Orissa Agro and Small Industries Corporation, *Cuttack*.
1460. Shri S. C. Padhi, Divisional Manager, Orissa Forest Corporation Ltd., *Bhubaneswar*.

Orissa State Electricity Board, Bhubaneswar

1461. Shri B. K. Kar, Secretary.
 1462. Shri D. Mahapatra.
 1463. Shri S. P. Mishra, Manager, Text Book Press, *Bhubaneswar*.
 1464. Shri S. R. Dash, Labour Welfare Officer, Orissa State Electricity Board, *Bhubaneswar*.
 1465. Shri S. Misra, Vice-Chancellor, Utkal University, *Bhubaneswar*.
 1466. Shri B. R. Rao, Presiding Officer, Additional Industrial Tribunal, *Bhubaneswar*.
 1467. Shri I. C. Misra, Ex-Presiding Officer, Industrial Tribunal, *Bhubaneswar*.
 1468. Shri B. S. Patnaik, Ex-Presiding Officer, Industrial Tribunal, *Bhubaneswar*.
 1469. Shri S. B. Nanda, Advocate, Medical College Road, Ranihat, *Cuttack*.

A II Orissa Motor Transport Employees' Federation, Bhubaneswar.

1470. Shri Akilmohan Patnaik, Working President.
 1471. Shri Prafulla Kumar Mohanty, General Secretary.
 1472. Shri Lalitmohan Mohanty. } *Unit Secretaries*
 1473. Shri Harilar Chaudhuri. }
 1474. Shri Rajballav Misra, Minister for Labour, Employment and Housing, Orissa State, *Bhubaneswar*.

Department of Labour, Government of Orissa

1475. Shri S. K. Bose, Additional Chief Secretary.
 1476. Shri G. N. Das, Secretary, Labour, Employment and Housing Department.
 1477. Shri U. N. Sahu, Labour Commissioner.
 1478. Shri N. Mohanti, Director of Employment.
 1479. Dr. C. Misra, Director, Bureau of Statistics and Economics.
 1480. Shri B. K. Patnaik, Chief Inspector of Factories.
 1481. Shri N. Pati, Deputy Labour Commissioner.
 1482. Shri A. V. Subrahmanyam, Regional Director, E.S.I. Scheme.
 1483. Shri J. M. Pandya, Regional Provident Fund Commissioner.

SIMLA — HIMACHAL PRADESH : August 30-31, 1968.**I.N.T.U.C. (Himachal Pradesh) and its affiliated Unions**

1484. Shri Durga Singh Rathaur, General Secretary, I.N.T.U.C. (Himachal Pradesh).
 1485. Shri Bharat Mittar. } *Municipal Employees' Union (Regd.), Simla*
 1486. Shri Gauri Nandan Sharma. }
 1487. Shri Amar Singh Thakur, H. P. Government Press Workers' Union, *Simla*.
 1488. Shri Brahm Singh Rana, Snowdon Hospital Employees' Union.
 1489. Shri Sant Ram, H.P.P.W.D. Labour Union.

H. P. Government Press Workers' Union, Simla.

1490. Shri Devi Saran.
 1491. Shri Bhagwan Singh.

Snowdon Hospital Employers' Union

1492. Shri Bhunger Ram Sharma.
 1493. Shri Dela Ram Thakur.
 1494. Shri Ganga Ram. }
 1495. Shri Paras Ram. } *H.P.P.W. D. Labour Union, Mahasu*
 1496. Shri Sita Ram Sharma, O/Secretary, B.S.L. Workers' Union, *H.O. Sundernagar.*

Himachal Pradesh Chamber of Commerce and Industry, Chandigarh

1497. Shri Joginder Singh, Secretary.
 1498. Shri K. G. Khanna (Secretary, Mohan Meakin Breweries Ltd., Solan Brewery).

Himachal Pradesh Trade Union Congress (A.I.T.U.C., Himachal Pradesh)

1499. Shri Kameshwar Pandit, President.
 1500. Shri Anoki Ram Betab (President, H. P. Agricultural Labourers' Union (Regd)).
 1501. Shri Salig Ram, Office Secretary.

Government of Himachal Pradesh

1502. Shri P. K. Mattoo, Secretary, Industries and Labour, and Labour Commissioner.
 1503. Shri Bachan Singh, Chief Conservator of Forests-cum-Secretary, Department of Forests.
 1504. Shri H. R. Mahajan, General Manager, Himachal Government Transport.
 1505. Shri B. D. Sharma, Superintending Engineer, Giri Hydel Project, Nahan.
 1506. Shri W. F. Desouza, Superintending Engineer, Hydel, Solan.
 1507. Shri M. P. Gupta, Conservator of Forests, Department of Forests.
 1508. Shri K. C. Shandil, Surveyor of Works, P.W.D.
 1509. Shri Y. D. Sanadhya, Legal-cum-Welfare Officer, Himachal Government Transport.
 1510. Shri T. S. Sodhi, Vocational Guidance Officer, Employment & Training Directorate.
 1511. Shri C. L. Sharma, Superintendent, H.P. P.W.D., *Simla.*

Beas-Sutlej Link Project, Sundernagar.

1512. Shri Avtaar Singh, Personnel Officer.
 1513. Shri Maharaj Singh, L.W.O.

BOMBAY—MAHARASHTRA STATE : September 9-11, 1968.**All India Manufacturers' Organisation, Bombay**

1514. Shri Y. A. Fazalbhoy, President.
 1515. Shri Ram Agrawal, Vice-President.
 1516. Shri B. D. Somani, Chairman, Special Committee Industrial Relations.
 1517. Shri H. P. Merchant, Ex-Vice-President.
 1518. Shri Hemantkumar Vaidya, Hon. General Secretary.
 1519. Shri P. L. Badami, Secretary General.
 1520. Shri G. L. Kothari, Labour Adviser.
 1521. Shri K. S. James, Assistant Secretary.

Indian Cotton Mills Federation, Bombay

1522. Shri Madanmohan Mangaldas, Chairman.
 1523. Shri M. K. Mohata, M.P. (Chairman, Delhi-Punjab Textile Mills Association)
 1524. Shri Bhaskar G. Kakatkar, Secretary General.
 1525. Shri R. L. N. Vijayanagar (Secretary, Millowners' Association, Bombay).
 1526. Shri H. G. Acharya (Secretary, Millowners' Association, Ahmedabad).
 1527. Shri S. Bhattacharya (Secretary, Millowners' Association, Calcutta).
 1528. Shri M. K. Agarwal.

Indian National Textile Workers' Federation, Ahmedabad

1529. Shri N. S. Deshpande, President.
 1530. Shri A. N. Buch, General Secretary.
 1531. Shri N. M. Barot.
 1532. Shri A. T. Bhonsale.
 1533. Shri S. N. Undalkar.
 1534. Shri V. B. Arolkar.
 1535. Shri M. P. Thorat.
 1536. Kumari E. D'Souza.
 1537. Shri P. N. Inamdar.

} *Associates***Indian National Cement Workers' Federation, Bombay**

1538. Shri H. N. Trivedi, President.
 1539. Shri C. L. Dudhia, Vice-President.
 1540. Shri D. M. Tulpule, Treasurer.
 1541. Shri V. H. Joshi.
 1542. Shri A. Lokhande.
 1543. Shri R. P. Mishra.

} *Committee Members***Coordinating Committee of Independent Trade Unions, Bombay**

1544. Shri G. B. Sukhee, Convener.
 1545. Shri S. R. Pendke (Vice-President, Bombay Municipal Supervisory Staff Union).
 1546. Shri A. H. Miranjan (Bank Employee).

National Institute of Labour Management, Bombay

1547. Shri V. G. Karnik, Chairman.
 1548. Shri M. L. Gore, Secretary.
 1549. Shri R. G. Gokhale.
 1550. Shri S. V. Uttamsingh.
 1551. Shri N. K. Khare.

} *Members*

Bombay Labour Institute Association, Bombay

1552. Dr. B. S. Bhir, President.
1553. Dr. V. G. Mhetras. }
 1554. Shri P. P. Kulkarni. } *Members, Drafting Committee*
 1555. Shri M. L. Gore. }
 1556. Shri G. L. Hardikar. }
 1557. Shri J. R. Nageshkar.
1558. Prof. R. D. Joshi. }
 1559. Dr. Smt. S. A. Vaietya. } *Members, Drafting Committee*

Hind Mazdoor Sabha, Bombay

1560. Shri S. B. Giri, President.
1561. Shri S. G. C. Anthoni Pillai. }
 1562. Shri Vimal Mehrotra. } *Vice-President*
1563. Shri Mahesh Desai, General Secretary.
1564. Shri Shanti Patel. }
 1565. Shri Bagaram Tulpule. } *Members*
 1566. Shri Brajkishor Shastri. }
 1567. Shri Tarachand Sethi. }

BANGALORI — MYSORE STATE : September 24, 1968

Bharat Electronics Ltd., Bangalore

1568. Lt. General, A. C. Iyappa (Retd.), Mg. Director.
1569. Shri C. R. Subramaniam, General Manager.
1570. Shri A. Rangaswamy, Controller of Finance.
1571. Col. V. M. Bhide, Chief Commercial Manager.
1572. Shri B. S. Hanuman, Administrative Manager.
1573. Shri N. L. Krishnan, Deputy General Manager (Radar).
1574. Shri K. B. S. Reddi, Personnel Manager.
1575. Shri S. H. Mohoskar, P.R.O.

Bharat Electronics Employees' Union, Bangalore

1576. Shri M. S. Krishnan, President.
1577. Shri M.S.C. Rao, Vice-President.
1578. Shri S. Aravil, Joint Secretary.
1579. Shri Rajagopal, Assistant Secretary.
1580. Shri Reddy, Treasurer.

Bharat Electronics Karmika Sangha (INTUC), Bangalore

1581. Shri D. Rajagopal, President.
 1582. Shri D. S. Eshwaran, Vice-President.
 1583. Shri B. Reddy, General Secretary.
 1584. Shri P. K. Mustafa, Joint Secretary.
 1585. Shri R. R. Mohite, Treasurer.
1586. Management and Workers of Kirloskar Electricals, *Bangalore*.
 1587. Management and Workers of Bangalore Woollen, Cotton and Silk Mills Co. Ltd., *Bangalore*.

MADRAS — MADRAS STATE,* : *September 25—27, 1963.***Madras Labour Union (Buckingham and Carnatic Mills Ltd.), Madras**

1588. Shri G. K. Narayanan.
 1589. Shri K. V. N. Rajan.
 1590. Shri K. P. Samundeeswaran.
- } *Joint Secretaries*

Buckingham and Carnatic Mills Staff Union, Madras

1591. Shri Abraham C. Joseph, Vice-President.
 1592. Shri K. J. Sivaprakasam, General Secretary.
 1593. Shri M. Raghavan Nambiar, Joint Secretary.

Buckingham and Carnatic Mills Ltd., Madras

1594. Shri N. S. Bhat, Group Personnel Manager.
 1595. Shri V. G. Ramamoorti, Mill Manager.

Enfield Employees' Union, Madras

1596. Shri D. Krishnan, Vice-President.
 1597. Shri G. Ganesan, General Secretary.
 1598. Shri M. Paramasivam.
 1599. Shri M. R. Nithyanandan.
- } *Joint Secretaries*

Enfield India Ltd., Madras

1600. Shri S. Sankaran, Mg. Director.
 1601. Shri A. Anantha Raman, Welfare Officer.

Indian Oxygen Employees' Union, Madras

1602. Shri S. K. Sreedharan.
 1603. Shri T. Natarajan.
 1604. Shri S. Krishnan, General Secretary.
- } *Vice-Presidents*

*Since re-named TAMIL NADU.

1605. Shri R. Dorairajan.
 1606. Shri S. Manickam. } *Joint Secretaries*

Indian Oxygen Ltd. Madras

1607. Shri N. K. K. Menon, District Sales Manager.
 1608. Shri A. V. George, Branch Personnel Officer.
 1609. Shri A. R. Singh, District Engineer.

Simpson Group Companies Workers' and Staff Union, Madras

1610. Shri K. Gurumurthy, President.
 1611. Shri K. Seethapathi, General Secretary.

Simpson & Co., Ltd., Madras

1612. Shri S. Anantharam, Director & General Manager.
 1613. Shri J. Sankaran, Comptroller & Treasurer.
 1614. Shri R. Viswanathan, Industrial Relations Officer.
 1615. Shri K. S. Ganesh, Facilities Manager.

NEW DELHI : October 4-5, 1968

Indian National Trade Union Congress, New Delhi

1616. Shri Abid Ali.
 1617. Shri Shantilal H. Shah.
 1618. Shri V. V. Dravid.
 1619. Shri N. M. Barot.
 1620. Shri Kanti Mehta.
 1621. Shri N. K. Bhatt.
 1622. Shri N. S. Deshpande.
 1623. Shri B. K. Mahanti.
 1624. Shri J. C. Dikshit.

Council of Indian Employers, New Delhi

1625. Shri Babubai M. Chinai, M.P.
 1626. Shri B. G. Kakatkar.
 1627. Shri B. M. Sethi.
 1628. Shri G. B. Pai.
 1629. Shri H. S. Singhania.
 1630. Mr. J. M. Parsons.
 1631. Shri M. Ghose.
 1632. Shri N. M. Wagle.
 1633. Shri N. S. Bhat.
 1634. Shri P. Chentsal Rao.
 1635. Mr. P. J. Parr.
 1636. Shri R. C. Pande.
 1637. Shri R. H. Mody.
 1638. Shri T. S. Swaminathan.

National Federation of Indian Railwaymen, New Delhi

- 1639. Shri Keshav H. Kulkarni, Joint General Secretary.
- 1640. Shri P. N. Sharma, Member, Working Committee.
- 1641. Shri Amar Dass (Treasurer, Uttriya Railway Mazdoor Union, *New Delhi*).
- 1642. Shri Hazari Lal Sharma (Zonal Secretary, Western Railway Mazdoor Sangh).

Indian National Iron and Steel Workers' Federation, Jamshedpur

- 1643. Shri Gopeshwar, General Secretary.
- 1644. Shri C. P. Choudhary.
- 1645. Shri Daljit Singh.
- 1646. Shri Priya Prasad.
- 1647. Shri Ratan Singh.
- 1648. Shri Somanath Sanval.

Indian National Mine Workers' Federation, Calcutta

- 1649. Shri Kanti Mehta.
- 1650. Shri N. K. Bhatt.
- 1651. Shri B. K. Mahantti.

SHILLONG — ASSAM STATE : October 16-17, 1968.

- 1652. Shri C. Sinha, Branch Secretary, Tea Association of India, Assam Branch, *Jorhat*.
- 1653. Shri N. M. Goswami, Personnel Officer, Assam Match Co. Ltd., *Dhubri*.
- 1654. Shri S. N. Phukan, Secretary, Assam Tea Planters' Association, *Jorhat*.
- 1655. Shri M. L. Banerjee, Secretary, Assam Rice Mills Association, *Gauhati*.
- 1656. Shri D. N. Jatia, Director, Associated Industries (Assam) Ltd., P. O. *Chandrapur*, Dist: Kamrup; and President, Assam Manufacturers' Association, *Gauhati*.
- 1657. Shri J. Goswami, Vice-President, Assam Manufacturers' Association, *Gauhati*.
- 1658. Shri Dulal Dutta, Personnel Officer, Associated Industries (Assam) Ltd., P. O. *Chandrapur*, Dist: Kamrup.
- 1659. Shri Hem Datta, Social Worker, Nongthymmai. *Shillong*.

Assam Tea Gardens Tribes' Students' Association, Shillong.

- 1660. Shri Sachindra Mohan Mahato, Assistant General Secretary.
- 1661. Shri George Toppo, Treasurer.
- 1662. Shri Krishna Ram Nag, Executive Member.

Assam Co-operative Apex Bank Ltd, Shillong

- 1663. Shri M. K. Das, Secretary.
- 1664. Shri S. K. Sen, Additional Secretary.

I.N.T.U.C. (Assam Branch)

1665. Shri Probin Goswami, General Secretary.
1666. Shri B. Baroi, }
 1667. Shri B. B. Singh. }
 1668. Shri B. Das. }
 1669. Shri B. N. Upadhya. }
 1670. Shri Deben Bardalai. }
 1671. Shri T. Roy. } *Members, Working Committee*
 1672. Shri G. Tanti. }
 1673. Shri J. Sinha. }
 1674. Shri L. Karmarkar. }
 1675. Shri M. Mohanta. }
 1676. Shri S. N. Ram. }
1677. Shri G. C. Sarmah (General Secretary, A.C.K.S.).

Indian National Plantation Workers' Federation, Silchar, P.O. Cachar.

1678. Shri G. C. Sarmah, General Secretary.
1679. Shri J. Sinha, Ex-General Secretary.
1680. Shri P. Goswami (General Secretary, A.C.M.S.).
1681. Shri T. Roy (Cachar Cha Sarmik Union, Shillong).

Assam Chah Mazdoor Sangha, Dibrugarh and Assam Chah Karmchari Sangha, Dibrugarh

1682. Shri L. C. Karmakar, President }
 1683. Shri P. Goswami, General Secretary. } *Assam Chah Mazdoor Sangha.*
 1684. Shri G. C. Sarmah, General Secretary, Assam Chah Karmchari Sangha.
 1685. Shri D. Bardoloi, Branch Secretary, A.C.M.S./A.C.K.S., Nazira Branch.
 1686. Shri G. N. Tanti, Branch Secretary, A.C.M.S., Jorhat Branch.
 1687. Shri S. N. Ram, Branch Secretary, A.C.M.S., Biswanath Branch.

Cachar Cha-Sramik Union, Silchar

1688. Shri B. N. Upadhyai, Vice President.
1689. Shri J. Sinha, M.L.A., General Secretary.
1690. Shri T. Roy. }
 1691. Shri B. Baroi. } *Assistant General Secretaries*
 1692. Shri B. Das, Adviser.

Cachar Mills Workers' Union, Silchar

1693. Shri B. Baroi, President.
1694. Shri B. Das, Secretary.

1695. Shri J. Sinha, M.L.A.
 1696. Shri B. N. Uapadhyaya, M.L.A. } *Advisers*
 1697. Shri T. Roy.

Electricity Co-ordination Committee, Shillong

1698. Shri U. N. Bhuyan, Vice President.
 1699. Shri N. R. Mukherjee, General Secretary.
 1700. Shri B. N. Dutta, Member.
 1701. Shri H. P. Choudhary (General Secretary, Assam State Electricity Workers' Union, *Shillong*).
 1702. Shri K. Chakravarty (Secretary, Assam State Electricity Board Administration Employees' Union, *Shillong*).

Members

1703. Shri S. Dutta Choudhury.
 1704. Shri B. K. Bhattacharjee.

India Carbon Ltd., Gauhati

1705. Shri D. C. Barkataki, Deputy General Manager.
 1706. Shri J. Goswami, Estate Manager.
 1707. Shri A. Bhattacharyya, Deputy Chief Engineer and Deputy Secretary, P.W.D. (R&B) *Shillong*.
 1708. Shri R. S. Parmasivan, Officer on Special Duty, Assam State Electricity Board, *Shillong*.
 1709. Shri T. S. Gill, Secretary, Co-operation Department, Government of Assam.
 1710. Shri A. D. Adhikari, Director of Industries, Assam.

State Transport Undertaking

1711. Shri G. K. Phukan, Deputy Director.
 1712. Shri N. Mahanta, Labour Officer.
 1713. Shri Francis Hans, Assam Tea Labour Association, *Jorhat*.
 1714. Shri Michael Logun, Assam Cha-Sramik Union, *Tezpur*.

All India Manufacturers' Organisation, District Council, Tinsukia

1715. Shri D. B. Patel, President.
 1716. Shri B. P. Bakshi, Secretary.
 1717. Shri K. P. Tripathi, Minister for Labour and Finance, Assam State, *Shillong*.

Labour Department, Government of Assam

1718. Shri S. J. Das, Secretary, Labour.
 1719. Shri B. Sarma, Labour Commissioner.
 1720. Shri S. C. Bhagabati, Director of Employment & Craftsmen Training.
 1721. Shri J. C. Baruah, Chief Inspector of Factories.
 1722. Shri S. C. Dey, Chief Inspector of Boilers.
 1723. Shri N. Gohain, Chief Inspector of Motor Transport Undertakings-cum-Deputy Labour Commissioner.
 1724. Shri B. C. Saha, Senior Assistant Labour Commissioner-cum-Deputy Chief Inspector of Motor Transport Undertakings.

NEW DELHI : December 5—7, 1968.

ICFTU—Asian Regional Organisation, New Delhi

1725. Shri V. S. Mathur, Asian Regional Secretary.
 1726. Mr. Bo Carlson (Director, ICFTU Asian Trade Union College).
 1727. Mr. E. Kristoffersen }
 1728. Shri V. B. Dixit } (*ICFTU Asian Trade Union College*)
 1729. Shri S. M. Durve }
 1730. Shri V. K. Goel.
 1731. Shri D. M. Sawhney.

Indian Social Institute, New Delhi

1732. Father A. Fonseca, Director of Research.
 1733. Shri G. K. Varma, Research Assistant.

Government of India

1734. Shri D. S. Joshi, Cabinet Secretary.
 1735. Shri L. P. Singh, Secretary, Ministry of Home Affairs.
 1736. Shri P. C. Mathew, Secretary, Department of Labour & Employment.
 1737. Shri B. Sivaraman, Secretary, Department of Agriculture.
 1738. Shri R. Prasad, Secretary (Services), Ministry of Home Affairs.
 1739. Shri B. D. Pande, Secretary, Planning Commission.
 1740. Dr. I. G. Patel, Special Secretary, Department of Economic Affairs.
 1741. Shri B. Mukerjee, Financial Commissioner, Railways.
 1742. Shri M. Dayal, Offg. D. G., Posts and Telegraphs; and Chairman, Posts and Telegraphs Board.

Ministry of Home Affairs

1743. Shri L. P. Singh, Secretary.
 1744. Shri R. Prasad, Secretary (Services).

*Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment),
Government of India, and its attached Offices*

1745. Shri P. C. Mathew, Secretary.
 1746. Shri P. M. Nayak, Additional Secretary.
 1747. Dr. S. T. Merani, Joint Secretary.
 1748. Shri R. B. Shukla, Director of Industrial Relations.
 1749. Shri Dharni Dhar }
 1750. Shri B. N. Chakravorti } (*Deputy Secretaries*)
 1751. Shri H. P. Duara, Director (Welfare).
 1752. Shri L. R. Varma, Joint Director.
 1753. Shri H. K. Choudhry, O.S.D.

1754. Shri C. R. Nair.
1755. Shri . K. D. Hajela.
1756. Shri J. D. Tewari.
1757. Shri H. R. Chhabra.
1758. Shri Balwant Singh.
1759. Shri O. P. Talwar.
1760. Shri K. M. Tripathi
1761. Shri A. Krishnamurti,
1762. Shri S. N. Sharma,
1763. Shri S. S. Mukherjee,
1764. Shri S. K. Mallick, Director General, Employment & Training.
1765. Shri T. C. Puri , Director General, Employees' State Insurance Corporation.
1766. Shri H. B. Ghose, Deputy Director General, Mines Safety.
1767. Shri B. J. Ramrakhiani, Deputy Director General, Factory Advice Service and Labour Institutes.
1768. Shri O. Venkatachalam., Chief Labour Commissioner.
1769. Shri K. K. Bhatia, Director, Labour Bureau.
1770. Shri P. Sadagopan, Central Provident Fund Commissioner.
1771. Shri S. N. Pande, Coal Mines Welfare Commissioner.
1772. Shri P. Chandra, Coal Mines Provident Fund Commissioner.
1773. Dr. M. A. Chansarkar, Director, Central Board for Workers' Education.
1774. Shri R. J. T. D'Mello. } Deputy Chief Labour Commissioners
1775. Shri O. Mahcepathi. }
1776. Shri K. B. Sharma, Director of Employment Exchanges.
1777. Shri A. S. Lall, Director of Training.
1778. Shri G. Jagannathan, Under Secretary, Directorate General of Employment & Training.

NEW DELHI : January 7-8, 1969

Planning Commission, New Delhi.

1779. Dr. D. R. Gadgil, Deputy Chairman.
1780. Shri R. Venkataraman, Member (I)
1781. Shri B. Venkatappiah, Member (A)
1782. Shri Pitambar Pant, Member (P)
1783. Dr. S. Nag Chaudhury, Member (S)
1784. Shri B. D. Pande, Secretary.
1785. Shri M. V. Desai, Adviser (PI&P)
1786. Shri S. G. Tiwari, Chief (EG&P)
1787. Shri D. P. Nayar, Senior Specialist (Education).
1788. Shri R. P. Sachdev, Deputy Secretary.

1789. Shri S. E. Joseph, Director (V&SI).
 1790. Shri K. V. Iyer, Joint Director (L&E).
 1791. Shri Bishwa Nath Roy, M.P.
 1792. Shri Kashi Nath Pandey, M.P.
 1793. Shri Onkar Lal Berwa, M.P.
 1794. Shri S. K. Mallick, Director General, Employment & Training, *New Delhi*.
 1795. Shri N. P. Chatterjee, Secretary, Department of Labour, U.P.
 1796. Shri K. B. Sharma, Director of Employment Exchanges, *New Delhi*.
 1797. Shri G. Jagannathan, Under Secretary, Directorate General of Employment and Training, *New Delhi*.
 1798. Shri S. P. Singh, Deputy Labour Commissioner, U.P.

HYDERABAD — ANDHRA PRADESH : *January 9—11, 1969*

1799. Shri Khandubhai K. Desai, Governor, Andhra Pradesh.
 1800. Dr. C. Gopalan, Director, Nutritional Research Institute, Hyderabad.

BOMBAY — MAHARASHTRA STATE : *February 1-2, 1969*

1801. Shri L. K. Jha, Governor, Reserve Bank of India, Bombay.

Maharashtra Rajya S. S. Karkhana Sangh Ltd. Bombay.

1802. Shri Jayawantrao K. Bhosale, Chairman.
 1803. Shri V. P. Naidu, Mg. Director.
 1804. Shri Vasant Rao Dada Patil (President, M.P.C.C.), Director.
 1805. Shri V. A. Kore, Director.
 1806. Shri M. S. Marathe, Secretary.
 1807. Shri Ram Raghbir, Mg. Director, Sanjivani, S.S.K. Ltd., Kopergaon.
 1808. Chief Minister of Maharashtra and Leaders of Opposition Parties in Maharashtra Legislature.

RANCHI — BIHAR STATE : *February 23, 1969*

1809. Shri R. Prasad, Chairman, National Coal Development Corporation, Ranchi, and Heavy Engineering Corporation, *Ranchi*.
 1810. Shri A. N. Banerji, Deputy Chairman, Hindustan Steel Ltd., *Ranchi*.
 1811. Shri M. V. Rao, Financial Director, Heavy Engineering Corporation, *Ranchi*.
 1812. Shri R. Sinha, Director (Administration), National Coal Development Corporation, *Ranchi*.
 1813. Shri M. K. Murthy, General Manager, Heavy Machine Building Project, Ranchi, and Heavy Engineering Corporation, *Ranchi*.
 1814. Shri N. P. Dhusia, Chief (Industrial Relations), Hindustan Steel Ltd.
 1815. Shri I. N. Thakur, Chief of Personnel, Heavy Engineering Corporation, *Ranchi*.
 1816. Shri I. B. Sanyal, C.P.O., National Coal Development Corporation.
 1817. Shri I. Prasad, Labour Commissioner, *Bihar*.
 1818. Shri S. N. Saigal, Deputy Commissioner, *Ranchi*.
 1819. Bakshi S. P. Sinha, Superintendent of Training, Heavy Engineering Corporation, *Ranchi*.
 1820. Shri S. N. Singh, Secretary, H. E. Mazdoor Union, *Ranchi*.

Hatia Project Workers' Union, Ranchi

1821. Shri B. N. Raju, Vice-President.
 1822. Shri A. K. Singh, Joint General Secretary.
 1823. Shri S. M. Mujtaba, Assistant Secretary.

Hindustan Steel Employees' Union, Ranchi

1824. Shri N. D. Virmani, Vice-President.
 1825. Shri B. N. Banerjee, Secretary.
 1826. Shri K. S. Siva Rao, Joint Secretary.

National Coal Organisation Employees' Association, Ranchi

1827. Shri J. K. Bose, President.
 1828. Shri H. K. Roy.
 1829. Shri Abraham Mathews.

H.E.C. Employees' Union, Ranchi

1830. Shri S. Upadhyaya, President.
 1831. Shri G. D. Singh, Member.

JAMSHEDPUR — BIHAR STATE : February 25, 1969**Tata Iron and Steel Co. Ltd., Jamshedpur**

1832. Shri R. S. Pande
 1833. Shri R. H. Mody } *Resident Directors*
 1834. Shri S. K. Nanavati }
 1835. Shri S. Chander, General Manager.
 1836. Mr. H. Marshal, Works Director, Indian Cable Co., *Jamshedpur*.
 1837. Shri R. H. Broacha, General Manager, Tata Locomotive and Engineering Company Ltd., *Jamshedpur*.
 1838. Maj. Gen. M. G. Dewan, Tin Plate Co. of India Ltd., *Jamshedpur*.
 1839. Shri G. S. Keshwani, Indian Tube Co., *Jamshedpur*.
 1840. Shri Sidheshwar Chaudhary, General Secretary, I.N.T.U.C. (*Bihar*).

Tube Co. Workers' Union (INTUC)

1841. Shri K. P. Singh, Vice-President.
 1842. Shri S. Singh, Assistant Secretary.

TELCO Workers' Union, Jamshedpur

1843. Shri G. Singh, Vice-President.
 1844. Shri Lakshmi Narayan, General Secretary.
 1845. Shri R. L. Singh, General Secretary, Wire Products Labour Union.
 1846. Shri S. Ramana, Assistant Secretary, Tinplate Workers' Union.
 1847. Shri V. C. Gopal, General Secretary, 'Tata Workers' Union, *Jamshedpur*.

Thakkedar Mazdoor Panchayat

1848. Shri Swarn Singh, President.
 1849. Shri G. R. Sahu, General Secretary.
 1850. Shri V. N. Kishore, Jamshedpur Engineering Mazdoor Sabha.
 1851. Shri R. L. Varma, President, Steel Factory Contractors' Labour Union.
 1852. Shri S. N. Choudhary, President, Indian Oxygen Workers' Union, Jamshedpur.
 1853. Shri R. M. Chaudhry, General Secretary, Indian Cable Workers' Union, Jamshedpur.
 1854. Shri Kameshwar Prasad Sinha, TISCO Karmchari Sangh, Jamshedpur.

DURGAPUR—WEST BENGAL STATE : February 26, 1969

1855. Representatives of I. N. T. U. C.
 1856. Representatives of Hindustan Steel Employees' Union (A. I. T. U. C.)
 1857. Representatives of Employers.

CALCUTTA—WEST BENGAL STATE : February 27, 1969

1858. Representatives of Employers' Associations in Calcutta.

BOMBAY—MAHARASHTRA STATE : May 27, 1969**Samajwadi Yuva Sabha, Bombay**

1859. Shri Ramesh Joshi.
 1860. Shri Eknath Satam.
 1861. Shri Mohan Keluskar.
 1862. Shri Appa Dalvi.
 1863. Shri Kusumakar Desai.
 1864. Shri Vasant Shinde.
 1865. Shri Kumar Nabar.
 1866. Shri Datta Bhalekar

B. List of Organisations/Persons who tendered evidence before groups of Members of the Commission during informal Discussions/Observation visits.**JAMMU—JAMMU AND KASHMIR STATE : September 28 29, 1967****Chamber of Commerce, Jammu**

1. Shri C. L. Uppal, President.
2. Shri Krishna Kant, General Secretary.

Industrial Estate Manufacturers' Association, Jammu-Tawi

3. Shri O. P. Modi, President.
4. Shri K. R. Dogra, General Secretary.
5. Shri Jitendra Aul.
6. Shri Kulbhushan Gupta: } *Members, Executive Committee*

Industrial Estate Workers' Union, Jammu

7. Shri Jaswant Singh, President.
8. Shri M. R. Narula, General Secretary.

Trade Employees' Association Jammu

9. Shri Dhani Ram Gandotra, President.
10. Shri Ram Chand Khajuria, General Secretary.
11. Shri Som Dutt, Organiser.
12. Shri Prem Nath, Secretary.

State Central Labour Union (Jammu Branch)

13. Shri Bhagar Ram, President.
14. Shri Manga Ram, Vice-President.
15. Shri Om Prakash Mullick, Organiser.
16. Shri Dev Dutt, Secretary, and eight others.
17. Management and Workers of Sericulture Unit of J. & K. Industries Pvt. Ltd.
18. Management and Workers of Rosin and Turpentine Unit of J. & K. Industries Pvt. Ltd.
19. Management and Workers of Tanneries Unit of J. & K. Industries Pvt. Ltd.
20. Management and Workers of Kashmir Breweries.
21. Management and Workers of three factories in the Industrial Estate.

NAGPUR—MAHARASHTRA STATE : October 15-16, 1967

22. Management and Workers of Kandri Mines, Kandri (*Nagpur*).
23. Management and Workers of Kamptee Collieries, Kamptee (*Nagpur*).

I. N. T. U. C. (Nagpur Branch)

24. Shri S. W. Dhabe (President, Maharashtra I. N. T. U. C.)
25. Shri Kharati Lal, Vice-President.
26. Shri G. M. Khodey, Organising Secretary.
27. Shri S. Athver (General Secretary, Rashtriya Hospital Karamchari Union).
28. Shri S. D. Raut (General Secretary, Maharashtra Pradesh Rashtriya Koyala Khadan, *Kamptee*).
29. Shri S. D. Dange (Secretary, Vidarbha Rashtriya Electric Workers' Union, *Nagpur*).
30. Dr. S. L. Kashikar, President, Rashtriya Manganese Khadan Prantak-Kamgar Sangh.

Rashtriya Mill Mazdoor Sangh, Nagpur

31. Shri H. J. Naik, President.
32. Shri D. N. Lambat, General Secretary.
33. Shri V. P. Sathe, Hind Mazdoor Sabha
34. Shri N. H. Kumbhare, Secretary, Maharashtra State Bidi Mazdoor Sangh; and President, United Federation of Manganese Workers.
35. Dr. V. S. Murti, Head of the Department of Public Administration and Local Self Government, University of Nagpur, *Nagpur*.

A. I. T. U. C. (Nagpur Branch) and allied organisations

36. Shri A. B. Bardhan. }
 37. Shri M. N. Deshkar. } *A. I. T. U. C.*
 38. Shri N. B. Mehendre, President, Nagpur Gumastha Mandal; and General Secretary, Girni Majoor Sangh.
 39. Shri S. K. Sanyal, General Secretary, Samyukta Khadan Mazdoor Sangh.
 40. Shri Charandas Konduji Dhore.
 41. Shri N. H. Shrote, General Secretary, Swatantra Kamgar Sanghathana Aghadi.
 42. Shri A. N. Thavare, General Secretary, Maharashtra Gumashta Mandal.

Manganese Ore (India) Ltd., Nagpur

43. Shri P. G. Gavai, Mg. Director.
 44. Shri A. D. Jahagirdar, Secretary.
 45. Shri A. R. Pillai, Chief Labour and Welfare Officer.
 46. Shri V. G. Patankar, Chief Audit and Accounts Officer.

Nagpur Itwari Kirana Merchants' Association, Nagpur

47. Shri K. C. Agrawal, Secretary.
 48. Shri C. K. Jasore, Joint Secretary.
 49. Shri Mawal Rathi, Hon Secretary, Amravati District Gin and Press Owners' Association.
 50. Shri R. B. Rathi, Partner, Thakurdas Ballabhdas Gin and Press Factory, *Amravati*.
 51. Shri L. B. Bhokre, Chairman, Vidarbha Coop. Marketing Society, *Nagpur*.
 52. Shri K. S. Chimote, Secretary, Nagpur and Wardha Gin Press Association.
 53. Shri V. B. Panat, Secretary, Buldhana District Gin Press and Oil Mill Karkhandar Sang, *Khamgaon*.
 54. Shri Chapsi Dhanji Dand, President, The Vidharba Region Cotton Gin Press Karkhandar Federation, *Khamgaon*.

Amravati District Gin Press Factory Owners' Association, Amravati

55. Shri P. J. Dotiwala, President.
 56. Shri K. R. Toliwal, Secretary.
 57. Shri K. D. Rathi, Authorised Controller, Model Mills, *Nagpur*.
 58. Shri Devendra Jasari, Bidi, Bidi-Leaves and Tobacco Merchants Association, *Gondia*.
 59. Shri S. R. Guha, Hon. Secretary, Maharashtra Mofussil Mills Association, *Nagpur*.
 60. Shri K. N. Sharma, General Manager, Sri Baidyanath Ayurved Bhawan (P) Ltd., *Nagpur*.
 61. Shri S. Sanyal, Mg. Partner, Sanyal & Co. *Nagpur*.
 62. Management and Workers of Bidi Factories, Kamptec (*Nagpur*).

Siddharth Mill Kamgar Sangh, Nagpur

63. Shri W. L. Waghmare, President.
 64. Shri Umrao Murarkar, General Secretary.
 65. Shri Hansraj Gajbhujje. }
 66. Shri H. L. Kosare. } *Advisers*
 67. Shri Madhukar Meshram. }
 68. Shri Raghunath Sakhare. } *Joint Secretaries*

All India Posts and Telegraphs Employees' Federation

69. Shri S. K. Kamble, General Secretary.

70. Shri Hansraj Gajbhuj. } *Advisers*

71. Shri H. L. Kosare. }

POONA—MAHARASHTRA STATE : October 18, 1967

72. Workers and Management of Hindustan Antibiotics Ltd., Pimpri (Poona).

Maharatta Chamber of Commerce and Industry, Poona.

73. Shri R. D. Pushalkar (Chairman, Sub-Committee for Industrial Relations).

74. Shri N. K. Firodia. }

75. Shri R. V. Gothaskar. } *Member*

76. Shri V. A. Sundaram. }

77. Shri B. R. Sabade, Secretary.

78. Shri D. V. Gokhale, Assistant Secretary.

79. Shri Wasant Tulpule, General Secretary, General Engineering and Metal Workers' Union.

80. Shrimati Malini Tulpule, Vice-President, Chemical Workers' Union, Poona.

Hindustan Antibiotics Mazdoor Sangh, Pimpri

81. Shri K. N. Phadke Vice-President (Vice-President, Philips Employees' Union, Loni and Associated Bearing Co., Chinchwad).

82. Shri R. P. Sharma, *Vice-President*.83. Shri V. T. Deshmukh, *Vice-President*.

84. Shri P. V. Subramanian, Joint Secretary.

85. Shri Y. V. Patwardhan, Secretary, I. N. T. U. C. (Maharashtra Branch).

86. Shri M. S. Hagwane, Member, General Council of All India I. N. T. U. C.

87. Shri Arun Mehta, General Secretary, Association of Engineering Workers (I. N. T. U. C.) and Maharashtra Vij Palkandhani Kamgar Sangh.

Poona Municipal Transport

88. Shri V. D. Desai, Transport Manager.

89. Shri R. K. Shinde, Labour and Public Relations Officer.

90. Shri A. M. D'Souza, Partner, D. Macedo & Co., Poona.

BANGALORE—MYSORE STATE : October 25, 1967

91. Dr. V. M. Ghatge, General Manager, Hindustan Aeronautics Ltd., Bangalore.

92. Workers of Hindustan Aeronautics Ltd., Bangalore.

93. Management and Workers of Indian Telephone Industries Ltd., Bangalore.

94. Management and Workers of Hindustan Machine Tools Ltd. (Watches Section), Bangalore.

95. Shri K. S. Murti, Superintendent, Kolar Gold Field.

96. Workers of Kolar Gold Field.

MYSORE—MYSORE STATE : *October 26, 1967*

97. Shri Vedant Hemmege, President, M. S. R. T. C. Employees' Union.

Shri Krishna Rajendra Mills

98. Shri S. Chikkanarasaiah, Assistant Secretary.
99. Shri D. A. Sugsutt.
100. Shri D. S. Sanjeevaiah.
101. Shri G. B. Laxminana Rajurs, Vice-President, S. K. Mills Workers' Union, *Mysore*.
102. Shri Hanumaiah, President, Mysore Lac & Paints Workers' Union, *Mysore*.

Mysore Beedi Mazdoor Association

103. Shri Aziz Sait, Vice-President.
104. Shri S. N. R. Khaleel, Secretary.

Mandya National Paper Mills Staff Association, Ideal Jawa Employees' Union; and Government Text Book Press Employees' Association.

105. Shri Srikanta Sharma, Representative.

S. K. Mills Union; Mysore Hospital Employees' Union; Ideal Jawa Employees' Association; Mysore District General Employees' Association; Mandya National Paper Mills Employees' Union; and Government Sandalwood Oil Factory Employees' Association

106. Shri M. Shivanna, Representative.
107. Shri M. S. V. Raghavan, Vice-President, Chamber of Commerce and Industry, Mysore and District Small Scale Industries Association.
108. Shri A. S. Ganesh Murthy, Honorary Secretary, District Small Scale Industries' Association.
109. Shri C. B. Mahaveera (Raja Oil and Rice Mills), Chamber of Commerce and Industry, Mysore; and District Small Scale Industries Association.

MERCARA—MYSORE STATE : *October 27, 1967*

Coorg District Estate Workers' Union (A. I. T. U. C), Mercara.

110. Shri B. N. Kuttappa, Secretary.
111. Shri B. N. Venkataramana, Assistant Secretary.
112. Shri P. Koraga.

Coorg District General Workers' Union, Virajpet

113. Dr. I. R. Agrana.
114. Shri P. Balakrishna.
115. Shri Krishnagiri Gundu Rao, Estate Workers' Union of South India, Coorg Branch.

Mysore Plantation Labour Union Congress (I. N. T. U. C.)

116. Shri N. B. Poovaiah, Vice-President.
117. Shri T. Moidu Kunli.
118. Shri C. P. Appayya, Proprietor, Chaettoli Estate.
119. Workers of Chaettoli Estate.

Consolidated Coffee Ltd.

120. Shri G. A. Appanna, General Manager.
121. Doctor, Estate's Hospital.
122. Workers of the Consolidated Coffee Ltd.

MANGALORE—MYSORE STATE : *October 28, 1967*

S. K. Tile Workers' Union (A. I. T. U. C), Mangalore

123. Shri P. Ramachandra Rao, Vice-President.
124. Shri B. Koragappa Rai, Secretary.

Dakshina Kannada Gourbeeja Sharamika Sangha

125. Shri B. Prabhakar Ghate, President.
126. Shri B. K. Suvama, Secretary.

Cashew Industry Staff Association

127. Shri G. N. Kuloor, President.
128. Shri U. G. K. Kini, General Secretary.

Cashewnut Workers' Union (A. I. T. U. C), Mangalore

129. Shri B. V. Kakkilaya, President.
130. Shri H. Umanath Nayak.

Dakshina Kannada Hamechina Keelasagarara Sangha (A. I. T. U. C), Mangalore

131. Shri H. Umanath Nayak, President.
132. Shri B. Sheena, Secretary.
133. Shri Shivananda Kamath, Secretary, S. K. Coffee, Cardamom and Allied Workers' Union (A. I. T. U. C), *Mangalore*.
134. Shri A. K. Narayana, General Secretary, Cashewnut and Allied Workers' Union (A. I. T. U. C), *Mangalore*.
135. Shri P. S. Tellicherikar, Secretary, S. K. Cashew and Coffee Workers' Union (A. I. T. U. C).

Bhartiya Mazdoor Sangh, Mangalore

136. Shri M. Mahabala Bhat, President.
137. Shri B. K. Suvama, General Secretary.
138. Shri D. Mohan Rau, S. K. General Labour Union, *Mangalore*.

Western India Tile Manufacturers' Association, Mangalore

139. Shri K. Visvanath Kamath, President.
140. Shri G. D. Rego, Vice-President.
141. Shri M. Sadanand Pai, Secretary.
142. Shri F. M. Lobo, Treasurer.
143. Shri F. X. D. Pinto, Committee Member.

Cashew Manufacturers' Association

144. Shri S. Damodar Nayak, Secretary.
145. Shri N. S. Ramaswamy.
146. Shri Rem Fernandes.

Labour Department, Mysore State

147. Shri M. A. Siddiqui, Assistant Labour Commissioner, *Mangalore*.
148. Shri M. Narayanaswamy, District Employment Officer, *Mangalore (SF)*.

149. Shri Ahmed Ramlan, Provident Fund Inspector, *Mangalore, Dn. South.*
150. Shri B. A. Shariff, Labour Inspector, I Circle.
151. Shri B. B. Hedge, Workers Education Centre, *Mangalore.*
152. Shri K. Hameed, Labour Inspector, II Circle, *Mangalore.*
153. Shri K. Prahalada Rao, Inspector of Factories.
154. Shri K. T. Ramachar, Workers Education Centre.
155. Shri Md. Basheeruddin, Labour Inspector, III Road Circle, *Mangalore.*
156. Shri Narayana, Provident Fund Inspector, *Mangalore, Dn. North.*
157. Management and Workers of Fernandes Bros. Cashew Factory.

SURAT —GUJARAT STATE : November 6-7, 1967

158. Shri D. D. Dhuva, Inspector of Factories, Surat.
159. Shri Zinabhai Darji, Vice-President, Surat Jilla Jungle Mandalics' Sahkari Sangh.
160. Shri Prabodhbhai G. Joshi, Vice-President, Vyara Taluka Majoor Mahajan, Vyara; and Balpur Jungle Mandali, *Vyara.*
161. Shri Arvind Desai, Secretary, Halpati Kamgar Seva Sangh, *Bardoli.*

Zankhari Village Jungle Co-op Society Ltd., Vyara

162. Shri Kanthadhbhai Kalidas, Secretary.
163. Shri Bhimsinghbhai Shivabhai, M. L. A.
164. Shri Chhotubhai N. Rathod, M. L. A.
165. Shri Devjibhai Ayatyabhai, Secretary, Sevati Village Jungle Co-op Society, Ukai.

Dhurvel Village Jungle Co-op Society

166. Shri G. Chhaganbhai, President.
167. Shri Jagabhai Manjibhai.

Surat Jilla Jungle Kamdar Sahkari Mandali; Ono Sahkari Sangh, Madhi.

168. Shri Narayan Desai, Secretary.
169. Shri M. Kanubhai, Cashier.
170. Shri Jivabhai Surjibhai, President, Mogran Village Jungle Sahkari Mandali Ltd.
171. Shri Bhikhubhai, Editor, Panchvani Zilla Panchayat, Surat.
172. Shri Narayanbhai Chaudhari, Secretary, Valod Mahal Village Jungle Co-op Society.
173. Shri Somabhai R. Chaudhari, President, Dhamandevi Village Jungle Sahkari Mandali Ltd.
174. Shri Ratanji Velji, Secretary, Ud wada Village Jungle Co-op Society.
175. Shri Bhulabhai B. Modi, M. L. A., Bardoli.
176. Shri Raichand Upadhyaya, Secretary, Sathvar Vibhag Jungle Sahkari Mandali Ltd.
177. Shri V. K. Chaudhri, President, Valod Vibhag Jungle Kamdar Sahkari Society.
178. Shri Mohanbhai Thakabhai, Vice-President, Songadh Taluka Jungle Kamdar Sahkari Mandli.
179. Shri Savava.
180. Shri Bunadha.
181. Shri Chhitabhai Kachrabhai.
182. Shri Taranbhai S. Chaudhari, Secretary, Valod Mahal Vibhag Jungle Sahkari Mandli Ltd.
183. Shri Devjibhai Telabhai.
184. Shri Chhotubhai Keshavbhai, Secretary, Ambica Village Jungle Co-op Society Ltd.
185. Shri Vasanjibhai Jagabhai, Secretary, Limbi Village Jungle Co-op Society Ltd.

Tarapore Village Jungle Kamdar Mandli

186. Shri Motibhai Sutiabhai Vasva, President.
187. Shri Ramjibhai Rajiabhai, Secretary.
188. Shri Ramanbhai Ranchhodbhai, Cashier, Pethapur Village Jungle Sahkari Mandali Ltd.
189. Shri Maganbhai Joglabhai, Secretary, Songadh Taluka Jungle Sahkari Mandli Ltd.
190. Shri Supadiabhai Lakhmabhai, Secretary, Shri Mogran Vibhag Jungle Kamdar Sahkari Mandli.
191. Shri Punjibhai Sonjibhai, Secretary, Bilvan Village Jungle Co-op Sangh, Umarpada.
192. Shri Vanjibhai Naviabhai, Secretary, Bundha Village Jungle Sahkari Mandli Ltd., Mandavi.
193. Shri Budhabhai Bahadurbhai, Secretary, Antarpur Village Kamdar Sahkari Mandli Ltd., Vyara.
194. Shri Bharatsinh Babubhai, Secretary, Shree Nesu Village Jungle Kamdar Sahkari Mandli Ltd., Uchhal.
195. Shri Naginbhai Simabhai, Secretary, Shri Bardipada Village Jungle Kamdar Sahkari Mandli.
196. Shri Keshavbhai Lakhabhai, Secretary, Shree Balpur Village Jungle Kamdar Sahkari Mandli Ltd.
197. Shri Vasanji, Inspector, Shree Surat Jilla Jungle Sangh, Madhipati.
198. Shri Gurjibhai Madhubhai, Secretary, Shree Jamal Village Kamdar Co-op Society.
199. Shri Lavjibhai Patel, Inspector, Shree Surat Jilla Jungle Sangh, Uchhal.
200. Shri K. Lallubhai, Inspection Clerk, Shree Surat Jilla Jungle Sangh, Songadh.
201. Shri Anabhai Kanjibhai, President, Vaghpani, Vyara.
202. Shri Amarsingh, Secretary, Vaghpani Village Kamdar Mandli Ltd., Vyara.
203. Shri Arvind Desai, Secretary, District Halpati Sewa Sangh, Kamgar Ghar, Bardoli.
204. P.W.D. Officers, Contractors and Workers of Ukai Project.
205. Forest Labour, Jamki Forest Group, Ukai.
206. Shri Jugat Ram Dave, Social Worker.
207. Shri B. G. Khabde, Municipal Commissioner, Surat.
208. Shri Harihar Bhai Thakur, Secretary, Textile Labour Union, Surat.
209. Shri Vasant Bhai Dalal, Secretary, Surat Silk Workers' Union, Surat.
210. Shri Namdeo Shenmara, President, Maha Gujarat Trade Union Congress, Surat.

Southern Gujarat Chamber of Commerce and Industry

211. Shri Surajram Hiralal Bhachakaniwala, President.
212. Shri Pravinchandra K. Choksi, Vice-President.
213. Shri N. K. David (Chief Executive Engineer, Baroda Rayon Corporation Ltd).
214. Shri Ram Adarsh Sharma (Works Manager, M/s. Batliboi & Co.—Manufacturing Division).
215. Shri Manilal B. Chevli.
216. Shri Kamalkant Shah (Manager, Surat Vankar Sahkari Sangh Ltd).
217. Shri Narottamdas N. Chauhan, Advocate.
218. Shri Chandrakant G. Parekh (Chief Executive, Navin Flourine Industries).
219. Shri B. N. Ankleswaria (Agent, Central Bank of India Ltd.)
220. Shri Morarbhai K. Jariwala.
221. Shri Dinkarraji B. Patel, Secretary.
222. Proprietor and Workers of I. C. Gandhi, Zari Manufacturers.
223. Self-employed Workers of an Art Silk Manufacturing Unit.
224. Management and Workers of Baroda Rayon Corporation.
225. Management and Workers of Batliboi and Co.
226. Management and Workers of Navin Flourine Industries.

BARODA—GUJARAT STATE : *November 8, 1967*

227. Shri Balchandra Trivedi (A. I. T. U. C.)

Federation of Gujarat Mills and Industries, Baroda

228. Shri B. D. Palit (Alembic Chemical Works Co., Baroda).
 229. Shri M. B. Trivedi (Sarabhai Chemicals).
 230. Shri P. M. Mathew (Jyoti Ltd., Baroda).
 231. Shri P. V. Kale (Sarabhai Chemicals, Baroda).
 232. Shri S. R. Giwante.
 233. Shri T. V. Srinivasiah (Alembic Chemical Works, Baroda).
 234. Shri H. M. Shah, Secretary.
 235. Management and Workers of Sarabhai Chemicals, Baroda.
 236. Management and Workers of Alembic Glass Plant, Baroda.
 237. Management and Workers of Gujarat Refinery, Baroda.
 238. Management and Workers of Gujarat State Fertilizer Corporation, Baroda.

BANARAS—UTTAR PRADESH : *December 9-10, 1967*

239. Shri Singh, Assistant Labour Commissioner, Banaras.
 240. Shri Abdul Rehman, Handloom Weaver, Banaras.
 241. Proprietor and Workers of Mehra Silk Weaving Factory.
 242. Management and Workers of INTEXCO Raw Silk Factory.
 243. Shri Samad, other Manufacturers and Workers in the Carpet Industry, Bhadohi.
 244. Shri Bisheshwar Mukherjee, A. I. T. U. C.
 245. Shri Jawhar Lal, President, Banaras Press Mazdoor Sabha.
 246. Shri Phulchandra Tiwari, Member Executive, Bharatiya Mazdoor Sangh, U. P.
 247. Shri Purshottam Bajpai (Education Officer-Trained), Assistant Secretary, Varanasi Zardoz Daskar Union (A. I. T. U. C.), Varanasi.
 248. Shri Sanesh Chandra Mehrotra, School Teacher, Varanasi.
 249. Shri S. R. Vishwanathan, Secretary, I. N. T. U. C. (U. P.), Varanasi.
 250. Shri Vishwanath Singh, Secretary, Hind Mazdoor Sabha, Varanasi Region.
 251. Shri C. L. Agarwal, Manager, Mehra Silk Mills, Nadesha-Varanasi.
 252. Shri Raj Kumar Mehra, Partner, Shree Silk Mills.
 253. Shri R. K. Agarwal, Secretary, Banaras Employers' Association.
 254. Shri S. C. Agarwal, Labour Adviser.
 255. Shri B. N. Singh, Additional Regional Conciliation Officer, Varanasi.
 256. Shri J. S. Kapur, Labour Inspector, Varanasi.

GOA : *December 18-20, 1967*

257. Management and Workers of Marmugao Port, Panjim (Goa).

Goa Mineral Ore Exporters' Association

258. Shri Bapalal K. Gosalia.
 259. Shri Ferrao.
 260. Shri Hiralal Rajthatha.

- 261. Shri J. Coilho.
- 262. Cdr. M. Ferrari.
- 263. Shri Ratnabole.
- 264. Shri R. M. Salgaoncar.
- 265. Shri V. S. Dempo.
- 266. Shri M. S. Talalikal, Goa Mining Association.
- 267. Shri Lima Leitao, Stevedores Association.
- 268. Shri Gerald Periar, General Secretary, Goa State Trade Union Council (A. I. T. U. C.).

Goa Mining Labour Welfare Union (A. I. T. U. C.)

- 269. Shri Y. B. H. D'Cruz, Vice-President.
- 270. Shri George Vaz, General Secretary.
- 271. Shri A. Gavali, National Mine Workers' Union (I.N.T.U.C.), Goa.
- 272. Shri Mohan Nair, Goa Dock Labour Union (I. N. T. U. C.) and National Union of General Employees.
- 273. Shri A. P. Andradi, Murnugao Port and Railway Workers' Union.
- 274. Shri Prabhakar Ghodge, General Secretary, Goa Mazdoor Sabha.
- 275. Management and Workers of Dempo's Screening Plant.
- 276. Employers' Group, Madgaon.

COIMBATORE---MADRAS STATE* : December 21-22, 1967

- 277. Management and Workers of Asbestos Cement Co. Ltd.
- 278. Management and Workers of South India Viscose Co. Ltd., Sirumugai.
- 279. Management and Workers of Glenbern Estate.
- 280. Management and Workers of Tattapullum Estate.

MADURAI---MADRAS STATE* : December 23, 1967

- 281. Management and Workers of T. V. S. and Southern Roadways (Private) Ltd.
- 282. Head Master, T. V. S. School, T. V. S. Nagar.
- 283. Medical Officer, T. V. S. Hospital.
- 284. Management and Workers of Shree Meenakshi Mills Ltd., Paravai.
- 285. Management of Madurai Mills Workers Cooperative Industrial Housing Society.
- 286. Local Representatives of A. I. T. U. C., H. M. S., and I. N. T. U. C.

BHILAI---MADHYA PRADESH : January 16-17, 1968

- 287. Shri A. D. Paul, Ispat Karamchari Sangh.

United Steel Workers of Bhilai

- 288. Shri S. K. George, President.
- 289. Shri N. Tripathy, General Secretary.
- 290. Shri S. K. Mukherjee, Secretary.
- 291. Shri S. K. Biswas, Joint Secretary.

United Workers of Mechanical Shops

- 292. Shri S. K. Gupta, General Secretary.
- 293. Shri C. P. Thomas, Member.

*Since re-named TAMIL NADU.

Khadan Mazdoor Congress

- 294. Shri P. K. Sengupta, General Secretary.
- 295. Shrimati Indira Nair.

Steel Workers' Union (I.N.T.U.C.), Bhilai

- 296. Shri Hemant D. Deshmukh, General Secretary.
- 297. Shri R. L. Yadav.
- 298. Shri T. A. Menon. } Secretaries.
- 299. Shri B. B. Vishvakarma, Treasurer.
- 300. Shri P. B. Chakravarthi, Secretary, Steel Workers' Union, Rajhara Branch.

Steel Workers' Union, Nandini

- 301. Shri H. C. Gupta, Secretary.
- 302. Shri A. W. Bhelwa, Joint Secretary.

B. S. P. Shramik Sangh (B.M.S.), Bhilainagar

- 303. Shri N. Mishra.
- 304. Shri Ram Babu Mishra.
- 305. Shri R. K. Mishra.
- 306. Shri S. N. Sadhu.

H.M.S. (Bhilai).

- 307. Shri G. R. Singh.
- 308. Shri Ram Milan Singh.

Bhilai Steel Kamgar Sangh (H.M.S.)

- 309. Shri R. P. Tripathi, Vice-President.
- 310. Shri Devsharan Dubey, Secretary.
- 311. Shri R. M. Gupta.

A.I.T.U.C.

- 312. Shri S. Chakraborty.
- 313. Shri Shanker Singh.

Bhilai Steel Mazdoor Sabha (A.I.T.U.C.)

- 314. Shri G. Suryanaryan.
- 315. Shri J. V. Rao (A.I.T.U.C.)
- 316. Shri M. Butchiah.
- 317. Shri Subba Rao.
- 318. Representative of Mines Workers' Union—Nandini Mines.

Samyukta Khadan Mazdur Sangh (A.I.T.U.C.)

- 319. Shri N. S. Nair, Secretary.
- 320. Shri Gangadhar, Treasurer.
- 321. Shri R. S. Tiwari, Joint Secretary.
- 322. Shri M. L. Thakur, Office Secretary.
- 323. Shri Jibon Mukherjee, President, Samyukta Khadan Mazdur Sangh (A.I.T.U.C.), Rajhara Mines Branch.
- 324. Shri C. R. Goswami, Vice President, Samyukta Khadan Mazdur Sangh (A.I.T.U.C.), Nandini Mines.
- 325. Group of Union representatives conducting visit to Nandini Mines.

Bhilai Steel Plant

- 326. Shri Purtej Singh, General Manager.
- 327. Dr. B. N. Zhrebina, General Superintendent (Soviet).
- 328. Shri S. C. Guha Maulik, Additional General Superintendent.
- 329. Shri P. R. Ahuja, Assistant General Superintendent.
- 330. Shri M. S. Lal, Chief Engineer.
- 331. Shri S. S. Gill, Personnel Manager.
- 332. Shri S. N. Kaza, F. A. & C. A. O.
- 333. Shri T. S. Krishnamurthi, Chief Power Engineer.
- 334. Mr. I. M. Matvievskiy, Chief Mechanical Engineer.
- 335. Shri S. K. Dutt, Commercial Manager.
- 336. Shri C. Kurien John, RE (CEDB).
- 337. Shri K. R. Sen Gupta, Superintendent O. M. Q.
- 338. Shri R. Venkataraman, Controller of Stores and Purchase.
- 339. Shri C. K. Sundaram, Chief Industrial Engineer.
- 340. Shri V. M. Goverdhan, Town Administrator.
- 341. Shri V. K. Rajagopalan, Chief Superintendent, Rolling Mills.
- 342. Shri N. K. Mitra, Assistant Superintendent, Production Planning and Control.
- 343. Dr. N. L. Kalle, Chief Medical Officer.
- 344. Shri R. N. Kaul, Deputy Chief Mechanical Engineer.
- 345. Shri M. Dinker, Deputy Chief Power Engineer.
- 346. Shri Brahma Swaroop, Traffic Manager.
- 347. Shri R. Muthuswamy, Superintendent, Technical-Training.
- 348. Shri N. P. Dhusia, Assistant Personnel Manager.
- 349. Shri G. B. Chavan, Chief, Industrial Relations.
- 350. Shri K. S. S. Murti, Safety Engineer.
- 351. Shri P. M. Pandya, Senior Labour Officer.
- 352. Shri B. K. Naiyar, Assistant Labour Commissioner, Madhya Pradesh, Raipur.

ROURKELA—ORISSA STATE : January 18, 1968

A. I. T. U. C. (Rourkela)

- 353. Shri Bikram Choudhury.
- 354. Shri S. N. Naik.

Rourkela Steel Mazdoor Union (A. I. T. U. C.)

- 355. Shri Nityanand Ponda, General Secretary.)
- 356. Shri B. Mohanty.
- 357. Shri B. P. Chakrabarty.
- 358. Shri T. N. B. Menon, Kansbahal Mazdoor Union.
- 359. Shri A. C. Naidu, Jharsuguda Shramik Union.

Hindustan Steel Workers' Association (I. N. T. U. C.)

- 360. Shri Niranjan Mohanty.
- 361. Shri Shamsul Haque.
- 362. Shri S. L. Passey.

Ispat Shramik Sangh.

- 363. Shri L. N. Das.
- 364. Shri Pius Kullu.
- 365. Shri R. M. Patnaik.

Rourkela Mazdoor Sabha (H. M. S.)

- 366. Shri B. D. Panda.
- 367. Shri Kartick Chandra Sahoo.
- 368. Shri L. N. Behera.
- 369. Shri P. K. Kabi.
- 370. Shri R. K. Samantrai, M. L. A.
- 371. Shri U. K. Saway.
- 372. Shri S. N. Mishra, Deputy Labour Commissioner, *Rourkela*.
- 373. Shri K. M. Panigrahi, Assistant Labour Commissioner, *Rourkela*.

Rourkela Steel Plant

- 374. Shri M. V. Madiman, Deputy General Manger (Personnel).
- 375. Shri C. R. Krishna Murthi, Financial Adviser and Chief Accounts Officer.
- 376. Dr. P. L. Agrawal, Assistant General Superintendent.
- 377. Shri A. K. Moitra, Assistant Personnel Manager.
- 378. Shri P. P. Balakrishnan, Senior Personnel Officer (Industrial Relations).
- 379. Shri C. M. Mohapatra, Chief Welfare Officer.
- 380. Shri S. S. Parida, Senior Personnel Officer (Plant).
- 381. Shri R. Sankaran, Junior Deputy Controller of Accounts (Budget).
- 382. Shri V. Radhakrishnan, Assistant Controller of Accounts (Cost).
- 383. Shri P. Subramanyam, Personnel Officer (Recruitment).
- 384. Shri S. Pande, Personnel Officer (Industrial Relations).
- 385. Shri S. N. Das, Personnel Officer (Plant).

RANCHI—BIHAR STATE : *January* 19, 1968

Hatia Project Workers' Union (I. N. T. U. C.)

- 386. Shri B. Yadava.
- 387. Shri D. N. Singh.
- 388. Shri Harihar Pd. Ojha.
- 389. Shri Mahindra Pd. Singh.
- 390. Shri S. K. Bahadur.
- 391. Shri Surendra Shanker Singh.
- 392. Shri N. K. Singh, Heavy Engineering Mazdoor Union.

H. E. C. Employees' Union, Ranchi

- 393. Shri Sharangdhar Upadhyaya, President.
- 394. Shri Lal B. N. Shabdno.
- 395. Shri M. R. Singh.
- 396. Shri S. N. Singh, Hatia Mazdoor Union (A. I. T. U. C.)
- 397. Shri Ishwari Prasad, H. E. C. Mazdoor Union (U. T. U. C.)
- 398. Shri B. Kumar.
- 399. Shri C. P. Singh.
- 400. Shri Parkan Ram.

Hatia Shramik Sangh (B. M. S.)

- 401. Shri A. P. Sinha, President.
- 402. Shri C. B. Sharma, General Secretary.
- 403. Shri S. P. Tewari, Member, Executive Committee.

Hindustan Steel Ltd., Ranchi

- 404. Shri A. N. Banerjee, Deputy Chairman.
- 405. Shri R. Sinha, Adviser, Personnel and Manpower.
- 406. Shri V. Manohar, Joint Chief, Industrial Relations.
- 407. Shri M. Parthasarathy, Secretary.

National Coal Organisation Employees' Association, Ranchi

- 408. Shri J. K. Bose, President.
- 409. Shri Abraham Mathew, General Secretary.
- 410. Shri B. P. Sinha, Joint Secretary.
- 411. Shri B. N. Singh, Member, Executive Committee.
- 412. Shri S. Bagal.

Hindustan Steel Employees' Union, Ranchi

- 413. Shri G. S. Prasad, Vice-President.
- 414. Shri S. P. Sinha, Secretary.
- 415. Shri H. L. Bhatia, Treasurer.

National Coal Development Corporation, Ranchi

416. Shri M. S. Rao, Chairman.
417. Shri Ranchor Prasad, Mg. Director.

BOMBAY—MAHARASHTRA STATE : January 24, 1968

418. Shri S. R. Kulkarni, President, All India Port and Dock Workers' Federation, *Bombay*.
419. Management and Workers of Bombay Docks.

BARODA—GUJARAT STATE : January 27, 1968

420. Shri KirtiBuch.

BHAYANDAR—MAHARASHTRA STATE : May 14, 1968

421. Management and Workers of Salt Pans.

SHRIRAMPUR—MAHARASHTRA STATE : May 15-16, 1968

422. Shri G. J. Ogale and other Union Organisers of Farm Workers.
423. Some Bidi Workers of the area.

JAMSHEDPUR—BIHAR STATE : May 23-24, 1968

424. Management and Workers of Tata Iron and Steel Co. Ltd., *Jamshedpur*.
425. Workers of Tata Engineering and Locomotive Co. Ltd., *Jamshedpur*.
426. Shri A. H. Tobaccowala, Mg. Director and other representatives of Management, *Tata Engineering and Locomotive Co. Ltd., Jamshedpur*.
427. Management and Workers of the Indian Steel and Wire Products, *Jamshedpur*.
428. Union Leaders conducting visit to the housing colony of Tin Plate Co.
429. Representatives of the Indian Institute of Personnel Management.

Indian Tube Co. Ltd., Jamshedpur

430. Shri J. G. Keswani, General Manager.
431. Shri S. Prasad, Assistant Chief Personnel Officer.

Indian Cable Co. Ltd., Jamshedpur

432. Shri K. N. Pathak, Chief Labour Officer.
433. Shri R. N. Thakur, Labour Officer.

Tata Robins Fraser Ltd., Jamshedpur

434. Shri L. M. Farratiyar, Personnel Officer.
435. Shri B. P. Singh, Labour Assistant.

Steel Factory Contractor's Labour Union; and Punj Employees' Union

436. Shri R. L. Verma, President.
437. Shri B. P. Singh, Secretary.

Wire Products Labour Union (I. N. T. U. C.)

- 438. Shri Chhedi Singh, Vice-President.
- 439. Shri R. L. Singh, General Secretary.
- 440. Shri Anant Ram.
- 441. Shri Lachhmon Singh.
- 442. Shri Lachhman Tiwary.
- 443. Shri V. K. M. Menon.

Tube Works Union

- 444. Shri K. P. Singh.
- 445. Shri S. Singh.
- 446. Shri Naresh Singh, Mine Workers' Union, Jamshedpur.
- 447. Shri Lakshmi Narayan Singh, General Secretary, TELCO Workers' Union (I.N.T.U.C.), *Jamshedpur*.

Goimuri Tinsplate Workers' Union, Jamshedpur

- 448. Shri Gulam Md.
- 449. Shri Sideshwar Chowdhry.
- 450. Shri R. N. Singh, Vice-President, T. R. F. Workers' Union.

Jamshedpur Engineering Mazdoor Sabha

- 451. Shri V. N. Kishore, General Secretary.
- 452. Shri Jehangir Balsara.
- 453. Shri Udham Singh.
- 454. Shri R. N. Jha, General Secretary, Ispat Mazdoor Panchayat, *Jamshedpur*.

Indian Cable Workers' Union, Jamshedpur

- 455. Shri Rajeshwar Parsad, General Secretary.
- 456. Shri R. N. Sharma, Treasurer.
- 457. Shri R. S. Singh, Assistant Secretary.
- 458. Management and Workers of Tinsplate Co. of India Ltd., *Jamshedpur*.
- 459. Management and Workers of Indian Tube Co. Ltd., *Jamshedpur*.

SINDRI—BIHAR STATE : May 24, 1968

- 460. Management and Workers of Sindri Fertilizer Plant of the Fertilizer Corporation of India.

DHANBAD—BIHAR STATE : May 24, 1968

- 461. Management and Workers of some coalmines including Sudamidih coalmines (NCDC) in Dhanbad area.
- 462. Industrial Tribunal (Central) for the Coal Industry.

RUPNARAINPUR—WEST BENGAL STATE : May 25, 1968

- 463. Management of Hindustan Cables Ltd., Rupnarainpur.
- 464. Shri Sajjan Singh, General Secretary, Hindustan Cable Workers' Union (I. N. T. U. C.)
- 465. Shri Basu Roy, Hindustan Cable Employees' Union (H.M.S.)

Hindustan Cable Shramik Union

466. Shri B. Chatraj.
467. Shri Nikhal Dev.

CHITTARANJAN—WEST BENGAL STATE : May 25, 1968

468. Shri C. Chalapati Rao, General Manager, Chittaranjan Locomotive Works.
469. Shri R. P. Sharma, General Secretary, Chittaranjan Railwaymen's Congress (I. N. T. U. C.), Chittaranjan.
470. Shri S. K. Day Roy, Joint Secretary, Staff Council, Chittaranjan Locomotive Works.
471. Shri K. P. Dass Gupta, Assistant General Secretary, C. L. W. Railwaymen's Union.
472. Shri K. C. Sukla, Member of Bhartiya Mazdoor Sangh.

Area Staff Council Workshop, Chittaranjan Locomotive Works

473. Shri J. C. Chowdhry, Joint Secretary.
474. Shri D. P. Srivastava, Member.
475. Shri S. R. Dass, General Secretary, C. L. W. Labour Union.

ASANSOL—WEST BENGAL STATE : May 25, 1968

476. Chief Medical Superintendent, Coalmines Labour Welfare Fund Central Hospital.

DURGAPUR—WEST BENGAL STATE : May 26, 1968**Alloy Steel Plant**

477. Shri Hiten Bhaya, General Manager.
478. Shri K. A. Shanoy, Deputy General Manager.
479. Shri S. N. Mazumdar, Assistant Personnel Manager.
480. Mr. J. M. Lighton, Mg. Director, Sankey-Wheels Ltd.

Durgapur Steel Plant

481. Shri A. C. Banerjee, General Superintendent.
482. Shri B. P. Wadhera, D. I. C.
483. Shri S. C. Sarkar, Personnel Manager.
484. Shri N. Bhattacharjee, Assistant Personnel Manager.
485. Shri N. C. Basu, General Superintendent, D. V. C., D. T. P. S.
486. Shri A. Roy, Acting Works Manager, Philips Carbon.
487. Shri S. K. Bhattacharjee, Indian Engineering Association.
488. Shri S. S. Malik, Branch Manager, Asiatic Oxygen Ltd.
489. Shri B. P. Sinha, R. C. D., A. V. B.
490. Shri V. Siga, Personnel Manager, A. V. B.
491. Shri K. C. Sivaramakrishnan, Chief Executive Officer, Durgapur Development Authority.

I. N. T. U. C. Unions*Hindustan Steel Workers' Union*

492. Shri A. Gopal Mukherji, General Secretary.
493. Shri Pares Das, Assistant Secretary.
494. Shri Satyanarayan Roy, Member.

A141

- 495. Shri A. K. Mitra (Township Maintenance).
- 496. Shri Anil Kumar Roy.
- 497. Shri B. C. Bhattacharya (Rolling Mills).
- 498. Shri Chinmoy Ganguli (Blast Furnace).
- 499. Shri Mahadeo Pathak (Alloy Steel Plant).
- 500. Shri N. B. Biswas (Finance and Accounts Branch).
- 501. Shri Nipendra Kumar De.
- 502. Shri Ranjit Ray (Merchant Mill).
- 503. Smt. Radha Rani Chakravarty (Medical and Health Section).
- 504. Shri S. Alam (Melting Shop).
- 505. Shri Susanta Prasada Tarafdar.

H. E. Workers' Union

- 506. Shri A. K. Chatterjee, Secretary.
- 507. Shri Amallesh Ghosh.
- 508. Shri B. N. Sharma.
- 509. Shri Aparesch Chandra Bhattachargee. } *Representing Workers of Thomas Mouget Co. (I) Ltd.*
- 510. Shri T. V. Lippert.
- 511. Shri Jibon Behari Roy, Hindustan Steel Employees' Union, *Durgapur*.
- 512. Shri Pronabesh Kumar Goswami, Durgapur Projects Employees' Union.
- 513. Shri S. L. Sengupta, Ophthalmic Glass Project Employees, Union, *Durgapur*.
- 514. Shri R. P. Sinha, Assistant Personnel Officer, Durgapur Steel Plant.

CALCUTTA—WEST BENGAL STATE : *May 28, 1958*

- 515. Management and Workers of Birla Jute Manufacturing Co. Ltd., *Birlapur, Calcutta*.

BOMBAY—MAHARASHTRA STATE : *August 1, 1968*

- 516. Management and Workers of Tata Consultancy Services (Tata Computer Centre), *Bombay*.

SIMLA—HIMACHAL PRADESH : *August 31, 1968*

- 517. Lt. General K. Bahadur Singh, Lieutenant Governor, *Himachal Pradesh*.

KUMARSEN/NARKANDA—HIMACHAL PRADESH : *September 1, 1968*

- 518. Three women visitors to the fair at Kumarsen.
- 519. Some workers of Narkanda.

**Composition of Committees/Study Groups/Working Groups set up by the
National Commission on Labour.**

1. COMMITTEE ON WORKERS' EDUCATION

Headquarters: NEW DELHI

Chairman :

1. Shri V. K. R. Menon, C-II/16, Safdarjang Development Area, New Delhi.

Members :

2. Shri S. C. Joshi, Retd. Chief Labour Commissioner, Soman Building, 206, Girgaum Road, Bombay.
3. Shri M. S. Warty, 7, Lakshmi Niketan, Kashinath Dhura Road, Opposite Banker's College, Off Cadell Road, Bombay-28.

4. Shri T. Parmanand, Bihar Institute of Workers' Education, Annie Besant Road, Patna-4.

5. Shri J. P. Naik, Adviser, Ministry of Education, New Delhi.

6. Dr. A. N. Likhate, Rashtriya Mill Mazdoor Sangh, Mazdoor Manzil, G. D. Ambekar Marg, Parel, Bombay-12.

Member-Secretary :

7. Dr. M. A. Chausarkar, Director, Central Board for Workers' Education, 1400, West High Court Road, Gokulpeth, Nagpur.

2. STUDY GROUP FOR SOCIOLOGICAL ASPECTS OF LABOUR-MANAGEMENT RELATIONS

Headquarters: DELHI

Chairman :

1. Prof. M. N. Srinivas, Deptt. of Sociology, Delhi School of Economics, Delhi University, Delhi-7.

Members :

2. Dr. N. R. Sheth, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.

3. Dr. A. Beteille, Reader in Sociology, Delhi School of Economics, Delhi-7.

4. Dr. Gouranga Chattopadhyay, Indian Institute of Management, 56A, Barrackpore Trunk Road, Calcutta-50.

5. Shri A. D. Moddie, Hindustan Lever Ltd., Express Building, P.O. Box 784, New Delhi.

6. Shri Satish Loomba, A.I.T.U.C., 5-E, Jhandewalan, Rani Jhansi Road, New Delhi.

7. Shri C. Rajagopalan, Indian Institute of Technology, Deptt. of Humanities & Social Sciences, Hauz Khasi, New Delhi.

8. Dr. P. C. Joshi, (Co-opted), Reader in Research Methodology, Institute of Economic Growth, University Enclave, Delhi-7.

Member-Secretary :

9. Dr. A. B. Bose (Resigned), Jt. Director, Planning Commission, New Delhi.

3. STUDY GROUP ON LABOUR LEGISLATION

Headquarters: MADRAS

Chairman :

1. Shri S. Mohan Kumaramangalam, Advocate, Radha Nilayam, 8/5, Nungambakkam High Road, Madras.

Members :

2. Shri N. M. Barot, Textile Labour Association, Ahmedabad.

3. Shri G. B. Pai, Advocate, Supreme Court, Dolphins 13, Nizamuddin East, New Delhi.

4. Shri R. K. Gang, 26, Lawyer's Chamber, Supreme Court, New Delhi.

5. Shri Y. D. Joshi, C/o Tata Services Ltd., Labour Relations Bureau, 70, Appollo Street, Fort, Bombay-1.

6. Shri B. R. Dolia, Advocate, C/o Aiyer & Dolia, 8, High Court Chambers, Madras-1.

7. Shri C. Ramanathan, Labour Law Officer, Southern India Mill Owners' Association, Coimbatore.

8. Shri C. J. Venkatachari, Retd. Dy. Legislative Counsel, Ministry of Law, A-20/47, Lodi Colony, New Delhi.

Member-Secretary :

9. Shri K. R. Wazkar, Registrar, Industrial Court, Bombay.

Associate Secretary :

10. Shri Ishwar K. Ramrakhiani, Labour & Personnel Adviser, Chamber No. 37, 1st Floor, Tardeo Airconditioned Market, Bombay-34.

4. STUDY GROUP FOR PRODUCTIVITY AND INCENTIVES

Headquarters: BOMBAY

Chairman :

1. Shri Bagaram Tulpule, Mill Mazdoor Sabha, 39, Patel Terrace, Parel, Bombay-12.

Members :

2. Dr. R. M. Shah, Business & Industrial Consultations Combine, 12, Rampart Row, Fort, Bombay-1.
3. Shri N. S. Mankiker, Director General, Factory Advice Service & Labour Institutes, Central Labour Institutes, Sion, Bombay.

4. Shri A. A. Niazi, Regional Director, National Productivity Council, Bombay.
5. Shri Daleep Singh, Chief Industrial Engineer, Fertiliser Corporation of India, Bombay Unit, Bombay.
6. Shri N. S. Ramaswamy, Dadabhai Naoroji House, 164, Backbay Reclamation Road No. 3, Bombay-1.
7. Shri M. R. Ramsay, National Institute for Training in Industrial Engineering, Bombay.
8. Shri A. N. Buch, Textile Labour Association, Gandhi Majoor Sevalaya, Bhadra, Ahmedabad.

5. COMMITTEE TO REVIEW THE FUNCTIONING OF THE SYSTEM OF WAGE BOARDS IN ALL ITS ASPECTS

Headquarters: CALCUTTA

Chairman :

1. Shri Kanti Mehta, Indian National Mine Workers' Federation, 9, Elgin Road, Calcutta-20.

Members :

2. Shri P. Chentsal Rao, All India Organisation of Industrial Employers, 'Federation House', New Delhi.
3. Shri T. S. Swaminathan, The Employers' Federation of India, Army & Navy Building, 148, Mahatma Gandhi Road, Bombay-1.
4. Shri G. C. L. Joneja, Commissioner, Civil Supplies, Ministry of Commerce, New Delhi.

5. Shri Teja Singh Sahni, Central Wage Boards, Kundan Mansion, 2A/3, Asaf Ali Road, New Delhi.
6. Shri Inderjit Gupta, M.P., 15, Daur Road, Calcutta.
7. Shri T. R. Bhagwat, Deputy Commissioner of Labour, Commerce Centre, Tardeo, Bombay-34.

Member-Secretary :

8. Shri A. C. Basu, Joint Director, National Commission on Labour, D-27, South Extension Part-II, New Delhi.

6. COMMITTEE TO STUDY THE WORKING AND SERVICE CONDITIONS OF SWEEPERS AND SCAVENGERS IN ALL ITS ASPECTS

Headquarters: AHMEDABAD

Chairman :

1. Dr. Bhanuprasad Pandya, 61/A, Shimali Society, Navrangpura, Ahmedabad-9.

Members :

2. Shri K. L. Balmiki, 77, Sarai Dhari, Bulandshahr (U.P.).
3. Shri N. S. Kajrolkar, 112, Meadows Street, Fort Bombay.
4. Shri Bhola Raut, M.P., Lal Bazar, P.O. Bettiah, Distt., Champaran.

5. Prof. N. R. Malkani, Servants of the People Society, Lajpat Bhavan, Lajpat Nagar, New Delhi.
6. Shri Deva Raj, Officer on Special Duty, Ministry of Health & Family Planning, New Delhi.

Secretary :

7. Shri K. A. Sheth, Assistant Commissioner of Labour, Office of the Labour Commissioner, Gujarat, O-12, New Mental Hospital Building, Asarva, Ahmedabad-16.

7. STUDY GROUP FOR SUGAR

Headquarters: KANPUR

Chairman :

1. Shri S. Gundu Rao, Sutherland House, Kanpur (U.P.).

Members :

2. Shri L. N. Wahi, Indian Sugar Mills Association, B-21/22, Asaf Ali Road, New Delhi.
 3. Shri R. P. Nevatla, The Hindustan Sugar Mills Limited, 51, Mahatma Gandhi Road, Bombay-1.
- 19—1MSNGL/69

4. Shri P. S. Rajgopal Naidu, National Federation of Cooperative Sugar Factories Limited, Prem Kurir, 11, Infantry Road, Vellore.
5. Shri J. C. Dixit, Hony. Secretary, Central U.P. Productivity Council, 68, Halwasiya Market, Hazratganj, Lucknow-1.
6. Shri G. J. Ogale, Shrirampur, Distt. Ahmednagar.

Member-Secretary :

7. Shri H. M. Misra, Dy. Labour Commissioner, Govt. of U.P., Post Box No. 220, Kanpur,

8. STUDY GROUP FOR COTTON TEXTILES

Headquarters: AHMEDABAD

Chairman :

1. Shri K. Sreenivasan, Director, The South India Textile Research Association, Coimbatore Aerodrome Post, Coimbatore-14.

Members :

2. Shri S. P. Mandelia, Century Rayon, Industry House, 199, Churchgate Reclamation, Bombay-1.
3. Shri T. N. Sharma, Delhi Cloth & General Mills Limited, Textile Division, S.B. Mills Premises, Najafgarh Road, New Delhi-15.

4. Shri Arvind Buch, Textile Labour Association, Ahmedabad.
5. Shri H. K. Sowani, 12/190, Adarsh Nagar, Worli, Bombay-25.
6. Shri P. L. Subbiah, General Secretary, National Textile Workers' Union, Ramanathapuram, Coimbatore-18.

Secretary :

7. Shri A. V. Vyas, Deputy Labour Commissioner, Gujarat State, O-12, Annexe to New Mental Hospital Building, Asarwa, Ahmedabad.

9. STUDY GROUP FOR IRON AND STEEL

Headquarters: RANCHI

Chairman :

1. Shri M. S. Rao, Chairman, Hindustan Steel Limited, Ranchi.

Members :

2. Shri S. N. Pande, Deputy General Manager, Post: Bokaro Steel City, Distt: Hazaribagh, Bihar.
3. Shri R. P. Billimoria, The Tata Iron & Steel

Company Limited Administration Office, 28-B, Netaji Subhas Road, Calcutta-1.

4. Shri V. G. Gopal, General Secretary, Tata Workers' Union, 17-18, K. Road, Jamshedpur.
5. Shri Sambal Chakravorti, C/o A.I.T.U.C., Bhilai.

Member-Secretary :

6. Shri R. Sinha, Chief Estt., Manpower & I.R. Division, Hindustan Steel Ltd., P.O. Ilinoo, Ranchi-2.

10. STUDY GROUP FOR INDUSTRIAL RELATIONS--WESTERN REGION

Headquarters: BOMBAY

Chairman :

1. Dr. K. S. Basu, University of Bombay, Jamnalal Bajaj Institute of Management Studies, 164, Backbay Reclamation Road No. 3, Bombay-1.

Members :

2. Shri K. J. Divatia, Dy. Chief Executive, Sarabhai Chemicals, Post Box No. 31, Wadi, Baroda.
3. Shri N. S. Deshpande, General Secretary, Rashtriya Mill Mazdoor Sangh, Mazdoor Manzil, G. D. Ambekar Marg, Parel, Bombay-12.

4. Shri Homi Daji, Street No. 5, House No. 17, Snehlatananj, Indore City.

5. Dr. Paresh M. Majumdar, Principal, Arts & Commercial College, Unjha, North Gujarat.

6. Shri S. R. Mohan Das, 2-A, Prospect Chambers, Dr. D. N. Road, Bombay-1.

7. Shri L. C. Joshi, Bombay Chamber of Commerce & Industry, Mackinnon Mackenzie Building, Bal-kurd Estate, Bombay-1.

11. STUDY GROUP FOR INDUSTRIAL RELATIONS--NORTHERN REGION

Headquarters: NEW DELHI

Chairman :

1. Shri V. K. R. Menon, C-II/16, Safdarjang Development Area, New Delhi.

Members :

2. Dr. K. N. Vaid, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
3. Dr. T. N. Kapoor, Deptt. of Commerce & Business Management, Punjab University, Chandigarh-14.
4. Dr. P. D. Shrivastava, Joint Director, Labour Research Centre, Deptt. of Economics, Lucknow University, Lucknow.

5. Shri D. Durgawat, General Secretary, I.N.T.U.C. Rajasthan Branch, Sansar Chandra Road, Jaipur-1.

6. Shri Y. D. Sharma, 15, Jog-Dayal Building, Opp. State Bank of India, Chandni Chowk, Delhi.

7. Shri M. L. Khullar, Employers' Association of Northern India, 14/77, Civil Lines, Post Box No. 344, Kanpur.

Member-Secretary :

8. Shri M. A. M. Rao, Joint Director, National Commission on Labour, D-27, South Ext., Part-II, New Delhi.

12. STUDY GROUP FOR INDUSTRIAL RELATIONS—EASTERN
REGION

Headquarters: CALCUTTA

Chairman :

1. Shri P. N. Krishna Pillai, Indian Aluminium Company Ltd., 1, Middleton Street, Calcutta-16.

Members :

2. Shri M. Ghose, The Bengal Chamber of Commerce & Industry, Labour Department, Post Box No. 280, Calcutta.
3. Shri M. V. Madiman, Deputy General Manager (Personnel), Hindustan Steel Ltd., Rourkela Steel Plant, Rourkela (Orissa).
4. Dr. A. D. Singh, Chief Personnel Manager, Tata Iron & Steel Co. Ltd., Jamshedpur.
5. Shri A. P. Sharma, Organising Secretary, I.N.T.U.C., Road No. 10B, Rajendranagar, Patna.

6. Dr. G. P. Sinha, Hony. Secretary, The Indian Society of Labour Economics, Department of Labour & Social Welfare, Patna University, Patna-5.

7. Dr. Ranen Sen, M.P., 58, Western Court, New Delhi.

8. Shri Arun Kumar Bhattacharya, General Secretary, I.N.T.U.C. Assam Branch, Silpukhuri, Gauhati.

Member-Secretary :

9. Shri G. G. Padalkar, Branch Personnel Officer, Indian Oil Corporation, 13, Camac Street, Calcutta-16.

13. STUDY GROUP FOR INDUSTRIAL RELATIONS—SOUTHERN
REGION

Headquarters: MADRAS

Chairman :

1. Shri N. S. Bhat, Binny & Co. Ltd., Post Box No. 66, Madras.

Members :

2. Shri V. A. Ramachandran, C/o The Metal Box Co. of India Ltd., 19, Elaiya Mudali Street, Tondiarpet, Madras-21.
3. Shri R. Ramananda Rao, Chief Personnel Manager, India Leaf Tobacco Development Co. Ltd., P.O. Box No. 303, Guntur-4 (Andhra Pradesh).

4. Shri M. R. K. Rau, Labour Welfare Officer, Kirlosker Electric Co. Ltd., Malleswaram, Bangalore-3.

5. Shri S. C. C. Anthony Pillai, Trustee, Madras Port Trust, 136, Strahans Road, Madras-12.

6. Shri D. Venkatesh, General Secretary, Mysore State, I.N.T.U.C., 5th Main Road, Gandhinagar, Bangalore-9.

7. Shri P. Balachandran Menon, Vice-President, A.I.T.U.C. Kerala State Trade Union Council, Panavilla Junction, Trivandrum-14.

14. STUDY GROUP FOR RAIL TRANSPORT

Headquarters: NEW DELHI

Chairman :

1. Director, Establishment, Railway Board, New Delhi.

Members :

2. Chief Personnel Officer, Northern Railway, New Delhi.
3. Shri A. P. Sharma, Road No. 10B, Rajendranagar, Patna.

4. Shri Keshav H. Kulkarni, Joint General Secretary, National Federation of Indian Railwaymen, 17, Janpath, New Delhi-1.

5. Shri J. P. Chaubey, All India Railwaymen's Federation, 125/E, Babar Road, New Delhi-1.

6. Shri Unraomal Purohit, General Secretary, Western Railway Employees' Union, Grant Road Railway Station (East), Bombay-7. (W.B.).

Member-Secretary :

7. Deputy Director Estt. (Labour), Railway Board, New Delhi.

15. STUDY GROUP FOR FERTILIZERS

Headquarters: ALWAYE

Chairman :

1. Shri M. K. K. Nair, Managing Director, The Fertilizers & Chemicals Travancore Ltd., P.O. Udyogamandal, Via Cochin, Kerala.

Members :

2. Shri B. L. Wadchra, Fertilizer Corporation of India, F-43, South Ext., Part I, New Delhi.
3. Shri P. C. Jain, President, Indian Chemical Manufacturers Association, 15-A, Horniman Circle, Bombay-1.

4. Shri R. N. Sharma, M.L.A., Dhanbad.

5. Shri G. Sundaram, General Secretary, All India Petroleum Workers' Federation, 34, Sewree Cross Road, Sewree, Bombay-15.

6. Shri R. Chakravarthy, E3/1, Jhandewalan Extension, New Link Road, New Delhi.

Member-Secretary :

7. Shri B. L. Shelke, Senior Personnel Officer, The Fertilizer Corp. of India Ltd., Trombay Unit, Bombay-74.

16. STUDY GROUP FOR PAPER AND PULP

Headquarters: CALCUTTA

Chairman :

1. Shri H. P. Dhanuka, the Bengal Paper Mills Co. Ltd., 14, Netaji Subhas Road, Calcutta-1.

Members :

2. Shri P. S. Kothari, Managing Director, the National Newsprint & Paper Mills Ltd., Nepanagar. (M.P.).
3. Shri Hari Singh, Inspector General of Forests, Min. of Food & Agriculture, C.D. & Cooperation, Department of Agriculture, New Delhi.
4. Dr. R. L. Bhargava, General Manager, West Coast Paper Mills Ltd., Dandeli, Distt. North Kanara, Mysore State.

5. Shri G. C. Joshi, General Secretary, Indian National Trade Union Congress, Punjab, Himachal & J & K Region, H.O. Yamuna Nagar (Ambala).
6. Shri Nirmal Kumar Sen, Babujanj, P.O. Hooghly, Distt. Hooghly, West Bengal.
7. Shri K. K. Banerjee, Personnel Officer, M/s. Bengal Paper Mills Ltd., Raniganj, Distt. Burdwan.

Member-Secretary :

8. Shri N. C. Kundu, Dy. Labour Commissioner, Govt. of West Bengal, Calcutta.

17. STUDY GROUP ON WAGE POLICY

Headquarters: BOMBAY

Chairman :

1. Dr. D. T. Lakdawala, University of Bombay, Bombay.

Members :

2. Dr. F. A. Mehta, Tata Industries, Bombay House, Fort, Bombay.
3. Dr. C. K. Johri, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
4. Dr. D. R. Khatkhate, Economic Department, Reserve Bank of India, Post Box No. 1036, Bombay-1.

5. Shri Dinobhai Trivedi, Textile Labour Association, Gandhi Majoor Sevalaya, P.B. No. 110, Bhadra, Ahmedabad.
6. Shri Mahesh Desai (Resigned), All India Khan Mazdoor Federation, Hind Mazdoor Sabha, National House, 2nd Floor, 6, Tulloch Road, Bombay-1.

Member-Secretary :

7. Shri S. D. Punekar, Tata Institute of Social Sciences, Sion-Trombay Road, Chembur, Bombay-71 AS.

Associate Secretary :

8. Dr. L. K. Deshpande, 199, Vishwas, Sir P. M. Road, Ville Parle (East), Bombay-57.

18. STUDY GROUP FOR HEAVY ENGINEERING

Headquarters: JAMSHEDPUR

Chairman :

1. Shri R. S. Pandey, Resident Director (Admn.), the Tata Iron & Steel Co. Ltd., Jamshedpur.

Members :

2. Shri S. K. Datta, Burn & Co. Ltd., Howrah.
3. Shri N. K. Sengupta, Managing Director, Mining & Allied Machinery Corp. Ltd., Durgapur-10, Dist. Burdwan, West Bengal.
4. Mr. C. E. Cargin, Jessop & Co. Ltd., P.O. Box No. 108, 63, Netaji Subhas Road, Calcutta-1.

5. Shri Gopeshwar, General Secretary, Indian National Iron & Steel Workers' Federation, W-2/8, The Crescent, Burnpur (Burdwan).
6. Shri Mohammad Elias (Resigned), 19, Andul, 2nd Byckane, P.O. Botanical Gardens, Howrah (West Bengal).
7. Shri Ram Desai, Secretary, Hind Mazdoor Sabha, Nagindas Chambers, 167, P. D' Mello Road, Bombay-1.
8. Shri A. N. Singh, Chief Inspector of Factories, P.O. Hinoo, Ranchi (Bihar).
9. Shri D. N. Ghose, Chief of Personnel Division, Heavy Engineering Corporation Ltd., Ranchi.

19. STUDY GROUP ON LABOUR PROBLEMS IN THE PUBLIC SECTOR

Headquarters: HYDERABAD

Chairman :

1. Prof. V. V. Ramanadham, Dean, Faculty of Commerce, Osmania University, Director of Institute of Public Enterprise, University Campus, Hyderabad-7.

Members :

2. Shri B. N. Jayasimha, Chief Administrative Officer, Hindustan Aeronautics Ltd., Bangalore Division, Hindustan Aircraft Post, Bangalore-17.

3. Shri Ram Chander, Dy. General Manager (Estt. & Genl.), Neyveli Lignite Corporation Ltd., Neyveli-1.
4. Shri K. Appa Rao, Dy. Personnel Manager, Bharat Heavy Electricals Ltd., Ramachandrapuram, Hyderabad-32.
5. Shri M. S. Krishnan, No. 2, Sampige Road, Mill Corner, Malleswaram, Bangalore-3.
6. Shri Tulsi Boda, General Secretary, The Institute of Public Undertakings, 29, Canning Lane, New Delhi-1.
7. Shri G. Sanjeeva Reddy, 6/B, L.I.G.H., Barkatpura, Hyderabad-27.
8. Shri S. K. Nanda, Chief of Personnel and Industrial Relations, Hindustan Machine Tools Ltd., P.O. H.M.T., Bangalore-31.
9. Dr. Raj K. Nigam, Editor, Lok Udyog and Dy. Secretary, Bureau of Public Enterprises, Deptt. of Exp. (Min. of Finance), New Delhi.
10. Shri Hiten Bhaya, General Manager, Alloy Steel Ltd., Durgapur.
11. Shri S. V. Kulkarni, Controller, Bhabha Atomic Research Centre, Appollo Pier Road, Bombay-1.

Member-Secretary :

12. Shri A. S. Jaganath Rao, Reader in Commerce, Osmania University, Hyderabad.

20. STUDY GROUP FOR JUTE

Headquarters: CALCUTTA

Chairman :

1. Shri P. C. Bhagat, Jute Commissioner, 20, British Indian Street, Calcutta-1.

Members :

2. Shri D. P. Goenka, 17, Belvedere Road, Calcutta-27.
3. Shri R. L. Moitra, Labour Adviser, Indian Jute Mills Association, Calcutta.
4. Shri Kali Mukherjee, President, West Bengal Pradesh National Trade Union Congress, "Shra-

mik Bhawan", 177-B, Acharya Jagdish Bose Road, Calcutta-14.

5. Shri Inderjit Gupta, M.P., A.I.T.U.C., 15, Daur Road, Calcutta.

6. Shri S. K. Ghosh, the Bird Heilgers Group, Chartered Bank Buildings, Calcutta-1.

Member-Secretary :

7. Shri H. M. Ghosh, Dy. Labour Commissioner, Office of the Labour Commissioner and Registrar of Trade Unions, West Bengal, New Secretariat Buildings, 11th Floor, Calcutta-1.

21. STUDY GROUP FOR PLANTATIONS (TEA)

Headquarters: CALCUTTA

Chairman :

1. Shri A. K. Roy, Chairman, Tea Board, 14, Brahounne Road, Calcutta-1.

Members :

2. Mr. E. H. Hannay, C/o India Tea Association, Royal Exchange, 6, Netaji Subhas Road, Calcutta-1.
3. Shri K. K. Chakraborty, Adviser, India Tea Plantations Association, Post Box 74, Jalpaiguri.
4. Shri V. I. Chacko, Secretary & Adviser, United Planters' Association of Southern India, Post Box No. 11, Glenview, Coonoor-1.
5. Shri M. A. Rahman, Chairman, Assam Tea Planters' Association, Jorhat, Assam.

6. Shri S. M. Narayanan, Assistant Secretary, Tamilnad I.N.T.U.C., 11, Phillips Street, Madras-1.

7. Shri Monoranjan Roy, West Bengal Committee A.I.T.U.C., 249, Bepin Behari Ganguli Street, Calcutta-12.

8. Shri L. M. Prodhan, General Secretary, National Union of Plantation Workers, Kalchini Bazar, P.O. Hamilton Ganj, Distt. Jalpaiguri.

9. Shri G. C. Sarmah, General Secretary, Assam Chah Karmachari Sangh, P.O. Dibrugarh, Assam.

Member-Secretary :

10. Shri Banmali Sharma, Addl. Labour Commissioner, Government of Assam, Shillong.

22. STUDY GROUP FOR PLANTATIONS (COFFEE/RUBBER)

Headquarters: KOTTAYAM. (KERALA)

Chairman :

1. Shri P. S. Habeeb Mohamed, Chairman, Rubber Board, Kottayam-9, Kerala State.

Members :

2. Shri A. E. Antony, Industrial Relations Officer, United Planters' Association of Southern India, Post Box No. 11, Glenview, Coonoor-1.

3. Shri U. L. Laxmangowda, Member, Coffee Board and Coffee Planter, Uvinkhan Estate, Javali Post, Chikmagalur Distt., Mysore State.

4. Shri T. V. Joseph, Secretary, Rubber Board, Kottayam-9, Kerala State.

5. Shri C. M. Stephen, Congress Bhavan, Quilon, Kerala State.

6. Smti. Parvathi Krishnan, 45A, Periaswami Road, R. S. Puram, Coimbatore-2.

7. Shri P. L. Perumal, President, the Neelamali Plantation Workers' Union, 19, Mount Road, Coonoor-1.
8. Mir Masood Ali Khan, Deputy Labour Commissioner, Govt. of Mysore, No. 5, Infantry Road, Bangalore-1.

Member-Secretary :

9. Shri A. Gopalankutty Vydier, Chief Inspector of Plantations, Kottayam, Kerala State.

23. STUDY GROUP FOR HEAVY CHEMICALS

Headquarters: BOMBAY

Chairman :

1. Dr. G. S. Kasbekar, Managing Director, Hindustan Organic Chemicals Ltd., P.O. Rasayani, Distt. Kolaba, Maharashtra.

Members :

2. Shri J. I. Mehta, General Manager (Personnel), Union Carbide India Ltd., Post Box No. 2170, Calcutta-1.
3. Shri C. R. Das, Shriram Vinyl & Chemical Industries, Shrirampur, Kota (Rajasthan).
4. Shri C. S. Rangarajan, Chemicals Employees' Association, Mettur Dam R.S.

5. Shri V. A. Khanolkar, Chemical Ma/door Sabha, 115, Satyagiri Sadan, Dadar Main Road, Bombay-14.
6. Shri Salil B. Mehta, C/o Tata Industries Ltd., Chemicals Division, Bombay House, Bruce Street, Fort, Bombay-1.
7. Shri D. M. Trivedi, President, Indian Chemicals Manufacturers' Association, India Exchange, Calcutta-1.

Member-Secretary :

8. Shri P. S. Palande, Administrative Officer, Hindustan Organic Chemicals Ltd., P.O. Rasayani, Dist: Kolaba, Maharashtra.

24. STUDY GROUP FOR COAL

Headquarters: NEW DELHI

Chairman :

1. Shri Chhedi Lal, Adviser, Planning Commission, Yojana Bhavan, Parliament Street, New Delhi-1.

Members :

2. Shri K. S. R. Chari, Coal Mining Adviser, Ministry of Steel, Mines & Metals (Department of Mines & Metals), New Delhi.
3. Shri G. S. Jabbi, Director General of Mines Safety, Dhanbad. (Succeeded by Shri R. G. Deo.)
4. Shri P. Chandra, Coal Mines Provident Fund Commissioner, Dhanbad.
5. Shri R. Lall, Bengal Coal Company Ltd., 8, Clive Row, Post Box No. 150, Calcutta-1.

6. Shri Rasiklal Worah, Jora Bungalows, P.O. Dhanbad (Bihar).
7. Shri A. H. Azad, Secretary, National Coal Development Corporation Ltd., Ranchi.
8. Shri Kanti Mehta, Indian National Mine Workers' Federation, 9, Elgin Road, Calcutta-20.
9. Shri Kalyan Roy, General Secretary, Indian Mines Workers' Federation, G.T. Road, Asansol.
10. Shri Deven Sen, M.P., Bengal Hotel, Mohammad Hussain Street, P.O. Asansol, Distt. Burdwan.

Member-Secretary :

11. Shri S. K. Dutta, Deputy Labour Commissioner, Office of the Labour Commissioner, Govt. of Bihar, Patna.

25. STUDY GROUP FOR OIL REFINING & DISTRIBUTION

Headquarters: NEW DELHI

Chairman :

1. Shri N. N. Kashyap, Chairman, Indian Oil Corporation Ltd., Link House, 4th Floor, B.S. Zafar Marg, New Delhi-1.

Members :

2. Shri M. R. Idgunji, Industrial Relations Adviser, General Manager's Office, Burmah-Shell, Bombay, C/o Chief Representative's Office, Burmah-Shell, P.O. Box No. 626, New Delhi-1.
3. Shri K. Krishnamurthy, Employee Relations Manager, Esso Standard Refining Company of India Ltd., Administration Building, Mahul, Bombay-74 AS.

4. Shri V. H. Dhopeshwarkar, Chief Personnel Officer, I.O.C. (Marketing Division), 254-C, Dr. Annie Besant Road, 'Prabhadevi', Bombay-25 DD.
5. Shri G. Sundaram, General Secretary, All India Petroleum Workers' Federation, "Shramajeevi Avaz", 34, Sewree Cross Road, Sewree, Bombay-15.
6. Shri Raja Kulkarni, General Secretary, National Federation of Petroleum Workers (India), 27, Military Square Lane, Fort, Bombay-1.

Member-Secretary :

7. Shri V. P. Baliga, Senior Personnel Officer, I.O.C., B.S. Zafar Marg, New Delhi-1.

26. STUDY GROUP FOR PORTS & DOCKS

Headquarters: BOMBAY

Chairman :

1. Shri L. M. Nadkarni, Chairman, Bombay Port Trust, Administrative Offices, Ballard Road, Fort, Bombay.

Members :

2. Shri S. M. Dikhale, Deputy Chairman, Bombay Dock Labour Board, Krupanidhi, 9, Wittet Road, Ballard Estate, Bombay-1.
3. Shri S. K. Ghosh, Deputy Chairman, Calcutta Port Commissioners, 15, Strand Road, Calcutta.
4. Shri S. C. Sheth, The Eastern Bunkers Ltd., Scindia House, Dougall Road, Ballard Estate, Bombay.
5. Shri S. R. Kulkarni, President, All India Port & Dock Workers' Federation, D'Mello Bhavan, P. D' Mello Road, Bombay-1.

6. Shri Makhan Chatterjee, General Secretary, All India Port & Dock Workers' Federation, Port Shramik Bhavan, 26, Dr. Sudhir Basu Road, Calcutta-23.

7. Shri R. K. Guha, Secretary, Indian National Port & Dock Workers' Federation, 10, Mohan Chandra Road, Calcutta-23.

8. Dr. C. K. Johri, Associate Director, Shri Ram Centre for Industrial Relations, New Delhi-5.

9. Shri N. S. Mankiker, Director General, Factory Advice Service & Labour Institutes, Central Labour Institute, Off Eastern Express Highway, Sion, Bombay-22 (DD).

Secretary :

10. Shri Batuk H. Mehta, Chief Labour Officer, Bombay Port Trust, Administrative Offices, Ballard Road, Fort, Bombay.

27. STUDY GROUP ON EMPLOYMENT & TRAINING

Headquarters: NEW DELHI

Chairman :

1. Shri Kashi Nath Pandey, M.P. Zila Chini Mill Mazdoor Federation, Padrauna, Distt., Deoria. (U.P.).

Members :

2. Shri G. Jagathpatil, Joint Secretary and Dir. of Manpower, Ministry of Home Affairs, New Delhi-1.
3. Dr. D. K. Malhotra, Joint Secretary, Planning Commission, New Delhi-1.
4. Dr. J. N. Sinha, Senior Fellow, Institute of Economic Growth, University Enclave, Delhi-7.
5. Shri S. Prabhakaran, Director of Employment & Training, Government of Bihar, Patna. (Succeeded by Shri S. N. Saigal).

6. Shri Zacharia Mathew, Director of Training and Employment, Government of Kerala, Trivandrum.

7. Shri P. K. Das, Director, Institute of Applied Manpower Research, Indraprastha Estate, Ring Road, New Delhi.

8. Col. S. G. Pendse, Director of Training, Directorate General of Employment & Training, Shram Shakti Bhavan, Rafi Marg, New Delhi.

9. Shri K. M. L. Chhabra, Director of Employment and Training, Madras.

Member-Secretary :

10. Shri K. B. Sharma, Director of Employment Exchanges, Directorate General of Employment & Training, Shram Shakti Bhavan, Rafi Marg, New Delhi-1.

28. STUDY GROUP FOR NEWSPAPER INDUSTRY

Headquarters: NEW DELHI

Chairman :

1. Shri M. Chalapathi Rao, Editor, National Herald, I.E.N.S. Building, Rafi Marg, New Delhi-7.

Members :

2. Shri P. L. Sondhi, General Manager, Indian Express, New Delhi.

3. Shri J. M. D' Souza, Manager, The Times of India, 7, Bahadur Shah Zafar Marg, New Delhi-1.

4. Shri C. N. Chittaranjan, News Editor, Patriot, 12A/23, Western Extension Area, New Delhi.

5. Shri A. R. Bhat, President, Indian Languages Newspapers Association, 256, Sadashiv Peeth, Poona-2.

6. Shri J. P. Chaturvedi, Chief of News Bureau, Samachar Bharati, 55, Kaka Nagar, New Delhi.

7. Shri T. V. R. Sheno, 2/11, I.E.N.S. Building, Rafi Marg, New Delhi-1.

8. Shri R. Shamanna, Chief Sub-Editor, Prajavani, 47/1, 12th Main Road, IV Block East, Jayanagar, Bangalore.

Member-Secretary :

9. Shri V. R. Kulkarni, Dy. Personnel Manager, TELCO, Jamshedpur-10.

29. STUDY GROUP FOR BANKING INDUSTRY

Headquarters: BOMBAY

Chairman :

1. Shri B. N. Adarkar, Deputy Governor, Reserve Bank of India, Bombay.

Members :

2. Shri S. K. Datta, Chief Officer (Personnel), State Bank of India, Central Office, Bombay-1.
3. Shri V. C. Patel, General Manager, the Central Bank of India Ltd., Mahatma Gandhi Road, Fort, Bombay-1.
4. Mr. George Savage, C/o National & Grindlays Bank Ltd., Mint Road, Bombay-1.
5. Shri Prabhat Kar, General Secretary, All India Bank Employees' Association, 88/1A, Jatindas Road, Calcutta-29.

6. Shri V. N. Sekhri, General Secretary, All India Bank Employees' Federation, 26/104, Birhana Road, Kanpur-1.
7. Shri M. L. Majumdar, President, All India State Bank of India Staff Federation, State Bank of India, Calcutta.

Member-Secretary :

8. Shri A. Raman, Director (Banking), Economic Department, Reserve Bank of India, Central Office, Bombay-1.

Associate-Secretary :

9. Shri Philip Thomas, Deputy Director (Planning), Economic Department, Reserve Bank of India, Central Office, Bombay-1.

30. STUDY GROUP FOR AIR TRANSPORT INDUSTRY

Headquarters: NEW DELHI

Chairman :

1. Shri M. A. Chidambaram, P.B. No. 113, 99, Armenian Street, Madras-1.

Members :

2. Captain M. Dayal, Indian Commercial Pilots' Association, C/o. Indian Airlines, Thapar House, New Delhi.
3. Shri P. V. Muthuswamy, President, All India Aircraft Engineers' Association, IAC, Amirpet, 6-3-852/1, Observatory Road, Hyderabad-16.
4. Shri N. R. Kulkarni, General Secretary, Airline Radio Officers' and Flight Operations Officers' Association, K-100, Kalkaji, New Delhi-19.

5. Shri M. M. Ojha, General Secretary, Air Corporations Employees' Union, I.A.C., Dum Dum, Gate No. 3, Calcutta.

6. Shri J. R. Jagtap, Air India Officers' Association, Santa Cruz, Bombay-29.

7. Shri A. S. Banavalikar, Personnel Manager, Air India, Bombay Airport, Santa Cruz (East), Bombay-29.

8. Shri M. K. Basu, Industrial Relations Manager, I.A.C., Airlines House, New Delhi-1.

Member-Secretary :

9. Shri M. A. M. Rao, Joint Director, National Commission on Labour, D-27, N.D.S.E., Pt. II, New Delhi-49.

31. STUDY GROUP FOR CONSTRUCTION INDUSTRY

Headquarters: BOMBAY

Chairman :

1. Shri Bagaram Tulpule, Mill Mazdoor Sabha, 39, Patel Terrace, Parel, Bombay-12.

Members :

2. Shri S. R. Bhise, Director General, Factory Advice Service and Labour Institutes, Central Labour Institute, Off Eastern Express Highway, Sion, Bombay-22(DD).
3. Shri B. P. Kapadia, Pearl Mansion, 91, Queens Road, Bombay-1.
4. Shri B. V. Apte, Builders' Association of India, United Indian Building, 2nd Floor, West Wing, Sir Phirozshah Mehta Road, Fort, Bombay-1.

5. Shri M. A. Rahaman, Member, (P&P), C.W. & P.C., Bikaner House, Shahjahan Road, New Delhi-11.

6. Shri M. T. Shukla, Textile Labour Association, Gandhi Majoor Sevalaya, P.B. No. 110, Bhadra, Ahmedabad.

7. Shri N. N. Manna, General Secretary, C.P.W.D. Workers' Union, Chhe Tooti, Paharganj, Main Bazar, New Delhi.

8. Shri K. A. Khan, C/o Transport & Dock Workers' Union, D'Mello Bhavan, P. D'Mello Road, Bombay-1.

9. Shri K. P. Fadia, Ronak, 37, Sanjiv Bag, Anandnagar, Ahmedabad.

32. STUDY GROUP FOR TRIBAL LABOUR

Headquarters: RANCHI.

Chairman :

1. Dr. L. P. Vidyarthi, Head of the Department of Anthropology, Ranchi University, Ranchi.

Co-Chairman :

2. Rev. Fr. M. V. D. Bogaert, S.J., Xavier Institute of Social Service, Ranchi.

Members :

3. Shri Bhaiya Ram Munda, Nivaran Ashram, Ranchi.
4. Dr. V. N. Sahay, Tribal Orientation Study Centre, Hubsli Camp, Ratu Road, Ranchi.

5. Prof. S. K. Chand, Administrative Training School, Ranchi.

6. Shri Aroon Bose, Lecturer in Economics, St. Xavier's College, Ranchi.

Member-Secretary :

7. Shri T. R. Sharma, Bihar Tribal Research Institute, Ranchi.

Associate Member-Secretary :

8. Shri T. S. Rao, Xavier Institute of Social Service, Ranchi.

33. REGIONAL WORKING GROUP ON LABOUR ADMINISTRATION
(NORTHERN REGION)*Members :*

1. Shri Dashrath Singh, Labour Commissioner, Government of Uttar Pradesh, Kanpur.
2. Shri N. N. Vohra, Labour Commissioner, Government of Punjab, Chandigarh.
3. Shri D. D. Sharma, Labour Commissioner, Government of Haryana, Chandigarh.
4. Shri N. K. Joshi, Labour Commissioner, Government of Rajasthan, Jaipur.

5. Shri S. Y. Andrabi, Labour Commissioner, Government of Jammu & Kashmir, Civil Secretariat, Health Department (Labour), Srinagar.

6. Shri P. K. Mattoo, Labour Commissioner, Government of Himachal Pradesh, Simla.

7. Shri V. C. Vajpeyi, Labour Commissioner, Delhi Administration, 15, Rajpur Road, Delhi.

Member-Secretary :

8. Shri T. C. Jain, Joint Labour Commissioner, Government of Rajasthan, Jaipur.

34. REGIONAL WORKING GROUP ON LABOUR ADMINISTRATION
(SOUTHERN REGION)*Members :*

1. Shri T. S. Sankaran, Labour Commissioner, Government of Madras, Madras.
2. Shri K. B. Lal, Labour Commissioner, Government of Andhra Pradesh, Hyderabad.
3. Shri V. Hanumanthappa, Labour Commissioner, Government of Mysore, Bangalore.

4. Shri N. Kochukrishnan, Labour Commissioner, Government of Kerala, Trivandrum.

Member-Secretary :

5. Shri Y. Shiva Shanker Reddy, Deputy Labour Commissioner, Government of Andhra Pradesh, Hyderabad.

35. REGIONAL WORKING GROUP ON LABOUR ADMINISTRATION
(WESTERN REGION)*Members :*

1. Shri D. G. Kale, Commissioner of Labour, Government of Maharashtra, Commerce Centre, Tardeo, Bombay-34.
2. Shri S. J. Shah, Commissioner of Labour, Gujarat State, O-12, New Civil Hospital Buildings, Narva, Ahmedabad-16.

3. Shri M. M. Khar, Commissioner of Labour, Government of Madhya Pradesh, Indore (M.P.).

Member-Secretary :

4. Shri L. N. Shandilya, Deputy Labour Commissioner, Govt. of Madhya Pradesh, Indore (M.P.).

5. Shri P. J. Ovid, Assistant Commissioner of Labour, Government of Maharashtra, Tardeo, Bombay-34.

36. REGIONAL WORKING GROUP ON LABOUR ADMINISTRATION
(EASTERN REGION)

Members :

1. Shri B. K. Chatterjee, Labour Commissioner, Government of West Bengal, Calcutta.
2. Shri Ishwari Prasad, Labour Commissioner, Government of Bihar, Patna.
3. Shri U. N. Sahu, Labour Commissioner, Government of Orissa, Bhubaneswar.

4. Shri B. Sarma, Labour Commissioner, Government of Assam, Shillong-1.
5. Shri S. N. Roy, Joint Labour Commissioner, Government of West Bengal, Calcutta.

Member-Secretary :

6. Shri S. N. Saigal, Joint Labour Commissioner, Government of Bihar, Patna.

37. REGIONAL WORKING GROUP ON LABOUR ADMINISTRATION
(CENTRAL REGION)

Chairman :

1. Shri O. Venkatachalam, Chief Labour Commissioner (Central), Shram-Shakti Bhavan, Rafi Marg, New Delhi-1.

Members :

2. Shri M. Subramaniam, Director of Mines Safety, C/o Director General, Mines Safety, Dhanbad.
3. Shri S. K. Ghosh, Deputy Chairman, Calcutta Port Commissioners, 13, Strand Road, Calcutta.
4. Shri P. M. Narasimhan, Joint Director, Establishment, Railway Board, Rail Bhavan, New Delhi.

5. Shri S. M. Dikhale, Deputy Chairman, Bombay Dock Labour Board, Krupanidhi, 9, Wittet Road, Ballard Estate, Bombay-1.

6. Shri I. B. Sanyal, Director, Central Institute for Training in Industrial Relations, B-1/41, Safdarjang Development Area, Nauroji Nagar, New Delhi-16.

Member-Secretary :

7. Shri O. Mahcepathi, Officer on Special Duty, Office of the Chief Labour Commissioner (Central), Shram Shakti Bhavan, Rafi Marg, New Delhi.

*38. STUDY GROUP FOR CEMENT

Headquarters: BOMBAY.

Chairman :

1. Shri H. N. Trivedi, President, the Indian National Cement Workers' Federation, Mazdoor Karyalaya, Congress House, Bombay-4.

Members :

2. Shri K. R. Coorlawala, Personnel Director, the Associated Cement Co. Ltd., Cement House, 121, Queens Road, Bombay-1.
3. Shri K. K. Somani, Shree Digvijay Cement Co. Ltd., 'Shree Niwas House', Waudby Road, Fort, Bombay-1.

4. Shri S. C. Aggarwal, Dalmia Cement (Bharat) Ltd., 4, Scindia House, New Delhi-1.

5. Shri I. M. Moinuddin, General Secretary, Indian National Cement Workers' Federation, Dalmiapuram, Tiruchirappalli Dist., Madras.

Secretary :

6. Shri N. Ananthanarayanan, Assistant Director, National Commission on Labour, D-27, N.D.S.E., Part II, New Delhi.

Seminars Organised by Academic Institutions or sponsored by the Commission.

I. A Seminar on 'Trade Unions and Politics in India' was held under the auspices of the Shri Ram Centre for Industrial Relations, New Delhi, in collaboration with the Punjab University in September, 1967, at Chandigarh. A senior official of the Commission was deputed to attend the Seminar.

The stated objectives of the Seminar were :

"To understand the relationship between trade unions and political parties in India at different levels.

To examine the implications of the political involvement of trade unions for labour policy, union functions and leadership, workers, employers and industrial relations.

To explore the possibility of suggesting the ways and means of harmonizing the specific interests of trade unions with the political environment within which they exist."

Besides its plenary session, the Seminar devoted a session each to (i) union leadership and politics ; (ii) inter-union relations and politics ; (iii) union action and politics ; (iv) unions workers and politics.

A list of the participants in the Seminar is appended (Annexure I).

II. The Tata Institute of Social Sciences, Bombay, organised a Seminar in collaboration with the National Commission on Labour on September 21 and 22, 1967 on the questionnaire issued by the Commission.

A list of the participants in the Seminar is appended (Annexure II).

III. A Seminar was held by the Shri Ram Centre for Industrial Relations at Varanasi in collaboration with the National Commission on Labour and the Banaras Hindu University in the Banaras Hindu University Campus, Varanasi, on September 25—29, 1968. The subject chosen for the Seminar was 'Labour Policy' with special reference to the following areas :

- (i) Social framework of industrial relations ;
- (ii) The purpose of future direction of labour legislation ;
- (iii) Wage Policy and the institutional framework of wage determination ;
- (iv) Fringe benefits, incentives and productivity.

The objectives of the Seminar were to :—

"—assist them (the Commission) with the analysis of the more important and seemingly intractable issues of labour policy.

—make recommendations, wherever possible, on specific aspects of policy.

—identify and examine the principal building blocks of labour policy in the light of papers submitted by learned scholars and practitioners, and the reports of the Study Groups constituted by the Commission.

—function as a catalytic agent of new thought, as well as a forum for reconciliation of contending viewpoints on labour policy, at all levels."

The Seminar was attended by the Member-Secretary and two Officers of the Commission. The concluding session was presided over by the Member-Secretary of the Commission. The seminararians formed four groups to have three-day long discussions in parallel sessions of the areas mentioned earlier. The conclusions of the four groups were discussed in the last plenary session of the Seminar.

A list of the participants in the Seminar is appended (Annexure III).

Conferences convened by the Commission:

- I Conference of Chief Inspectors of Factories, held at New Delhi on May 8-9, 1968.
- II Conference on Labour Statistics, held at New Delhi/Simla on August 28—31, 1968
- III Conference on Agricultural Labour, held at New Delhi on December 23—25, 1968.
- IV Conference on Industrial Cooperatives, held at New Delhi on January 8-9, 1969.

Lists of participants in these Conferences are appended (Annexures IV to VII).

*Seminar on Trade Unions and Politics in India under the auspices of the Shri Ram Centre for Industrial Relations,
New Delhi, 20-23rd September, 1967.*

Participants :

1. Shri K. C. Alexander, Research Officer, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New-Delhi-5.
2. Shri S. P. Bajaj, Research Associate, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
3. Shri B. S. Baviskar, Department of Sociology, Delhi School of Economics, University of Delhi, Delhi-7.
4. Dr. Bharat Ram, Chairman, Shri Ram Memorial Foundation, Bara Hindu Rao, Delhi-6.
5. Shri Vinay Bharat Ram, Delhi Cloth and General Mills Co. Ltd., Bara Hindu Rao, Delhi-6.
6. Shri B. S. Bhir, Professor—Director, Bombay Labour Institute, Parel, Bombay-12-DD.
7. Shri Tulsī Boda, Institute of Public Undertakings, 8, Dr. Rajendra Prasad Road, New Delhi.
8. Shri N. N. Chatterjee, Joint Secretary, Ministry of Labour and Employment, Shram Shakti Bhavan, Rafi Marg, New Delhi.
9. Shri Vithal Chaudhari, Joint Secretary, All India Trade Union Congress, 178, Charni Road, Bombay-4.
10. Mr. Harold Crouch, 171, Glenhuntly Road, Elwood, Victoria.
11. Shri O. P. Dhingra, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
12. Shri J. C. Dikshit, General Secretary, INTUC, U.P. Branch, 19, Lajpat Rai Road, Lucknow.
13. Mr. Norman Francis Duff, Western Australian Institute of Technology, James Street, Perth, Western Australia.
14. Rev. Fr. A. J. Fonseca, Director, Indian Social Institute, D 25, South Extension II, New Delhi.
15. Mr. Robert Gavin, Ford Foundation Consultant, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
16. Shri C. M. George, Research Fellow, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
17. Shri Prem Govil, Delhi School of Social Work, University of Delhi, Delhi-6.
18. Shri R. M. Goil, Department of Economics, Government College, Mandasaur.
19. Shri R. C. Goyal, Indian Institute of Management, Vastrapur, Ahmedabad-6.
20. Mr. Alfred Heider, Embassy of Federal Republic of Germany, 6/50, Shanti Path, Chanakyapuri, New Delhi.
21. Shri S. P. Jain, Research Associate, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New-Delhi-5.
22. Shri G. K. Johri, Associate Director, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
23. Shri A. Joshi, Director, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
24. Shri T. N. Kapoor, Head of the Department of Commerce and Business Management, Punjab University, Chandigarh.
25. Shri B. L. Kapur, Administrative Officer, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
26. Shri V. B. Karnik, Director, Labour Education Service, 127, Mahatma Gandhi Road, Bombay.
27. Shri T. K. Karunakaran, Xavier Labour Relations Institute, P. O. Box No. 47, Jamshedpur.
28. Shri Raja Kulkarni, National Federation of Petroleum Workers, 27, Military Square Lane, Fort, Bombay-1.
29. Shri N. S. Mankiker, Director-General, Central Labour Institute, Off Eastern Express Highway, Sion, Bombay-22 DD.
30. Shri B. N. Mehrotra, Reader, Department of Commerce and Business Management, Punjab University, Chandigarh.
31. Rev. Fr. E. H. McGrath, Xavier Labour Relations Institute, Post Box No. 47, Jamshedpur.
32. Shri S. R. Mohan Das, 2A, Prospect Chambers, Dr. D. N. Road, Bombay-1.
33. Shri A. C. Nanda, Senior Research Fellow, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
34. Shri P. L. Perunnal, President, the Neelamalai Plantation Workers' Union, 19, Mount Road, Coonoor.
35. Shri I. C. Puri, Secretary, Department of Labour, Government of Punjab, Chandigarh.
36. Shri E. A. Ramaswamy, Department of Sociology, Delhi School of Economics, University of Delhi, Delhi.
37. Shri G. R. S. Rao, Research Associate, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
38. Shri M. A. M. Rao, Joint Director, National Commission on Labour, D-27, South Extension II, New Delhi.
39. Shri R. Ratnam, Honorary Secretary, Tiruchirapalli Productivity Council, Vincent's Building, Cantonment, Tiruchirapalli-1.
40. Mr. A. G. Read, First Secretary (Labour), British High Commission, Chanakyapuri, New Delhi-11.
41. Shri Bisen Sahai, General Manager (I.O.), Jay Engineering Works Ltd., 183-A, Prince Anwar Shah Road, Calcutta-31.
42. Shri D. Saran, Research Associate, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
43. Shri M. C. Sekhar, Research Officer, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.

44. Shri K. N. Sharma, Department of Humanities and Social Sciences, Indian Institute of Technology, I.I.T. Post Office, Kanpur.
45. Y. D. Sharma, 15, J. H. Building, Bhagirath Place, Delhi.
46. Shri Raja Ram Shastri, Vice-Chancellor, Kashi Vidya Peeth, Varanasi-1.
47. Shri N. R. Sheth, Assistant Director, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
48. Shri C. M. Stephen, C/o Pradesh Congress Committee, Congress Bhavan, Quilon.
49. Shri C. P. Thakur, Research Officer, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
50. Mr. George Tobias, Programme Adviser on Manpower and Employment, Ford Foundation, 32, Ferozeshah Road, New Delhi-1.
51. Shri S. D. Tripathi, Reader, Department of Commerce and Business Management, Punjab University, Chandigarh.
52. Shri Tulpule, Mill Mazdoor Sabha, 39, Patel Terrace, Parel, Bombay.
53. Shri K. N. Vaid, Associate Director, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi.
54. Mr. M. J. Van Den Bogaert, Xavier Institute of Social Service, P.B. No. 9, Ranchi.
55. Shri P. V. Veeraraghavan, Assistant Director, Human Relations Division, SITRA, Coimbatore-11.

*Seminar on the National Labour Commission's Questionnaire at Tata Institute of Social Sciences,
Bombay—September 21 & 22, 1967.*

Participants :

(A) Representatives of Industry/Management.

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|---|---|
| 1. Shri T. L. A. Acharya, Mahindra & Mahinda. | 14. Dr. F. A. Mehta, Tata Industries Pvt. Ltd. |
| 2. Shri Z. U. B. Ansari, Imperial Tobacco Co. of India Private Ltd. | 15. Shri S. B. Mehta, Tata Oil Mills Co. Ltd. |
| 3. Shri A. S. Banavalikar, Air India. | 16. Shri K. Naoroji, Godrej & Boyce Pvt. Ltd. |
| 4. Shri Umarao Bahadur, Hindustan Lever Ltd. | 17. Shri N. R. Pandit, Labour Secretariat of Banks. |
| 5. Shri R. G. Gokhale, formerly of Millowners' Association. | 18. Shri B. Rajaram, Tata Textiles. |
| 6. Shri L. C. Joshi, Bombay Chamber of Commerce. | 19. Shri B. K. Rindani, Hindustan Lever Ltd. |
| 7. Shri Y. D. Joshi, Tata Services Ltd. | 20. Shri S. L. Sahni, Swadeshi Mills Co. Ltd. |
| 8. Shri D. G. Kale, Labour Commissioner, Government of Maharashtra. | 21. Shri T. S. Selmi, Kamani Metals & Alloys Ltd. |
| 9. Shri P. V. Kamath, British Drug House. | 22. Shri S. Shankara, Firestone Tyre & Rubber Mfg. Co. Ltd. |
| 10. Shri M. Kamra, ESSO Standard Eastern Inc. | 23. Shri F. S. Swaminathan, Employers' Federation of India. |
| 11. Shri V. G. Karnik, Times of India. | 24. Shri S. V. Utamsingh, Associated Cement Companies Ltd. |
| 12. Shri N. N. Kashyap, Larsen & Toubro. | 25. Shri M. S. Warty, formerly of Millowners' Association. |
| 13. Shri N. S. Mankiker, Central Labour Institute. | |

(B) Members of Academic Institutions.

Tata Institute of Social Sciences :

26. Dr. M. S. Gore,
27. Dr. S. D. Punekar,
28. Dr. K. G. Desai,
29. Mrs. S. R. Panakar,
30. Mr. L. S. Kudchedkar.

Bombay Labour Institute :

31. Dr. B. S. Bhir,
32. Dr. V. G. Mhetras.

33. Dr. K. S. Basu, Jannalal Bajaj Institute of Management Studies.
34. Dr. D. T. Lakdawala, Prof. of Economics, University of Bombay.
35. Prof. R. C. Goyal, Indian Institute of Management, Ahmedabad.
36. Prof. A. S. Deshpande, V.J.T. Institute, Matunga.
37. Shri B. N. Datar, Member-Secretary, National Commission on Labour.

*Seminar on Labour Policy by the Shri Ram Centre for Industrial relations at Varanasi,
September 25—29, 1968*

Participants :

1. Shri D. K. Agarwal, Advocate, Supreme Court of India, 23/4, G. T. Road, Shakti Nagar, Delhi-7.
2. Shri K. C. Alexander, Research Officer, Shri Ram Centre for Industrial Relations, 5, Pusa Road, New Delhi-5.
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45. Shri A. K. Shah, Faculty of Commerce, Banaras Hindu University, Varanasi.
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55. Shri M. N. Srinivas, Head, Department of Sociology, Delhi School of Economics, University of Delhi, Delhi.
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Participants (Supplementary List)

66. Shri Dool Singh, Head, Department of Business Admn., Birla Institute of Technology & Science, Pilani.
67. Shri Q. H. Farooque, Head, Department of Commerce, Aligarh Muslim University, Aligarh.
68. Shri H. Goswamy, Chief Industrial Engineer, Rourkela Steel Plant, Hindustan Steel Ltd., Rourkela.
69. Shri A. C. Nanda, General Secretary, Bata Shoe Workers' Union, Faridabad.
70. Shri L. I. Parija, Deputy General Manager (Personnel), Rourkela Steel Plant, Hindustan Steel Ltd., Rourkela.
71. Shri B. N. Srivastava, Kashi Vidyapeeth, Varanasi.

*Conference of Chief Inspectors of Factories held at New Delhi, 8-9th May, 1968**Participants*

1. Shri N. S. Mankiker, Ex-Director General, Factory Advice Service and Labour Institutes.
2. Shri S. R. Bhise, Director-General, Factory Advice Service and Labour Institutes.
3. Shri E. J. Ramrakhiani, Deputy Director General, Factory Advice Service and Labour Institutes.
4. Shri S. N. Ramanathan, Director of Mines Safety (Safety Standards), Directorate General of Mines Safety.
5. Shri K. Narasimharaju, Chief Inspector of Factories, Government of Andhra Pradesh.
6. Shri J. C. Barua, Chief Inspector of Factories, Government of Assam.
7. Shri A. N. Singh, Chief Inspector of Factories, Government of Bihar.
8. Shri R. P. Patel, Chief Inspector of Factories, Government of Gujarat.
9. Shri D. D. Sharma, Labour Commissioner and Chief Inspector of Factories, Government of Haryana.
10. Shri A. A. Bhat, Deputy Labour Commissioner, Government of Jammu and Kashmir.
11. Shri K. Alippy, Chief Inspector of Factories, Government of Kerala.
12. Shri C. P. Tyagi, Chief Inspector of Factories, Government of Madhya Pradesh.
13. Shri N. L. Gadkari, Chief Inspector of Factories, Government of Maharashtra.
14. Shri A. P. Balakrishna, Chief Inspector of Factories, Government of Mysore.
15. Shri B. K. Patnaik, Chief Inspector of Factories, Government of Orissa.
16. Shri N. N. Vohra, Labour Commissioner and Chief Inspector of Factories, Government of Punjab.
17. Shri M. L. Bhandari, Inspector of Factories, Government of Punjab.
18. Shri Pabuwal, Chief Inspector of Factories, Government of Rajasthan.
19. Shri T. V. Lakshmanaswamy, Chief Inspector of Factories, Government of Tamil Nadu.
20. Shri M. Quazilbash, Chief Inspector of Factories, Government of Uttar Pradesh.
21. Shri S. N. Chaudhuri, Chief Inspector of Factories, Government of West Bengal.
22. Shri S. P. Tyagi, Chief Inspector of Factories, Delhi Administration.
23. Shri C. V. Dhume, Inspector of Factories, Government of Goa, Daman and Diu.
24. Shri S. M. Kanwar, Chief Inspector of Factories, Tripura Administration.

(Some officers of the Commission also attended).

*Conference on Labour Statistics held at New Delhi—Simla, August 28—31, 1968**Participants*

1. Dr. B. Ramamurti, Chairman.
2. Shri O. Venkatachalam, Chief Labour Commissioner (Central).
3. Shri K. K. Bhatia, Director, Labour Bureau.
4. Dr. J. N. Tewari, Director, Socio-Economic Research, Planning Commission.
5. Shri N. K. Chakravarty, Joint Director, Central Statistical Organisation.
6. Shri D. Ranga Ramanujam, Director, Bureau of Economics and Statistics, Government of Andhra Pradesh.
7. Shri K. S. Shafeeq, Assistant Labour Commissioner, Government of Andhra Pradesh.
8. Shri D. C. Das, Officer on Special Duty, In-charge of Directorate of Statistics, Government of Assam.
9. Shri H. P. Duara, Labour Commissioner, Government of Assam.
10. Shri R. B. Lal, Director of Statistics and Evaluation and Secretary to Government of Bihar.
11. Shri D. C. De, Statistics Authority, Bihar, Office of the Commissioner of Labour, Government of Bihar.
12. Shri A. V. Vyas, Commissioner of Labour, Government of Gujarat.
13. Shri P. B. Buch, Director, Bureau of Economics and Statistics, Government of Gujarat.
14. Shri D. D. Sharma, Labour Commissioner, Government of Haryana.
15. Shri K. C. Gupta, Economic and Statistical Adviser, Government of Haryana.
16. Shri S. K. Mahajan, Deputy Labour Commissioner, Government of Jammu and Kashmir.
17. Shri J. P. Kesar, Director, Economics and Statistics, Government of Jammu and Kashmir.
18. Shri P. P. Philipose, Deputy Director, Bureau of Economics and Statistics, Government of Kerala.
19. Shri L. S. Pawar, Assistant Labour Commissioner, Government of Madhya Pradesh.
20. Shri K. B. L. Bhargava, Director of Economics and Statistics, Government of Madhya Pradesh.
21. Shri S. M. Vidwans, Director, Bureau of Economics and Statistics, Government of Maharashtra.
22. Shri P. J. Ovid, Deputy Commissioner of Labour, Government of Maharashtra.
23. Shri M. M. A. Khan, Deputy Labour Commissioner, Government of Mysore.
24. Shri S. G. Deshpande, Assistant Labour Commissioner, Government of Mysore.
25. Dr. C. Mishra, Director, Bureau of Statistics and Economics, Government of Orissa.
26. Shri U. N. Sahu, Labour Commissioner, Government of Orissa.
27. Shri Chaman Lal, Statistical Officer, Labour Commissioner's Office, Government of Punjab.
28. Shri L. K. Verma, Director of Economics and Statistics, Government of Rajasthan.
29. Shri N. K. Joshi, Labour Commissioner, Government of Rajasthan.
30. Shri T. C. Jain, Joint Labour Commissioner, Government of Rajasthan.
31. Shri G. D. Nandgopal, Director, Department of Statistics, Government of Tamil Nadu.
32. Shri R. K. Kacker, Deputy Director, Economics and Statistics, Government of Uttar Pradesh.
33. Shri S. P. Singh, Deputy Labour Commissioner, Government of Uttar Pradesh.
34. Smt. Chameli Bose, Director, State Statistical Bureau, Government of West Bengal.
35. Dr. (Mrs.) P. Chakraborti, Deputy Labour Commissioner, Government of West Bengal.
36. Shri R. K. Ahuja, Labour Commissioner, Delhi Administration.

(Some officers of the Commission also attended).

Conference on Agricultural Labour held at New Delhi — December 23—25, 1968

Participants

1. Prof. V. M. Dandekar, Director, Gokhale Institute of Economics and Politics, Poona.
(Chairman).

Central Ministries/Departments

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| <ol style="list-style-type: none"> 2. Shri B. Sivaraman, Secretary, Department of Agriculture. 3. Shri Saran Singh, Joint Secretary, Ministry of Food, Agriculture, Community Development and Co-operation and Planning Commission. 4. Shri R. N. Kaushik, Additional Economic & Statistical Adviser, Directorate of Economics and Statistics, Ministry of Food and Agriculture. 5. Shri W. B. Donde, Economist, Directorate of Economics and Statistics, Ministry of Food and Agriculture. 6. Dr. N. K. Chakravarti, Joint Director, Central Statistical Organisation. 7. Shri V. Srinivasan, Deputy Director, Central Statistical Organisation. | <ol style="list-style-type: none"> 8. Dr. S. T. Merani, Joint Secretary, Department of Labour and Employment. 9. Shri K. D. Hajela, Under Secretary, Department of Labour and Employment. 10. Shri C. R. Nair, Under Secretary, Department of Labour and Employment. 11. Shri B. N. Srivastava, Deputy Director, Labour Bureau. 12. Shri K. V. Iyer, Joint Director, Planning Commission (Labour and Employment). 13. Shri M. K. Ghoshal, Research Officer, Planning Commission (Labour and Employment). |
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State Governments

- | | |
|--|--|
| <ol style="list-style-type: none"> 14. Shri S. J. Dass, Secretary, Labour Department, Government of Assam. 15. Shri Banamali Sharma, Labour Commissioner, Government of Assam. 16. Shri J. P. Sharma, Joint Director, Labour Department, Government of Assam. 17. Shri M. Taneja, Joint Secretary, Labour Department, Government of Bihar. 18. Shri S. J. Shah, Labour Commissioner, Government of Gujarat. 19. Shri R. I. N. Ahoja, Secretary, Labour Department, Government of Haryana. 20. Shri Din Dayal Sharma, Labour Commissioner, Government of Haryana. 21. Shri Kartar Singh Grewal, Deputy Director (Agriculture), Labour Department, Government of Haryana. 22. Shri C. K. Kochukoshy, Secretary, Labour Department, Government of Kerala. 23. Shri N. Kochukrishnan, Labour Commissioner, Government of Kerala. 24. Shri M. M. Khar, Labour Commissioner, Government of Madhya Pradesh. 25. Shri I. N. Puranik, Deputy Labour Commissioner, Government of Madhya Pradesh. 26. Shri V. V. Joshi, Labour Commissioner, Government of Maharashtra. 27. Shri K. Sivaramkrishnan, Deputy Secretary, Agriculture and Cooperative Department, Government of Maharashtra. | <ol style="list-style-type: none"> 28. Shri R. Anandakrishna, Secretary, Food, Civil Supplies and Labour Department, Government of Mysore. 29. Shri G. N. Das, Secretary, Labour Department, Government of Orissa. 30. Shri Harbans Raj Singh, Joint Labour Commissioner, Government of Punjab. 31. Shri N. K. Joshi, Labour Commissioner, Government of Rajasthan. 32. Shri G. N. Gupta, Deputy Secretary, Revenue Department, Government of Rajasthan. 33. Shri T. G. Jain, Joint Labour Commissioner, Government of Rajasthan. 34. Shri P. K. Nambiar, Revenue Secretary, Government of Tamil Nadu. 35. Shri V. S. Subbiah, Additional Secretary, Industries, Labour and Housing Department, Government of Tamil Nadu. 36. Shri N. P. Chatterjee, Secretary, Labour Department, Government of Uttar Pradesh. 37. Shri Hari Mohan Misra, Deputy Labour Commissioner, Government of Uttar Pradesh. 38. Shri M. M. Kusari, Secretary, Labour Department, Government of West Bengal. 39. Shri B. K. Chatterjee, Labour Commissioner, Government of West Bengal. 40. Shri A. T. Sanyal, Additional Director, Agriculture, Government of West Bengal. 41. Shri Patti Singh, Agronomist, Delhi Administration. |
|--|--|

Institutions

42. Shri B. T. Acharya, Director of Economic Research, Khadi and Village Industries Board, Bombay.
43. Shri V. Chandram, Indian Rural Labour Union, New Delhi.
44. Shri Mahesh Desai, Hind Mazdoor Sabha.
45. Shri T. Jiyardas, Indian Rural Labour Union, New Delhi.
46. Shri A. Majid, Agri. Eco. Research Centre, University of Delhi.
47. Shri K. Ramaswamy Naidu, Vice-President, Tamil Nad INTUC, Coimbatore.
48. Shri R. K. Pathak, United Trade Union Congress.
49. Shri R. K. Patil, Akhil Bharat Sewa Sangh, Varanasi.
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51. Shri Tarkeshwar P. D. Singh, Gandhian Institute, Varanasi.
52. Dr. J. N. Sinha, Senior Fellow, Institute of Economic Growth, Delhi.
53. Shri V. Veerabhadra Rao, Indian Rural Labour Union, New Delhi.

(Some officers of the Commission also attended).

Conference on Industrial Cooperatives held at New Delhi — January 8-9, 1969

1. Shri G. J. Ogale, 'Kamdar Sadan', Shirampur, District Ahmednagar, Maharashtra.
2. Shri R. A. Zubairy, Commissioner, Cooperation and Registrar, Cooperative Societies, Maharashtra State, Poona.
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6. Shri Pran Nath, Capital Cooperative Industries Society Ltd., Serai Robilla, Delhi-7.

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Gestetner Operators

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Shri Bhopal Singh.

Daftries

Shri Hirdey Ram.
 „ Sagar Mal.
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Jamadar

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Peons

Shri Jagat Singh.
 „ Rattan Mani.
 „ Mehima Nand.
 „ Chander Bhan *.
 „ Ranbir Singh Rawat *.
 „ Radhe Sham I.
 „ Radhe Sham II.
 „ Sharad Chand.
 „ Bache Lal Sahu.

Shri Rameshwar Dass.
 „ N. P. Juyal.
 „ Bhuali Sah.
 „ Ram Kishen.
 „ Prem Singh.
 „ Beshamber Dat *.
 „ Ram Kishan Kbatak.
 „ Ram Dass.
 „ Tek Ram.

Farash-cum-Chowkidars

Shri Narain Singh.
 „ Besheshwar Prasad.

Shri Richpal.
 „ Bhag Singh.

Sweeper

Shri Ram Kishen.

Mali

Shri Devi Singh.

* Worked in the Committee on Labour Welfare.

INDEX

Abbreviations used: *irt* in relation to

qirt quoted in relation to

virt referred in relation to

- Abbot Wood Report
irt Vocational Education in India, 8.1*
- Absenteeism, 7.9
- Adiammars, 28.63
- Adjudication, 19.18, 23.27—30
- Administrative Reforms Commission
irt Public Undertakings, 25.20
- Adult Literacy, 8.52, 11.30
- Advanced Vocational Training Institute, 32.14
- Agrarian Reforms, 28.47
- Agricultural Development, 28.53—58
- Agricultural Labour, 28.1, 28.5—6
virt Scarcities & famines, 28.60—61
 First Plan, 28.17
 Minimum Wage, 28.27—35
 Second Plan, 28.18
 Wages, 15.3, 15.22
- Agricultural Labour Enquiry, 28.2
virt Child Labour, 27.35
 Information base, 1.5
 Occupational pattern, wage structure, income
 and expenditure, 28.17
- Agricultural Production, 3.1
- Ahmedabad Textile Labour Association, 6.44
- All India Defence Employees' Federation, 26.10, 26.21
- All India Kisan Sabha, 28.36
- All India Railwaymen's Federation, 26.5
- All India Trade Union Congress, 20.4, 20.10
irt International Labour Organisation, 32.7
qirt Trade Unions 6.63
virt Trade Unions 6.47
- All India Trade Union Federation, 20.10
- All India Women's Conference, 27.9
virt Women's Employment, 27.19
qirt Equal Pay, 6.22
- Ambedkar
qirt Directive Principles, 6.6
- Annual Earnings, 14.23
 Plantations Labour, 14.31
- Annual Survey of Industries
irt Production, 15.16
- Apprenticeship Schemes, 8.9
- Arbitration Machinery, 22.10
- Asian Manpower Plan, 32.16
- Asian Trade Union College, 20.13
- Assam Shramik Vahini Act, 1959, 28.37
- Assam Tea Plantations Provident Fund Act, 1955, 13.54,
 13.57
- Austin, Granville
qirt Constitution of India, 6.33
- Automation, 18.2, 18.20
irt Developing Economics, 18.5
 First Plan, 18.15
 Second Plan, 18.15
 Third Plan, 18.15
 Unemployment, 18.17
- Badli System, 7.16, 7.33
- Bank Award Commission
irt Dearness Allowance, 16.34
- Baramasiyas, 28.63
- Bharatiya Mazdoor Sabha, 20.12
virt Collective Bargaining, 6.64
- Bhoodan Movement, 28.38—43
- Bidi & Cigar Workers (Condition of Employment) Act,
 1966, 29.46
- Bihar & Orissa Kamiauti Agreements Act, 1920, 28.64
- Bihar Committee
virt Check Off, 20.68—70
- Bihar Labour Enquiry Committee
qirt Contract Labour, 29.6
virt Sons of the Soil, 7.39, 7.54
- Bombay Housing Board Act, 1948, 12.9
- Bombay Industrial Disputes Committee
irt Wages, 14.38
- Bombay Industrial Relations Act, 1946
virt Contract Labour, 29.7
- Bombay Strike Enquiry Committee, 1928-29
irt Wages, 14.38

*Number at the end of each references indicate paragraphs in the text.

- Bombay Textile Labour Enquiry Committee, 1940, 8.1
irt Wages 14.39
qirt Contract Labour, 29.6
virt Working Conditions, 9.29
- Board of Conciliation, 23.15—22
- Bonded Labour, 28.63—.64
- Bonus, 17.17
- Bonus Commission, 17.23
 Labour Minister's speech, 17.27
qirt Formula for Bonus, 17.24
- Bowley Robertson Committee
 Economic Census of India, 31.1
 British Trade Boards, 19.2
- Capital Accumulation
irt Automation, 18.9
- Capital Intensive Technique, 15.29
- Central Labour Institutes Bombay, 30.36
- Casual Labour, 29.1, 29.24—.29
 Service Conditions, 29.26—.27
- Census of Indian Manufactures
irt Production, 15.16
- Central Board of Workers' Education, 8.41, 30.21
- Central Government Employees
 Census, 26.1
 Wages, 26.31—.32
- Central Industrial Relations Machinery, 23.16
 Railways, 26.17
- Central Institutes of Labour Research, 31.39, 31.43
- Central Labour Institutes, 9.47, 30.20 (iv)
- Central Labour Relations Commission, 22.4
- Central Mining Research Station, 32.14
- Central Pay Commission, 1947
irt Dearness Allowance, 16.34
- Central Provident Fund Commissioner
irt Statistics, 31.5
- Central Public Works Department Rules
virt Contractors, 29.7
- Central Training Institutes, 8.8, 30.20(i), 32.14
irt Women, 27.12
- Central Wage Board Division, 19.22
- Chemical and Pharmaceutical Industries Trade Unions, 20.17
- Cherumas, 28.63
- Chief Inspector of Mines, 30.2
- Chief Labour Commissioner (C), 19.29, 30.4, 30.20(ii)
irt Labour Statistics, 31.5
- Child Labour, 4.27
- Chittaranjan Locomotive
 Incentive Scheme, 17.6
- Coalfield Recruiting Organisation, 7.21, 7.22, 7.25
- Coal Mines Provident Fund & Bonus Schemes Act, 1948, 13.53
virt Social Security, 13.12
- Coal Mines Labour Welfare Fund Organisation, 11.1
irt Housing, 12.63
- Coal Mines Provident Fund Scheme, 13.55
- Code of Discipline
 Voluntary Arbitration, 23.24
- Coffee Board, 14.8
- Collection of Statistics Act, 1953, 31.13
- Collective Agreements, 16.4, 23.12—.14
- Collective Bargaining, 16.48, 16.52, 17.13, 19.1, 19.18, 26.28
- Combination Act, 1799 and 1800, 6.41
- Company's Act, 1956, 6.25
- Common Law Principle, 6.48
- Committee on Labour Welfare, 10.0, 10.19, 10.21, 11.0, 11.23, 12.51, 12.64, 22.26
- Committee on Sharing the gains of Productivity, 18.31
- Commonwealth Conciliation and Arbitration Commission, 22.3
- Communication
irt Trade Union, 20.1 ✓
- Community Development Blocks, 28.52
- Compensatory Allowance, 15.36
- Conciliation, 23.15—.22
- Conciliation Committees, 19.25
- Conciliation Machinery, 6.48
- Conciliation Officers, 23.21
- Conference of Asian Labour Ministers
qirt International Labour Standards, 32.29
- Constitution of India
irt Labour 6.1
qirt Employment, 27.3
virt Child Workers, 27.32
virt Equal Pay, 6.22, 27.14
virt Fundamental Rights, 2.13, 6.11, 6.16
- Consumer Price Index Number, 31.27
irt Dearness Allowance, 15.19
- Contract Labour, 29.1, 29.4—.15
 Working Conditions, 29.13
 Employment, 29.9—.11
 Wages, 29.12
- Controller of Emigrant Labour, 14.8

- Cooperative Sector
Labour 29.67—74
- Council of Indian Employers
irt I.L.O., 32.7
- Council of Social Science Research, 31.39
- Crop Insurance, 28.62
- Dass Commission (1965)
irt Dearness Allowance, 16.34
- Dearness Allowance, 6.43, 14.36, 15.3, 15.34, 16.33, 17.19, 17.24, 26.36
Neutralisation, 16.47
- Dearness Allowance Commission, 16.42, 16.46
- Decasualisation, 7.28, 7.33
First Plan, 7.11
- Defence of India Rules
qirt Industrial Dispute, 6.49
- Director General of Mines Safety, 30.20(iii)
- Directorate of Cost of Living Index Scheme, 31.2
- Directorate General of Employment and Training, 30.20(i)
- Directorate General of Resettlement & Employment, 7.10
- Directorate of Unskilled Labour Supply, Dhanbad, 7.21
- Dock Labour Boards, 7.28, 10.19(iv)—38, 11.26
Wages, 14.35
- Dock Workers (Regulation of Employment) Act, 1947, 13.67
virt Contract Labour, 29.7
- Dock Workers (Safety, Health & Welfare) Scheme, 1961, 9.28(iii), 10.19(iv), 10.38
- Donovan Commission
virt Union Recognition, 22.2
- Economic Development, 15.19, 15.21, 16.15
- Economic Situation
Five Year Plans, 3.15—19
- Employers' Organisations
irt Trade Union, 20.36
Ahmedabad Millowners' Association, 21.23
All India Management Association, 21.14
Bombay Millowners' Association, 21.23
Council of Indian Employers, 21.13
Engineering Association of India, 21.23
Indian Jute Mills Association, 21.23
Indian Mining Association, 21.23
Indian Sugar Mills Association, 21.23
Indian Tea Association, 21.23
Indian Tea Planters' Association, 21.23
International Organisation of Employers, 21.34
United Planters' Association of Southern India, 21.23
- Employees' Provident Fund, 13.56
- Employees' Provident Fund Act, 1952, 13.54
irt Provident Fund, 13.12
- Employees' State Insurance Act, 1948, 13.10
virt Contract Labour, 29.7
Maternity Benefits, 27.16
- Employees' State Insurance Corporation, 11.2(i), 30.21
irt Regional Boards, 13.51
- Employees' State Insurance Scheme, 13.23
- Employees' State Insurance Scheme Review Committee
virt E.S.I.C. 13.42—45
qirt Integrated Social Security Scheme, 13.72
- Employers' Federation of India
irt Collective Agreements, 23.13
- Employment, 5.3—4, 7.29—33, 7.44—51, 14.1
14.25, 15.21
virt War, 7.10
Local Persons, 7.41, 7.47—49
Local Population, 7.39
Physically Handicapped, 7.37—38
Women, 27.21—27
- Employment Exchange (Compulsory Notification of Vacancies) Act, 1959, 7.13
Functions, 7.30—34
Recruitment, 7.31
Training, 8.25
- Employment Market Information, 7.12
- Employment of Children Act, 1938, 27.33
- Employment Service
irt Rural Areas, 7.32
- Employment Trend, 3.20—34
- Engineering Industry
Trade Unions, 20.17
- English Common Law of Conspiracy
virt Trade Unions, 6.40
- Essential Services Maintenance Act, 1968, 26.26
- Evaluation and Implementation Committee, 23.8
- Evaluation and Implementation Division, 30.6
- Exploitation of Labour, 16.13
- Factories
Recruitment, 7.16
- Factories Act, 1948, 17.28
virt Children Employment, 27.33
virt Inspections, 9.14
virt Overtime Work, 9.40
virt Working Conditions, 9.31
- Fair Wages, 6.83, 16.31, 17.20, 19.6
Minimum Wage, 16.25—26
Living Wage, 16.25, 16.27
Wages, 14.40, 15.5—6, 19.9

- Fair Wages Bill, 15.8
 Fair Wages Committee (1948), 19.9
 irt Dearness Allowance, 16.34
 qirt Living Wage, 15.6
 Fall Back Wages, 15.10, 17.10
 Family Budget Enquiries, 16.22, 16.44
 Family Living Survey (1958-59)
 qirt Housing Condition, 12.32
 Federal Court
 qirt Adjudication, 6.53
 Five Year Programme 1946, 8.5
 qirt Housing Policy, 12.8
 qirt Working Conditions, 9.2
 irt Wage, 15.3
 irt Welfare, 10.10, 11.5
 irt Social Security, 13.11
 Forced Labour
 Abolition, 28.36
 Recruitment, 28.72
 Wages, 28.77
 Working Conditions, 28.74
 Forest Labour, 28.70—85
 Forest Villages 28.73
 Fundamental Rights
 irt Labour, 6.18
 Gains in Productivity, 17.11
 Gajendragadkar Commission (1967)
 irt Dearness Allowance, 16.34
 Gandhi
 qirt Constitution, 6.3
 'Gherao', 23.41
 Gorakhpur Labour, 7.19
 Gorakhpur Labour Organisation (1942), 7.20
 irt Mines, 7.18
 irt N.E.S., 7.24
 irt Discrimination, 11.24
 Government's Emergency Powers, 6.50
 Govt. (Industrial) Employees, 26.0
 Gratuity, 14.35, 17.17
 Green Revolution, 28.16
 Gross Wages, 14.5
 Growth of Unions, 20.6
 Harwais, 28.63
 Harwashee, 28.63
 Hali, 28.63
 Halia, 28.63
 Haris, 28.63
 'Hazira'
 irt Hours of work, 9.33
 Hind Mazdoor Panchayat, 20.11
 irt Secret Ballot, 6.79
 irt Trade Unions, 6.64
 Hind Mazdoor Sabha, 20.11
 irt Secret Ballot, 6.79
 irt Trade Unions, 6.63
 Hindustan Antibiotics
 Incentive scheme, 17.6
 Hindustan Machine Tools
 Incentive scheme, 17.6
 Hindustan Steel Ltd.
 Incentive scheme, 17.6
 Hired Labour, 28.9
 'Holyas', 28.63
 Homestead Tenancy Legislation, 28.47
 Hours of work, 9.33—9.39
 Housing Boards, 12.52—.59
 Immigrant Workers, 7.13
 Imperial Bank of India, 25.3
 Incentive Bonus, 17.4
 Incentive Schemes
 irt Productivity, 17.4, 17.8
 Public Sector Undertakings, 17.6
 Incomes and Price Policy, 15.26—.27
 India
 Economic and general background, 2.2—.33
 Indian Federation of Labour, 20.11
 Indian Institute of Labour Studies, 30.36
 Indian Labour Conference, 15.10
 Indian Labour Conference
 irt Craft Trade Union, 20.21
 Indian Labour Conference
 qirt Minimum Wage, 16.28
 qirt Need based Minimum Wage, 23.24
 irt Minimum Wage, 19.4
 irt Profit Sharing, 17.19
 Contract Labour, 29.8
 Industrial relation, 23.6
 Indian Labour Year Book, 31.44
 Indian National Congress
 irt Trade Union, 20.11
 qirt Industrial Worker, 6.2
 Indian National Defence Workers' Federation, 26.10
 Indian National Mines Workers' Federation
 irt Misuse of Safety Provisions

- Indian National Railway Workers' Federation, 26.5
- Indian National Trade Union Congress, 20.10
qirt Voluntary Arbitration, 6.60
- Indian Tea Planters' Association, 14.8
- Indian Telephone Industries
 Incentive scheme, 17.6
- Indian Trade Disputes Act, 1929
irt Wage Policy, 15.2
- Indian Trade Unions Act, 1926, 6.47, 20.28, 20.72
- Industrial accidents, 9.6—9
- Industrial Association
 Industrial Relations, 21.22
- Industrial Boards, 19.25
 Wages, 16.4
- Industrial Committees, 22.26—.27
 Construction Labour, 29.8
- Industrial Committee on Coal Mines
virt Contract Labour, 29.7
- Industrial Committee on Plantations
qirt Sick leave, 13.64
irt Wage, 14.32
- Industrial Co-operatives
 Second Plan, 29.68
 Third Plan, 29.68
- Industrial Co-operative Organisation, 29.67
- Industrial Courts, 6.76
- Industrial Development and Regulation Act, 1951, 6.25
- Industrial Disputes, 15.12—.13
- Industrial Disputes Act, 1947, 6.50, 6.53
irt Disciplinary procedure, 24.35
- Industrial Disputes (Amendment) Act, 1954
irt retrenchment & lay-off, 13.13
virt Trade Unionism, 6.62
- Industrial Employment (Standing Orders) Act, 1946, 6.50
irt Disciplinary Procedure, 24.33
- Industrial harmony, 6.37—.39
- Industrial health, 9.44
- Industrial jurisprudence, 6.58
- Industrial peace, 6.37
- Industrial Policy Resolution 1948, 6.25, 15.5, 25.1
- Industrial Policy Resolution, 1956, 6.25, 25.4
- Industrial Policy Resolution 1956
virt Public Sector, 25.4
qirt Industrial Co-operatives, 29.68
qirt Joint Management Council, 24.8
- Industrial Production, 3.4
- Industrial Relations, 23.60
 Code of Discipline, 23.8
 First Plan, 23.6
 Second Plan, 23.7
 Third Plan, 23.9
 Works Committee, 23.7
- Industrial Relations Commission, 21.9, 22.2, 23.22, 23.61—68
- Industrial Relations Legislation
 Bombay Industrial Relations Act, 1946, 23.2
 Bombay Trade Disputes (Conciliation) Act, 1934, 23.1
 Industrial Disputes Act, 1947, 23.3
 Industrial Employment (Standing Orders) Act, 1946, 23.2
- Industrial Relations Machinery, 15.14, 23.11, 23.61
- Industrial Safety, 9.23—28
- Industrial set-up, 4.1
- Industrial Training Institutes, 7.17, 8.7, 27.12, 30.20(i)
- Industrial Truce Resolution, 1947
qirt Wage, 15.4
- Industrial Truce Resolution, 1962, 23.9
 Voluntary Arbitration, 23.23—.24
- Information Base, 1.4—.8
- In place of strife
qirt Industrial Relations, 22.2
- Inspectors
 Factories, 9.17—.18
 Mines, 9.19—.20
- Intensive Area Development Projects, 28.2
- Intensive farming, 28.22
- International Confederation of Free Trade Unions, 20.13
- International Institute for Labour Studies, 32.9
- International Labour Organisation, 32.2—.4
qirt Induction, 8.30
qirt Labour Welfare, 10.5, 10.6
qirt Tripartite conclusions, 22.16
qirt Weekly hours, 9.35
virt Housing, 12.46
virt Minimum Wage, 32.8
virt Social Security, 13.3
virt Trade Unions, 6.47
- I.L.O Convention
virt Trade Unions, 20.45
virt Women Labour, 27.16—.17
 Trade Union, 20.4
- International Organisation of Employers, 21.13
- International standard industrial classification
irt Agriculture, 28.1
- 'Jeetha', 28.63

- Job Classifications, 15.31
- Joint Consultative Machinery, 26.19, 26.22—26, 26.29—30
- Joint Management Councils, 23.10
Second Plan, 24.9
- Joint Negotiating Machinery
Defence Establishment, 26.21
- Jute Industry
Trade Unions, 20.17
- 'Kamia', 28.63
- 'Kanganis'
irt Plantation, 7.7
- Kisan Sabhas, 28.36
- Krishak Sabha, 28.36
- Labour Administration, 31.1—50
- Labour Appellate Tribunal, Bombay
qirt Bonus, 17.21
- Labour Bureau, 16.40, 17.4, 30.20(v), 31—4.6
qirt Child Labour, 27.30
irt Labour Statistics, 31.4
- Labour Code, 22.40
- Labour Commissioner
irt Factories, 9.16
irt Settlement of Labour disputes, 9.16
- Labour Co-operative Societies
irt Forest Labour, 28.79
- Labour Enforcement Officers, 19.29
- Labour inputs, 15.25
- Labour Intensive techniques, 15.29
- Labour Investigation Committee, 1946
qirt Employment of children, 27.29
irt Information base, 1.5
irt Statistics, 31.2
irt Working conditions, 9.30
- Labour Legislation
Amendment, 33.1
- Labour Management Co-operation, 24.14
- Labour market, 5.3, 7.4
- Labour Ministers' Conference
irt health insurance, 13.10
- Labour Ministry, 30.18—21
- Labour Policy, 4.2—4
- Labour Statistics
History, 31.1—3
- Labour Welfare, 10.4—40, 11.1—35
First Plan, 10.11, 11.6
- Labour Welfare Adviser, 30.4
- Labour Welfare Committee, 11.22, 12.51, 12.64, 22.26
- Labour Welfare Policy, 10.10—12, 11.5—7
- Landless Workers, 28.59
- Land reforms, 28.45—50
- Living Wage, 6.83, 15.6
- Lock-out Committee, 6.46
- Lock-out, 6.81—.83
- M.P. Housing Board Act, 1950, 12.9
- Madras Labour Union, 6.45
- Maharashtra Mathadi, Hamal & other Manual Workers Bill, 1968
irt Unprotected Labour, 29.75
- Mandays Lost, 15.12
- Manganese Mines, 14.25
- Manpower, 17.8
- Manpower Problems, 8.17
- Manual Workers
irt Trade Union, 20.16
- Marginal Productivity, 15.22
- Match Industry, 15.16
- Maternity Benefit, 13.26
- Measurement of Productivity, 18.29, 18.34
- Medical Benefit, 13.32—.33
- Mica Mines, 14.25
- Middle Management, 21.25
- Migrant Labour, 7.41
- Mill Owners' Associations
irt Wages, 14.38
qirt Wages, 7.43
- Mines Employment, 7.18
- Mines Recruitment, 7.6
- Mines Act, 1952
irt Contract Labour, 29.7
irt Employment of Children, 27.33
- Minimum Wage, 6.83, 16.0, 16.2, 16.15, 16.19, 16.46—47
History, 16.6—.15
Statutory, 16.1
Tripartite Resolution, 16.29
- Minimum Wages Act, 1948, 15.22, 16.1, 16.13, 16.18, 19.4
irt Forest Labour, 28.85
irt Plantation Workers, 14.32
irt Unorganised Labour, 29.3
- Minimum Wage Advisory Committees, 16.17
- Minimum Wage Committees
qirt Minimum Wage Norm, 16.28

- Minimum Wage Fixing Machinery, 16.4
- Money Wages, 15.16, 15.34—35
- Muliyas, 28.63
- Mulki, 6.84, 7.39
- Multi-Purpose Community Projects, 28.2
- Nag-muliyas, 28.63
- National Apprenticeship Scheme, 32.14
- National Arbitration Promotion Board
Voluntary Arbitration, 23.25
- National Board for Prices and Incomes
irt Collective Bargaining, 22.2
- National Building Construction Corporation
irt Contract Labour, 29.17
- National Classification of Occupations, 8.14
- National Commission on Labour
Appointment, 1.0
Terms of reference, 1.0
- National Councils
irt Joint Consultative Machinery, 26.24
- National Council for Training in Vocational Trades, 8.6
irt Apprenticeship Training, 8.10
- National Council of Women's Education
irt Women Employment, 27.21
- National Employment Service, 7.35, 30.23, 30.40
Five Year Plan, 7.11
- National Employment Service & Training Institutes,
30.4
- National Federation of Co-operative Sugar Factories,
29.68
- National Federation of Indian Railwaymen, 26.5
- National Federation of Post and Telegraph Employees,
26.9
- National Income, 15.6
- National Industrial Relations Commission, 19.26, 23.63
- National Institute for Training in Industrial Engineering,
32.14
- National Institute of Labour Relations, 30.35
- National Integration Council
irt Unemployment, 7.43
- National Labour Relations Act, 1935. (U.S.A.) 6.40
- National Minimum Wages, 16.16—17
- National Nutritional Advisory Committee, 16.21
- National Productivity Council, 17.5
qirt Sharing the Gains of Productivity, 18.31—32
- National Projects Construction Corporation
irt Contract Labour, 29.17
- National Safety Council, 9.48
- National Sample Survey (NSS), 28.2
- National Service Labour Tribunals, 7.10, 8.1
- National Small Industries Corporation, 6.26
- Need-based Minimum Wage, 6.83, 15.10, 16.18, 26.26,
26.34—36
Central Government Employees, 16.19
Cost, 16.23
Second Pay Commission, 16.19
- Negotiating Machinery
Railways, 26.4, 26.15—16
- New Industrial Worker, 4.13
- Nit-majoor, 28.63
- No-claim bonus scheme, 13.50
- Norm for Inspection, 9.10
- Norris La Guardia Act, 6.40
- Nutrition requirements, 16.21—22, 16.24
- Occupational Wage Data, 31.23
- Occupational Wage Rates, 14.13
- Occupational Wage Survey, 31.23, 14.24
irt Dearness Allowance, 16.35
irt Piece Rate, 17.3
- Order of Knights of Labour, 6.40
- Organised Labour, 5.11 (i), 14.15
- Overtime Work, 14.4
- Paid Holidays, 9.42—43
- Paid National Holidays, 9.43
- 'Palerus', 28.63
- Pannayals, 28.63
- Payment by results, 15.36, 17.7, 19.8
- Payment of Bonus Act 1965, 17.17, 17.28
- Payment of Bonus Ordinance 1965, 17.28
- Payment of Wages Act 1936, 14.8, 15.2, 20.71
irt Wages, 14.3—5
irt Wage Fixation, 19.1
- Penalties, 9.22
Unfair Labour Practices, 20.72
- Pension Scheme, 13.62
- Per capita Income, 15.22
- Per capita National Income, 15.19
- Piece-rate, 14.36, 17.3, 17.7, 19.32
- Plague Bonus, 6.43
- Planning Commission
irt Employment, 15.21

- Plantation**
 Central Wage Boards, 14.32
 Collective Bargaining, 14.32
 Contract Labour, 7.7
 Dearness Allowance, 14.32
 Emigrant Labour, 14.8
 Recruitment, 7.7, 7.27
 Trade Union, 20.17
- Plantations Labour Act 1951, 14.31**
virt Contract Labour, 29.7
virt Employment of Children, 27.33
irt Housing, 12.46
irt Medical Benefit, 13.63—66
- Plantations Labour Committee**
 Dearness Allowance, 14.32
- Political Parties**
irt Trade Union, 20.6
- Polytechnics**
 Women, 27.12
- Ports and Docks**
 Guaranteed Minimum Wage, 14.35
 Monthly Workers, 14.35
 Piece-rate Schemes, 14.35
 Recruitment, 7.28
 Reserve Pool Workers, 14.35
 Trade Union, 20.17
- Powerloom**
 Labour, 29.42
 Working Conditions, 29.43
- Powerloom Enquiry Committee**
qirt Powerloom Industry, 29.40
- President's Conference on Industrial Safety, 9.48**
- Prices**
irt Wages, 15.16
- Prime Minister**
qirt Public Sector, 25.6
- Private Sector, 17.28, 21.8**
- Productivity, 15.10, 15.35, 16.36, 17.8**
- Productivity Councils, 30.35**
- Profit Sharing, 22.9**
- Promotion, 8.34—38, 14.33, 25.15**
- Provident Fund, 14.4, 14.35**
- Public Sector, 16.28, 17.24**
 Adjudication, 25.30
 First Plan, 25.2
 Fourth Plan, 25.7
 Industrial Relations, 25.16, 25.23
 Labour Problem, 25.9—15
 Second Plan, 25.5
 Surplus Labour, 25.21
 Trade Union, 25.24
 Wage System, 17.6
- Public Sector Undertakings, 17.28**
- Public Utility Services, 23.32**
- Railway Board, 14.9**
 Bad climate allowance, 14.33
 City Compensatory Allowance, 14.33
 Dearness Allowance, 14.33
 House rent allowance, 14.33
 Overtime allowance, 14.33
 Remote locality allowance, 14.33
- Railways**
 Trade Union, 26.4—7, 26.12
- Rajadhyaksha Award**
irt Dearness Allowance, 16.34
- Rates of Remuneration, 17.0**
- Rationalisation, 18.1**
irt Women Employment, 27.5
- Rau Court of Enquiry, 31.2**
 Dearness Allowance, 14.33, 16.34
- Real Earnings, 14.1, 14.17, 14.34**
- Real Wages, 14.19, 15.10, 15.12, 15.14, 15.18, 15.34—35**
- Requirement, 7.5—9**
 Contractors, 7.8
 First Plan, 7.11
- Redundancy, 18.9, 18.17**
- Rege Committee**
irt Wages, 14.33
irt Wage Fixation, 15.3, 19.3
qirt Housing, 12.3
qirt Landless Labour, 7.2
qirt Vocational Training, 8.2—3
qirt Wages, 14.39
virt Abolition of Contract Labour, 7.8
virt Jobbers, 7.4
virt Labour Administration, 30.4
- Rege Committee (Contd.)**
virt Labour Welfare, 10.3
virt 'Sons of the Soil', 7.39
virt System of recruitment, 7.4—9
virt Training 8.2—3
virt Welfare measures, 11.1
virt Working class, 4.10
virt Working conditions, 9.29
- Regional Labour Commissioner, 30.4**
- Regional Labour Institute, 30.20(iv), 32.14**
- Regional minima, 16.16**
- Registered Dock Workers, 14.35**
- Rehabilitation, 7.10**

- Reinstatement, 24.37—38
- Research Programmes Committee
virt Recruitment, 7.3
- Reserve Bank of India, 16.41, 18.20
 Sharing the gains, 18.33
- Rest Shelters and Canteens, 10.16
- Retraining, 18.15
virt Labour Welfare, 10.3
- Right to Strike, 23.43
- Royal Commission on Labour
virt Labour Welfare, 10.1
- Rubber Board, 14.8
- Rural Employment, 28.12
- Rural Labour
 Census, 28.14
 Non-tribal, 4.42
 Tribal, 4.41
- Rural Labour Enquiry, 28.2
- Safety Councils, 30.21
- Safety Equipment, 9.26
- Sagri, 28.63
- Sarvodaya Movement, 28.38—43
- 'Sattedars', 29.11
- Scarcities and Famine, 28.60—62
- Scavengers and Sweepers, 29.51—60
 Hours of work, 29.57
 Housing, 29.58
 Recruitment, 29.53
 Social Security, 29.55
 Trade Unions, 29.56
 Working Conditions, 29.52
- Seamen's Provident Fund Act 1966, 13.54, 13.58
- Second Pay Commission (1959)
irt Dearness Allowance, 16.34
- Secret Ballot, 6.80, 23.55
- Self Employment, 15.27
- Self Employed Workers, 15.22
- Seminar on Labour Management Relations
qirt Joint Management Council, 24.9
- Seri or Sanji, 28.63
- Sewak and Haris, 28.63
- Sharing the Gains of Productivity, 17.11, 18.15,
 18.29—36
- Shiva Rao Committee, 7.11
irt Apprenticeship, 8.10
- Shops and Commercial Establishments, 29.1 29.48
 Labour, 29.48—50
- Shops and Establishments Act
 Employment of Children, 27.33
- Sirdars
irt Plantations, 7.7
- Small Industries Service Institutes, 6.26
- Small Scale Industries, 15.22, 29.30—35
 First Plan, 29.30
 Labour, 4.38—40, 29.31
 Third Plan, 29.30
 Trade Union, 29.31
 Wages, 29.34
- Social Assistance Programme, 13.7
- Social Insurance Institutions, 13.6
- Social Insurance Schemes, 13.8
- Social Justice, 22.8
- Social Policy, 15.24
- Social Security
 Five Year Plans, 13.15
- Social Security (Minimum Standards) Convention, 1952,
 13.3
- Social Status*
irt Agricultural Labour, 28.67
- Social Welfare
 Third Plan, 2.28
- 'Sons of the Soil', 6.84
qirt Employment, 7.51
- Special Apprenticeship Committee
virt Apprenticeship Training, 8.10
- Special Employment Exchanges
virt Colliery Workers, 7.14
- Standard of Living, 4.15—22, 15.28, 16.4, 17.2
- Standardisation of Wages, 21.0, 23.29
- Standing Labour Advisory Committee, 22.16
- Standing Labour Committee
irt Bonus, 17.23
irt Bonus Commission, 17.23
virt Housing Scheme, 12.9
virt Paid National and Festival Holidays, 9.41
 Automation, 18.17
 Bipartite Committee, 19.23
virt Office Bearer, 20.56
- State Bank of India, 18.20
- State Enterprises, 23.37
- State Finance Corporations, 6.26
- State Housing Ministers' Conference
virt Housing, 12.45
- State Industrial Relations Commission, 7.77, 19.26

Statistics

- All-India Agricultural Labour Enquiry, 31.18
 - Annual Survey of Industries, 31.13
 - Central Statistical Organisation, 5.3, 31.7
 - Directorate of Economics and Statistics, 31.7
 - Directorate General of Commercial Intelligence & Statistics, 31.3
 - Indian Statistical Institute, 31.7
 - Industrial Statistical Act, 1942, 31.2
 - National Sample Survey, 31.7
 - Occupational Wage Surveys, 31.18
 - Planning Commission, 31.8
 - Research Programme Committee, 31.8
 - Reserve Bank of India, 31.7
 - Rural Labour Enquiry (1963-65), 31.18
 - Survey of Labour Conditions, 31.18
 - United Nations, 31.8
 - Working Class Family Living Surveys, 31.18
 - Work Stoppages, 31.15
- Steering Group
- qirt* Income and Prices Policies, 18.33
- Stevedore Labour, 14.36
- Strike 6.81—83, 26.27
- Illegal, 23.40
 - Public Utility Services, 23.45
- Strike Ballot, 23.44
- Subsidized Industrial Housing Scheme, 12.12—31
- Sugar Wage Board, 17.7
- Supreme Court
- irt* Minimum Bonus, 17.29
 - qirt* Adjudication, 6.71
 - qirt* Bonus, 17.22
 - qirt* Fundamental Rights, 6.17
 - qirt* Wage structure, 6.83
- Surplus Labour, 15.22
- Survey of Labour Conditions
- qirt* Housing Conditions, 12.33
 - qirt* Labour Welfare, 10.19
- Sweated Labour, 15.22
- Tanneries and Leather Goods Industry, 29.61—64
- Working Conditions, 29.62
- Tea Board, 14.8
- Tea Districts Emigrant Labour Act, 1932
- irt* Wages, 14.8
 - irt* Recruitment, 7.7
- Tea Districts Labour Association, 7.7
- irt* Recruitment, 7.13
- Tea Plantations,
- Wage, 14.8
- Technical Training Committee
- irt* Apprenticeship Trainnig, 8.10
- Textile Tariff Board
- irt* Wage, 14.38
- Textile Workers
- Trade Union, 20.17
- Tobacco Processing Industry
- Employment, 29.44
 - Minimum Wages, 29.46
- Tool-Room Centre, 32.14
- Trade Disputes Act, 1906, 6.41
- Trade Disputes Act, 1929, 6.48, 21.3
- Trade Union, 6.39—40, 6.62, 16.15, 19.22, 27.20
- irt* Workers' Education, 8.55
 - Check Off, 20.66—71
 - Closed Shops, 20.59—65
 - Code of Conduct, 20.55
 - Code of Discipline, 20.74
 - Dual Membership, 20.69
 - Election, 20.84, 23.51, 23.54
 - Finance, 20.4—29
 - First World War, 20.3
 - Functions, 20.30—39
 - History, 20.2—13
 - Inter Union Conflict, 20.21, 20.54—58
 - Joint Consultation, 20.33
 - Joint Machinery, 20.55
 - Registration, 20.73—74, 20.21, 20.54—53
 - Legislation, 20.72—84
 - Membership, 20.6—9, 20.11, 20.19, 23.49, 23.52, 23.55
 - Multiplicity of Unions, 20.27
 - Outsiders, 20.40—53
 - Planning Advisory Board, 20.34
 - Political Rivalries, 4.5, 20.55
 - Recognition, 20.20—21, 20.23, 20.72, 23.47—56, 23.63
 - Rights of Recognition, 23.57
 - Re-registration, 20.83
 - Responsibilities, 20.38
 - Secret Ballot, 20.63
 - Third Plan, 20.34
 - Tripartite Bodies, 20.34
 - Union Security, 20.59
 - Union Shop, 20.63—65
 - Unregistered, 20.73
 - Victimisation, 20.69
- Trade Union Act, 1871, 6.41
- Trade Union Congress, 22.2
- Trade Union Structure, 20.14—23
- Training, 8.18—28
- Women Labour, 27.11

- Training in Safety, 9.25
 Tribal Labour, 29.65—66
 Tribunals, 15.14
 Tripartite Bodies
 Third Plan, 22.15
 Tripartite Committee, 18.23
 irt Fair Wage, 15.8
 Tripartite Conference
 Rationalisation, 18.16
 Tripartite Consultative Bodies
 irt Agricultural Labour, 28.66
 Tripartite Consultative Machinery, 22.15
 Tripartite Machinery, 15.37
 Tripartite Wage Boards, 15.10
 Turn-over, 7.9
 Unemployment
 irt Automation, 18.9
 Unemployment Relief Scheme, 13.73
 Unfair Labour Practices, 20.75, 23.66—67, 24.21
 United Trade Union Congress, 6.64, 20.11
 irt Secret Ballot, 6.79
 University Employment Bureaus, 7.14
 University Grants Commission, 33.6
 Unorganised Labour, 29.1
 Third Plan, 29.3
 Unprotected Labour, 29.75
 Unskilled Labour, 15.22
 Urban Housing, 12.47—50
 Victimisation, 24.36, 24.38
 irt Trade Union, 20.47
 Vocational Guidance Programmes, 7.12
 Vocational Training, 8.1—3, 32.14
 Ex-Servicemen, 8.4
 Voluntary Arbitration, 23.10—11, 23.23—26, 23.64,
 24.18, 24.21, 24.26
 Voluntary Organisation, 33.5
 Wage Board, 16.28, 16.40, 17.7, 19.7, 19.22
 Implementation, 19.13
 Need-Based Minimum Wage, 16.20
 Wage Census, 14.13, 14.39
 Wage Councils, 19.24
 Wage Councils Act, 19.45, 19.24
 Wage data, 15.2
 Wage Determination, 15.36, 19.18
 Wage differentials, 14.13, 15.22, 15.31, 15.33, 16.49,
 25.21
 Wage Census, 14.13
 Wage disputes, 15.13—14, 15.18
 Wage fixation, 14.0
 Wage Fixation Board
 U.P., 19.2
 Wage Fixing Authorities, 16.18
 Wage Fixing Machinery, 15.6
 History, 19.1
 Wage Incentives, 17.2
 Wage Level, 14.24, 15.28, 15.31, 15.34, 16.19, 16.23
 Wage Policy, 15.0, 15.11—15, 15.23—30, 15.35—36,
 16.42
 First Pay Commission, 15.10
 First Plan, 15.9
 Second Plan, 15.10
 Standardisation, 15.2
 Third Plan, 15.10
 Wage Price Spiral, 15.26
 Wage rates, 15.24, 15.29, 27.14
 Wage Structure, 15.33, 16.24, 16.38, 19.6, 19.15
 Wages, 14.1, 15.22, 27.14, 29.20
 Banks, 14.11
 Coal Mines, 14.7
 Coal Mining, 14.23
 Five Year Plan, 14.19
 Insurance, 14.12
 Jute Textiles, 14.23
 Major Ports, 14.10
 Manganese Mines, 14.26
 Manufacturing Industries, 14.5
 Mica Mines, 14.26
 Mines, 14.25
 Non-Coal Mines, 14.7, 14.27
 Organised Labour, 14.5
 Petroleum industry, 14.23
 Plantations, 14.8
 Railway Employees, 14.9, 14.33
 Road Transport Workers, 14.9
 Second Plan, 19.6
 Wages and Allowances, 14.4
 Wagner Act, 1935, 6.40
 Weighment, 19.32
 Welfare Centres, 11.1(i)
 Welfare Fund, 11.7, 16.22
 Welfare Policies 1946-66, 10.10—11, 11.5—7

Whitley Commission, 23.31

- irt* Labour Statistics, 31.1
- irt* Trade Unions, 20.10
- irt* Wage Policy, 15.2
- qirt* Bonus, 17.18
- qirt* Employment, 7.1
- qirt* Industrial Dispute, 6.48
- qirt* Minimum Wage, 16.5
- qirt* Minimum Wage—fixing machinery, 15.2
- qirt* Trade Unions, 20.41
- qirt* Wage fixation, 19.1
- qirt* Wages, 14.33, 15.2
- qirt* Workers' Education, 8.39
- rint* Abolition of the contract labour, 7.8, 29.6
- rint* Housing, 12.2
- rint* Industrial labour, 4.8
- rint* Jobbers, 7.4
- rint* Labour welfare, 10.1
- rint* Landless Labour, 7.2
- rint* Recruitment, 7.1
- rint* Social Security, 13.9

- rint* Trade Union, 20.5
- rint* Vocational Training, 8.1
- rint* Wages, 14.39

Women Employment, 27.4

Workers' Education, 8.39—41

Workers Education Scheme, 8.41—60

Working Conditions, 9.4, 9.29—50

Working Group on Technical Education

rint Apprenticeship Training, 8.10

Working party for the cotton Textile Industry

rint Rationalisation, 18.14

Workmen's Compensation Act, 1923, 13.17

irt Social Security, 13.9

rint Employees' State Insurance Scheme, 13.71

Work study teams, 17.12

World Employment Programme (WEP), 32.16

World Federation of Trade Unions, 20.13

Wrongful dismissal, 24.39

Yellow Dog Contracts, 6.40

136367