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NATIONAL COMMISSION ON LABOUR

NCL. REF. NO. WB-V.54

Reply to the Questionnaire from Bharat Chambers
of Commerce, Calcutta.

<u>S.No.</u>	<u>Qn.No.</u>	<u>Page No.</u>	<u>Points for elucidation</u>
1.	12-25	8	What measures do you suggest to ensure proper implementation of the existing legal provisions?
2.	12-25	9	Could you name a few such establishments as have their own Industrial Health Schemes? What are the main features of these Schemes?
3.	26-65	11	Can you suggest measures that may minimise the political influence on trade unions?
4.	26-65	11	What changes do you suggest in the provisions of the Industrial Disputes Act and the Indian Trade Union Act so as to put a curb on the multiplicity of trade unions?
5.	66-129 & 12	11 & 12	Is it a fact that the time schedule of production depends upon many factors and not on industrial peace alone? If so, do you think that this can be a good indicator for measuring industrial relations?
6.	66-129 & 14	13 & 14	You have made suggestions for improving the climate of industrial relations. Do you think that if these are effected without any material change in the attitudes of the parties, industrial peace would be restored?
7.	130-164	16	Can you suggest some reasonable relationship between the wages in the manufacturing sector and the agricultural and unorganised sector?
8.	130-166	16	Should capacity to pay be a relevant consideration for allowing increase in DA to lowest paid worker also?

S.No. Qn. No. Page No. Points for elucidation

9. 130-164 16

Would you agree that issues on which no unanimity is reached, may be arbitrated by the chairman of the Wage Board?

10. 205-211 16

You have stated that earlier the agricultural labour force in the rural areas are brought under the fold of the organised labour, the better for the country. Have you any suggestions to make to achieve this object?

...

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National Commission on Labour

Replies to the

Q u e s t i o n n a i r e

SECTION - I

GENERAL:

The Chamber welcomes the appointment of the National Commission on Labour with a comprehensive terms of reference to go into the entire field of labour policies and practices obtaining in the country. In the context of fast changing circumstances in the economy such a Commission of Enquiry will surely help to provide the necessary guidelines for more rational labour policies and practices in the best interest of the nation.

2. With the advent of Independence, the general approach to the entire gamut of official labour policies and programmes became somewhat ideological and this has continued. The subsequent experience and realities have however contributed to a feeling even among the champions of the working class that the policies with a predominantly idealistic bias pursued so far in the labour field need some revision and even reversal in some cases. Unfortunately, however, the protagonists of labour who feel this way often hesitate to give vent to their feelings publicly. In this context the Chamber would expect the Commission to take a realistic view of things and recommend measures wherever considered appropriate with a view to revising

or reversing such policies and programmes in the labour field. The Chamber further hopes that in making such recommendations to the Government the Commission will keep in view the overall requirements of growth, whether in regard to production, discipline, equity etc.

3. The Chamber hopes that different specific questions included in the Questionnaire will be answered by individual Associations in the context of the existing realities obtaining in their respective areas having regard to their stages of growth, size and scale, regional disparities etc. The Chamber will, therefore, limit itself to the policy aspects of the different groups of questions in Section II of the this Memorandum.

4. In this Section the Chamber would invite the attention of the Commission to the following background issues which seem to warrant careful consideration:

- a) Productive orientation of labour policy.
- b) Understanding at the Unit level.
- c) Low literacy levels and migratory nature of industrial workers.
- d) Ill effects of political unionism.
- e) Implementation of labour laws.

The ideas of the Chamber on these matters are briefly indicated in the subsequent paragraphs.

a) Productive orientation of labour policy:

Ever since Independence, the entire labour scene has undergone rapid changes over the years and legislations, both welfare and protective, have been enacted by the Government in quick succession. In their eagerness to give a welfare orientation to the labour policies, quite a number of welfare legislations have also been introduced by the Government. In all such programmes and policies initiated by the Government the labour force as a potential factor for growth has often been overlooked or not sufficiently

emphasised. In other words, the developmental role of labour has not been spelt out in unambiguous terms. In the same vein it can be observed that scant attention has been paid to the productive aspects of labour. No serious effort has perhaps been made to enlist direct participation of labour in national development except in certain stray instances where reliance has been placed on indirect methods. It goes without saying that any scientific labour policy particularly in the context of a developing country like ours must necessarily be production-oriented. If national development is to forge ahead without setbacks and interruptions the labour policy must also take into account the contemporary realities as they exist today both in the industrial and labour fields, for this alone will make the policies and programmes on the labour front really meaningful and capable of easy implementation.

b) Understanding at the Unit level:

In the field of labour relations, the official labour policy relies heavily on existing legislations and voluntary co-operation between the employers and the workers. Perhaps for the first time the Government has exhibited a sense of realism in the realm of labour policy inasmuch as the Draft Fourth Five Year Plan observes that "it is inevitable that labour problems and industrial relations should now be influenced by wider economic developments to a greater extent than before. Developments concerning price levels and cost of living, availability of foreign exchange for supply of raw materials, conditions for the utilisation of existing capacities, measures to raise levels of productivity and the overall rate of economic and industrial growth are of great importance for industrial peace and for policies relating

to wages and the welfare of workers" (Draft Fourth Five Year Plan, P-386). There is no denying the fact that joint consultation for bringing about harmonious labour-management relations in industry has not achieved any appreciable progress so far. The experience with tripartite bodies cannot also be said to be happy and very often their functioning have become more or less agency-based warranting third party intervention at times.

c) Low literacy levels and migratory nature of industrial workers:

Closely allied to this problem is the low literacy levels of the industrial workers. The Report on Literacy among Industrial Workers recently released by the Committee on Plan Projects of the Planning Commission has observed that the figures of illiteracy are quite staggering among Plantation, Mining and Jute Textile workers with a range of 82 to 87 per cent. The Cotton Textiles and Iron and Steel industries fare slightly better with 60.5 and 51.3 per cent of illiteracy respectively. The literacy levels among industrial workers have continued to be very low despite the implementation of the Government sponsored programmes like Workers' Education Scheme. This has also contributed in no small measure to the stunted growth of independent trade unionism.

The migratory character of Indian labour cannot also possibly be missed in this context. In the wake of industrialisation, there has been considerable rural-urban shift in the labour force but because of the inherent migratory character especially of the rural labour, the latter do not develop a sense of permanent attachment to the urban-based industrial labour force. In fact, seasonal migration of labour stands in the way of developing a solid urban-based labour force which could be very much instrumental

in making the collective bargaining process a real success. Then again, a vast segment of the labour force engaged in agriculture in the rural areas remain largely unorganised and is yet to receive a fair deal. In the broader context of the national goal for rapid economic advance it is highly desirable that the existing gap in the level of living between the agricultural labour and their industrial counterparts should be narrowed down as expeditiously as possible.

d) Ill effects of Political Unionism:

The Chamber recognises the need for organised labour movement free from political dominance and consequent ideological conflicts. Unfortunately, the prevalence of political unionism in the Indian labour scene is another major factor behind the continued existence of both inter-union and intra-union rivalries cutting at the very root of healthy collective bargaining. Unless the leadership of trade unions springs up from the rank and file of the workers, dominance of political leadership of union will perhaps continue with all adverse consequences on the climate of industrial relations. Responsible unionism divorced from politics which is so conspicuous by its absence in India today will have to be fostered if the labour has to play a really constructive and positive role in the context of national development. Greater emphasis on schemes calculated to foster among the workers a spirit of real participation in the developmental process will certainly be helpful in improving matters.

e) Implementation of labour laws:

The Chamber feels inclined to observe that while there has been a plethora of labour laws and rules governing all aspects of labour, the implementation of such legislations has not been very much effective and systematic

with the result that avoidable industrial conflict and tension occur at times. Indeed, half-hearted implementation of labour legislations often gives rise to a situation when direct action takes precedence over legislative process. The much-publicised technique of 'Gherao' lately employed by the workmen for redressal of their grievances will amply bear out this contention. The Chamber feels that the area of conflict could be narrowed down appreciably if there is more effective implementation of labour laws, both Central and State.

In this connection the Chamber would venture to suggest that before enacting legislations concerning labour the Government would do well to consider beforehand if the provisions of such legislations however well conceived could be implemented substantially. In case the implementability prospects of any labour legislation is in doubt, the better course would perhaps be to drop the idea of introducing such legislation and thereby avoid adding up to further confusion. It is the considered opinion of the Chamber that only such labour legislations as can be implemented easily and effectively should be introduced.

5. It is against this overall background that the Chamber's observations have been made on the group of questions included in Section II of the Memorandum.

SECTION II

I. RECRUITMENT AND INDUCTION

Question No.1 - 11

In industrial establishments unskilled and manual workers are generally recruited through jobbers, contractors and also through employment exchanges. Recruitment of skilled categories of workers including managerial and supervisory personnel is done mainly through newspaper advertisements. The present recruitment arrangements in industrial establishments are by and large satisfactory. Even though there is shortage of certain categories of skilled workmen, the employment exchanges are not in a position to meet the demands for such categories of labour.

Lack of mobility and migratory character of industrial labour do pose problems of recruitment and retention. This has largely resulted in high incidence of casual and badli labour. Recruitment of casual labour has its both advantages and disadvantages. The system is advantageous inasmuch as it enable the employers to engage labour on casual basis as and when needed. They, however, pose a problem because of their isolation from the permanent labour force. Employment of physically handicapped persons may best be left to persuasive methods rather than making any statutory provision for reservation of portion of the vacancies for them. No discrimination in the matter of recruitment on grounds of cast, community, region, language etc. is reported to have been practised.

The existing programmes for "on-the-job" training of workers leave much to be desired even though the overall position has somewhat improved after the passage of the

Apprentices Act, 1961. The existing facilities for improving the skill outside the place of work do not appear to be adequate. Whatever facilities in this regard are available they are confined only to large cities. In order to pursue a rational promotion policy it is necessary to recruit workers for each occupation who have the necessary potential for advancement in the organisation. While the system of promotion from within is always desirable on the basis of seniority-cum-efficiency, recruitment to higher occupations might have to be made from outside sources when no suitable person from within is available.

II. CONDITIONS OF WORK

Question Nos.12 - 25

Elaborate provisions of the Factories Act, 1948, are there to regulate satisfactory working conditions of labour employed in factories. So also is the case with Plantations Labour Act, 1951 and the Mines Act, 1952, in respect of labour engaged in plantations and mines. It is only necessary that the existing provisions of these legislations be properly implemented. The extent of prevalence of employment of child labour in industries is not significant excepting in some industries like mines and plantations. The existing statutory provisions in regard to the employment of child labour should be properly implemented. In regard to contract labour, the Contract Labour (Regulation & Abolition) Bill, 1967, is expected to look after this category of labour.

The following Table will indicate the frequency rates of industrial injuries in factories since 1951.

T A B L E - I

Frequency Rate of Industrial Injuries
in Factories

(per lakh man-days worked)

	<u>1951</u>	<u>1961</u>	<u>1964</u>
Fatal	0.03	0.05	0.05
Non-Fatal	<u>11.32</u>	<u>16.13</u>	<u>16.43</u>
	<u>11.35</u>	<u>16.18</u>	<u>16.48</u>
	=====	=====	=====

(Source: Labour Bureau, Simla)

It will appear that the frequency rates of industrial injuries in factories have not gone up very much over the years. Nevertheless, it would be useful to devise ways and means to make the management safety-conscious. Arrangements should also be made to inculcate among the workers, necessary alertness so that safety measures could be effectively implemented. Appointment of Safety Committees at the departmental level may help to improve matters. Some of the large industrial establishments in the country are reported to have set up their own industrial health service. The Regional Labour Institutes set up by the Government of India, in different metropolitan cities are doing some good work in this direction.

III. TRADE UNIONS AND EMPLOYERS'
ORGANISATIONS

(Question Nos.26 - 65)

Factors that have influenced the development and organisational pattern of employers' Organisations since Independence are wellknown. These organisations collectively look after the interests of their members through dissemination of information on labour matters, official policy decisions and other related aspects and help them to deal with the

labour within the framework of existing legislations. With this end in view these organisations provide advisory services on labour matters to their members on a larger scale than before. In the context of the national objectives of establishing a socialist society the employers' organisations and trade unions can perhaps hardly ignore their basic tasks of protecting the interest of their members. The Government should, however, exercise their moderating influence as far as practicable. It would be useful if the trade unions also develop advisory services for their members and engage themselves in greater welfare activities calculated to bring about improvement in the general well-being of the workers. The employers' organisations like Chambers of Commerce by virtue of their expertise and information at their disposal might be extremely helpful to their members in representing their case^{to} the Government supported by concrete facts and suggestions.

The primary responsibility for maintaining a high level employment should necessarily be assumed by the Government. In a planned economy, economic policies of the Central and the State Governments largely determine the pace of investment which alone can create employment opportunities. In this task the employers' organisations can play only a limited role by way of disseminating information on opportunities for investment, market research, possibilities for export, availability of land, sources of labour supply and techniques of productivity and personnel management. The trade unions also on their part can contribute towards stable employment through creation of a climate of healthy industrial relations and adopting constructive approach towards industrial development. It may be mentioned here that frequent resort

to general strikes, hartals and bundhs which often do not have any direct relation to employer/employee relationship can hardly be helpful in maintaining a high level of employment.

In regard to the implementation of obligations undertaken by the organisation of employers at the National or State level, the Chamber advises its constituents about their implementation. The Chamber being a voluntary organisation of industry and trade can hardly take any penal action against its constituents who do not comply with the obligations.

The trade unions in India being wings of political parties political dominance in the field of industrial relations exists. This often prevents the Labour Directorates of State Governments from making an objective assessment of issues involved in an industrial dispute. The existing provisions of the Industrial Dispute Act and the Trade Unions Act appear to be instrumental in encouraging multiplicity of unions at the plant level. The Inter-Union Code of Conduct has remained virtually ineffective. Effective measures should be adopted to encourage growth of leadership from among the rank and file of the workers. The Code for Discipline in Industry has not been able to infuse discipline in industry.

IV. INDUSTRIAL RELATIONS

(Question Nos.66 - 129)

Viewed from a realistic angle the quantitative and qualitative aspects as also the time schedule of production seem to be the ultimate tests to judge the efficacy of any industrial relations system. Unfortunately, enough authoritative statistics are not available at present to

to apply these tests to industrial relations. Although some idea about the quantitative loss could be formed from the figures on man-days lost due to work stoppages the qualitative aspects of production or the variation in time schedules is not available. For instance, such methods as go-slow and work-to-rule, resistance to actions against shoddy performance etc. do impede the quantitative and qualitative aspects of production as also the time schedule, but measurement of such national loss is not often possible on a general basis.

The following Tables will broadly indicate the recent trends of work stoppages in Indian industries :

TABLE - II

Number of Disputes resulting in Work-stoppages,
Workers Involved and Man-days lost.

(1951 - 1964)

<u>Year</u>	<u>No. of disputes</u>	<u>No. of workers involved</u>	<u>No. of man-days lost.</u>
1951	1,071	6,91,321	38,18,928
1956	1,203	7,15,130	69,92,040
1961	1,357	5,11,860	49,18,755
1964 (Provisional)	2,035	9,38,456	72,68,288

Source : Indian Labour Statistics, 1965

TABLE - III

Percentage Distribution of Number of
Disputes (Work-Stoppages)

(1957-1964)

<u>Causes</u>	<u>1957</u>	<u>1961</u>	<u>1964</u>
Wages and Allowances	29.6	30.4	34.9
Bonus	13.6	6.9	7.9
Total Monetary :	43.2	37.3	42.8
Personnel and retrenchment	30.9	29.3	27.4
Leave and hours of work	5.0	3.0	2.0
Others	20.9	30.4	27.8
Total Non-Monetary :	56.8	62.7	57.2

Source : Indian Labour Statistics, 1966

It will appear from the above Tables that the number of man-days lost as a result of work stoppages has progressively gone up over the Plan periods with the exception of some decline at the beginning of the Third Plan period. Then again, the incidence of work stoppages resulting particularly from wages and allowances and bonus (i.e. monetary causes) have gone up over the years and account for as much as 43 per cent of total work stoppages in 1964, while the incidence of work stoppages resulting from personnel and retrenchment have gone down. All these things, however, do not indicate a happy trend of labour relations. Despite the existence of elaborate provisions in the Industrial Dispute Act, 1947, the Industrial Employment (Standing Orders) Act, 1946, and the Code of Discipline to ensure uninterrupted production in industries as also to redress legitimate grievances of the workmen in a constitutional manner, the loss of man-days in 1965 on account of work stoppages has registered sharp increase over the previous years indicating ineffectual implementation of the industrial relations policy of the Government.

The spate of general strikes, hartals and bundhs particularly in the State of West Bengal has gone up beyond proportion in recent years with the result that the employers have remained silent spectators even in the face of colossal loss of production. Unfortunately there is complete lack of restraint on the part of the workmen to launch strikes at any time to place their demands regardless of the circumstances and the conditions obtaining in the country at particular times. This indicates that the Central Trade Union Organisations are yet to play a constructive and positive role in the developmental process of the country. Strengthening of the conciliation machinery of the State and Central

Government, expeditious disposal of cases by tribunals, enforcement of the penal provisions regarding illegal strikes and last but not the least, strenghtening of the machinery for implementation of the labour laws will certainly go long way to improve the general climate of industrial relations.

The progress of Works Committees and Joint Management Councils so far has also been disappointing both in public and private sectors. These experiments are not likely to succeed either so long as the impediments like the illiteracy and migratory nature of the workers as also the political overtone of trade Unions, are removed.

V. WAGES

(Question Nos.130 - 164)

The concept of wages as a means of remuneration to labour has got to be viewed from two different angles. The wage is an item of cost to the industry as much as it is a means of livelihood to the worker. It is therefore, essential that any scientific wage policy should weigh carefully these conflicting aspects and endeavour to strike a workable balance between them. In the background of the national need for rapid development, experiments with such concepts as living wage, fair wage or need-based wage have to be made with utmost caution keeping in view the unit cost of production. Then again, the need for accelerated industrial advance and for that matter economic development, would suggest that wages should have some relation to productivity. A wage policy resulting in a high cost economy may be self-defeating.

The following Tables will indicate the average earnings of the workers employed in manufacturing industries as also the index of the real earnings of workers:

T A B L E - I V

Index of Real Earnings of Workers

(Base : 1951 = 100)

<u>Year</u>	<u>Money earnings of Factory Workers</u>	<u>Real earnings of Factory Workers</u>
1952	107.1	109.2
1956	115.4	115.4
1961	138.6	115.5
1964	150.8	104.1

(Source: Labour Bureau, Simla)

T A B L E - V

Average Annual Earnings of Workers employed in Manufacturing Industries

<u>Year</u>	<u>Employees earning less than Rs.200/- per month</u>	<u>Employees earnings less than Rs.400/- per month</u>
1951	1,036	N.A.
1956	1,187	N.A.
1961	1,417	1,540
1964	N.A.	1,745
1965	N.A.	1,829

(Source: Labour Bureau, Simla)

It will appear from the above Tables that the real earnings of factory workers have gone down in 1964 while compared to their real earnings at the beginning of the First Plan period. The inflationary price rise during the recent years appearsto be primarily responsible for this errosion of real income of the workers. The Chamber do not think that the current availability of unskilled labour, has influenced the level of wages since the Minimum Wages Act, the Adjudication Machinery, the Wage Boards and trade unions have all played their part in the determination of wages. The fixation of fair wages by the Adjudication Machinery and Wage Boards take into consideration the

capacity of industry to pay in fixing fair wages. But there is no relation between the wages prevalent in the industrial sector and that of the agricultural sector. It is, therefore, desirable that there should be some co-relation between wages in the manufacturing sector and the agricultural and unorganised sector, if the present imbalance in the standard of living between the two sectors is to be eliminated.

Linking of dearness allowance to the cost of living index and automatic periodical adjustment to the rise and fall of the cost of living index ignores the criterion of capacity to pay since the extent of future fluctuation in the cost of living index cannot always be envisaged at the time of linking. It has been estimated that on an average fringe benefits account for 20% of the basic wages and dearness allowance in engineering industry. It seems desirable that the wage fixing authorities should take into account the fringe benefits allowed to the workmen while determining the fair wages. Industry-wise wage fixing should not be taken recourse to in case of such heterogeneous industries since such industries consist of units of various sizes.

It was originally contemplated that only the unanimous recommendations of the Wage Boards should be implemented but lately the Government has taken the attitude to implement the majority recommendations of Wage Boards which has defeated the very purpose of wage fixation by common consent. In the present context of things it is desirable that a national wage policy should be evolved consistent with the legitimate needs of the workers and the dictates of national development.

If bonus is to be viewed as an additional remuneration apart from normal wages, the additional remuneration should

necessarily be considered only with reference to production and productivity having regard to the widely varying conditions of operations in different industries. There can either be production and productivity bonus as an additional remuneration constituting an element of cost in the normal wage structure and subsequent sharing of economic surplus, but in no case the two can possibly go together. In order to generate adequate economic surplus for sustaining the developmental process it seems imperative that the question of bonus as sharing of surplus must come after adequate provision for capital accumulation out of the surplus is made. The issue of profit bonus has therefore, to be viewed only with reference to capital accumulation, consumption and needs of industrial development. Subject to this basic approach the share of workers in surplus will have to be determined with reference to their contribution to productivity reflected in the monetary prosperity of the undertaking.

The Payment of Bonus Act has contributed very little to reduce the industrial unrest on the issue of bonus. A tendency has developed among some trade unions to accept the minimum guaranteed bonus of 4 per cent but to reject the ceiling limit of 20 per cent as laid down in the Payment of Bonus Act. Since bonus disputes account for as much as 10 per cent of the work stoppage in the country, serious consideration must be given to evolve simpler system of bonus payment which could contribute to lasting industrial peace.

VI. INCENTIVE SCHEMES AND PRODUCTIVITY

(Question Nos.165 - 177)

Introduction of incentive schemes in any establishment has to be conditioned on the basis of findings of proper work study and appropriate conditions for their introduction

must also exist in the establishment. This implies willing co-operation of the workers. Unfortunately any attempt to undertake work study by the management is viewed with suspicion by the workers. There is no denying the fact that incentive schemes applied in a scientific manner will go a long way to increase productivity levels. The sharing of the gains of productivity can conveniently be left to negotiation with the management and labour. One of the basic drawbacks of Indian labour is low productivity and there should be all-out efforts by both management and the Government to create conditions in which productivity of the workers could be suitably increased so as to help the developmental process.

The following Table will provide an indication about the annual rate of absenteeism by industries and centres over the Plan periods:

T A B L E - VI

Average Annual Rates of Absenteeism
by Industries and Centres

<u>Industry/Centre</u>	<u>1951</u>	<u>1961</u>	<u>1966</u>
1. <u>Plantations</u> : Mysore	18.3	20.2	19.9
2. <u>Coal Mines</u> : All India	13.3	13.5	12.8
3. <u>Gold Mines</u> : Mysore	10.2	10.3	8.1
4. <u>Cotton Mills</u> :			
a) Bombay	12.7	11.9	20.2
b) Ahmedabad	8.3	-	-
c) Sholapur	18.7	14.7	27.2
d) Madras	8.9	7.7	10.3
e) Madurai	11.3	13.5	17.1
f) Coimbatore	10.3	12.0	13.9
g) Kanpur	12.0	15.1	-
h) Mysore	11.8	20.9	20.2
5. <u>Woollen Industry</u> :			
a) Kanpur	13.2	8.6	-
b) Dhariwal	10.6	10.6	14.9
6. <u>Engineering Industry</u> :			
a) Bombay	13.9	12.7	16.9
b) Mysore	10.1	13.3	14.9
c) West Bengal	9.7	10.6	14.5

(Source: Labour Bureau, Directorate General of Mines Safety and State Governments)

It would be observed that there has been considerable increase in rates of absenteeism in cotton textiles, woollen industry and engineering industries. It goes without saying that the incidence of absenteeism from whatever cause they may happen must be brought down substantially if production is to be stepped up. Similarly, no incentives scheme will prove to be beneficial to the workers if they collectively take recourse to go-slow or work-to-rule tactics.

If the industry is to be run on modern and efficient lines there is perhaps no escape from the techniques of automation particularly in the context of the objective of rapid development. Introduction of the techniques of automation might strain labour-management relations in the early phases but ultimately both the workers and the industry as also the country will stand to gain from higher production and consequently higher levels of wages. The National Productivity Council has been doing good work in creating productivity consciousness among industries but there is still much leeway to be made up.

VII. SOCIAL SECURITY

(Question Nos.178 - 192)

The Employees' State Insurance Scheme and the Employees' Provident Fund Scheme have provided considerable security against sickness, accident, disablement and old age to organised labour in industries. The Employees' State Insurance Scheme has already covered 31.29 lakh industrial workers and 121.43 lakh members of the families in 259 centres in India on 31st March, 1966. The total coverage of the Employees' Provident Fund Scheme on 31st March, 1965, is 42 lakh workers and 29,578 establishments. The administration of the Employees' State Insurance Scheme has not been able to give full satisfaction to the workers and before

introducing an integrated social security scheme with a wider coverage as recommended by the ESIS Review Committee it is essential that the quality of the administration is improved substantially so as to restore the confidence of the workers. As regards the recommendation of the ESIS Review Committee for administrative merger of the ESI Scheme and the EPF Scheme, such merger should preferably be deferred until some qualitative improvement in the administration of both the Scheme is brought about.

The Employees' Provident Fund Scheme has found favour with the workers even though there were complaints about settlement of dues under the Scheme. The Chamber is of the opinion that the return on investment of Provident Fund monies can be appreciably improved if such monies are allowed to be invested in industrial securities rather than keeping the investment confined only to Central Government securities. In regard to the introduction of a pension scheme, although the workers generally prefer to have a lump-sum payment at the time of retirement, it is likely that with the stabilisation of the industrial labour force a regular scheme of pension might be favoured by the workers. The Chamber do not favour the idea of handing over the administration of social security benefits to the trade-unions. The trade unions are at present closely associated with the administration of the social security benefits because of their representation on the Board of Trustees and the Central and Regional Boards under the ESI Scheme.

VIII . LABOUR LEGISLATION

(Question Nos.193 - 204)

Since Independence the volume of labour legislations enacted both by the Central and the State Governments is

quite considerable. As labour is a concurrent subject under the Indian Constitution there has been emergence of divergent standards in the conditions of work and employment. It may be pointed out here that many State Governments have amended Industrial Disputes legislation or have enacted their own separate legislation in the field of industrial relations. This has resulted in the norms of industrial relations varying considerably from State to State. Similarly, divergent conditions of service have been evolved as a result of different legislations enacted by different States in respect of shops and commercial establishments. Even in the matter of enforcement of labour legislations the State Governments have adopted varying standards leading to difficulties on the part of the establishments having place of business extending to more than one State. The Chamber is of the opinion that there is too much legislation in the field of labour and it is desirable that instead of introducing further legislation concerted efforts should be made to implement the legislations that are already existing. In order to streamline the existing pieces of labour legislation the Chamber would suggest that the number of forms and returns under different enactments should be reduced to the minimum so as to relieve the burden on the small and medium-sized establishments on this score.

IX. RURAL AND UNORGANISED LABOUR

(Question Nos. 205 - 211)

There is no denying the fact that a vast segment of the labour force of the country live in rural areas. Many of the benefits of labour legislations have not percolated to rural labour who are essentially unorganised and scattered over large areas. As things stand at present,

the organised labour who are mostly concentrated in urban and semi-urban areas tend to enjoy far more benefits than their rural counterparts. The Chamber considers that earlier the agricultural labour force in the rural areas are brought under the fold of the organised labour, the better for the country. In view of the high incidence of under-employment in rural areas there is certainly need for framing a broad-based programme for the promotion of productive employment in rural areas based on the local availability of talents and resources. Establishment of Industrial Training Institutes ^{and} Polytechnics in rural areas might be helpful in imparting the necessary training to the local people who in their turn might be fruitfully employed in small industries that might be set up. Infra-structure facilities should also simultaneously be made available in the rural areas with a view to helping larger employment. For a broad-based programme for rural manpower utilisation it would be useful to conduct pilot surveys to locate the most suitable areas for the purpose of setting up small and medium industries based on agricultural raw-materials. Forest-based industries might also profitably be set up in rural areas abound in forests. The present policy of some of the State Governments to bring about dispersal of industries to the rural areas will undoubtedly contribute to generation of larger employment opportunities in such areas and such efforts should be further intensified.

X. LABOUR RESEARCH AND INFORMATION

(Question Nos. 212 - 230)

There has been a good deal of improvement in the availability of labour statistics over the recent years. While the Labour Bureau of the Government of India at

Simla has contributed a lot to improve the availability of labour information and statistics through their annual and monthly publications, the research institutions, Ministry of Labour, National Productivity Council, Management Associations, Economic Department of Universities and the census authorities have also produced a considerable volume of information on labour matters. The employers' organisations as also the Central Trade Union Organisations through their regular and special publications have also brought about important matters of labour interest. The Chamber feels that it should be the constant endeavour of the authorities publishing reports on surveys and investigations on labour matters to reduce the timelag between the period covered by the reports and their publication as much as possible.

Since the forms and returns required to be submitted under different labour legislations are quite voluminous and puts good deal of burden particularly on the small and medium-sized establishments it is extremely desirable that the forms and returns under the different legislative enactments should be rationalised. As the wages are fixed on a region-cum-industry basis, compilation of Regional Consumer Price Index Number appears to be necessary even though there is very little to say against the All India Consumer Price Index Number compiled by the Labour Bureau.

The Chamber would suggest that data regarding loss of man-hours on account of Bundhs and Hartals should be compiled and published. Value of production lost on account of work stoppages might also be helpful in assessing the impact of such work stoppages on the productive front. The information in respect of loss of man-days should be expressed in term of man-hours lost per

1000 workers employed. The Chamber is also of the opinion that data regarding work stoppages due to reasons other than industrial disputes should also be collected since this will provide an idea of the factors responsible for loss of production such as non-availability of power, raw-materials, or dearth of orders etc.

Information on social and sociological aspects of the workers' lives might be investigated by Universities, Research institutions and similar other agencies. In respect of such information emphasis might be laid on such aspects as food and recreational habits and motivations towards family planning.

The employers' organisations can also play a very useful role in undertaking ad-hoc surveys and research on specified labour problems and make their findings available to their constituents. This will undoubtedly help in greater dissemination of labour information and foster mutual understanding. The employers' organisations publicise their activities through news bulletins, annual reports and other special publications. The role played by the Press in educating the public on labour matters has been quite significant. Research studies and well-documented articles and papers are often published in newspapers, economic and commercial journals. At present items of information having greater news value like hartals, bundhs etc. often receive greater publicity than positive aspects of industrial relations like suggestion schemes, promotion schemes, fringe benefits etc. The Press has, therefore, the scope to play a more meaningful role in shaping decisions on industrial disputes.
