I. Industrial Relations Policy

PART I

When the British conquered India, they introduced in the country the first rudiments of the modern capitalist system of production in the old feudal economy of the country. They broke up the old system of agricultural and handicraft (industrial) production and threw vast numbers of ruined landless peasants on to the cities. There, the newly rising capitalist factories bought their labour at the cheapest price. Those who did not find employment died in the "famines" of the nineteenth century by millions. Thus began the foundation of capitalist production in India, in which the newly-rising rich families of Indians from all communities shared the gains with the conqueror and exploiter of the country, but as junior partners only.

What were the "industrial relations policy" in those conditions? The worker in the factory was treated merely as a "human animal" to be exploited for profits as fast as possible. There was no limitation on the working day, no weekly day of rest or any holiday, no norms of pay, no compensation for injury or death. Men, women and children—all toiled for the profits of the British and Indian owners, until they fell exhausted. It is needless to describe this massacre of our working people. Everybody now considers it "horrible"—even the modern polished and gentleman industrialist bemoans this past. But it is in this very past that the fortunes of many of the present millionaires are founded.

It was the slowly rising resistance of the workers, the mutual selfish class contradictions among the British and Indian partners, the rising nationalist movement against

British oppression that made the capitalist employers agree to certain reforms—such as weekly holiday, limitation on hours of work, an increase in wages (*once called the "plague bonus" to prevent workers from deserting the factories in times of epidemics*) and so on. Even this was only in certain town centres of industry. In far-off plantations and coal mines, the infamous system of "indentured labour" prevailed.

In fact, the industrial relations policy in pre-independence days generally had the character of "indentured labour", modified here and there by the resistance of the workers and the general anti-imperialist nationalist movement.

A change came in this policy due to the crisis ushered in by the first world war and its aftermath.

Indian capital gathered strength vis-a-vis the British. The workers and the people as a whole in India began to protest against the iniquities of the British rule. Following the October Revolution in Russia and the subsequent revolutions on the continent of Europe and the general crisis of the whole capitalist system, the Indian people undertook powerful mass movements and uprisings against the British, in which the working class in the Industrial cities played a prominent role.

The capitalists the world over hurriedly began to announce measures of amelioration to the working class, lest it take the revolutionary road. In India, too, the British and Indian capitalists, following a big strike wave, reduced the working day to 10 hours (1920), raised dearness allowance, gave *ex-gratia* bonus from the huge war-profits they had made.

The political leadership of the country as represented by the Indian National Congress began to take interest in the trade unions and workers' struggles. The All-India Trade Union Congress, which was founded in 1920, attracted all the well-known leaders of Indian nationalism. Mahatma

Gandhi organised the Ahmedabad textile workers. Lokmanya Tilak addressed the Bombay workers. Later on, Lala Lajpat Rai, C. R. Das, Jawaharlal Nehru, Subhas Chandra Bose—all of them participated in the work of the AITUC. A change in the Industrial Relations Policy was demanded by all of them, in one form or another. All of them brought the politics of anti-imperialism, of revolutionary nationalism to the workers, though they did not want the workers to think and act as a class but only as members of the Indian nationhood. But politics it was that they brought. And all of them remained veritable "outsiders" to the trade union movement.

At the end of the first world war, the British ruling class initiated a new policy in industrial relations. The AITUC (founded in 1920) was given recognition to represent the Indian workers in the International Labour Conference at Geneva, an offshoot of the League of Nations in those days. At the same time, when the Second Congress of the AITUC met in Jharia in 1921, the local British satrap called out the military to suppress the "riots" which were "expected" to accompany the holding of the session. The upsurge in the international working class was so great that the Government of India, on the initiative of Sri N. M. Joshi and others agreed to pass laws, legalising the formation of trade unions (the Indian Trade Unions Act, 1926) and laws on compensation for injuries, maternity benefit, etc. Even then the Payment of Wages Act, providing the simple thing that wages due must be paid within a certain time and without arbitrary deductions not provided by law, had to wait till 1936. Indentured labour was ended in 1918, but lakhs of the plantation workers in India and abroad, did not secure any better human treatment beyond gaining personal freedom from contractual slavery.

In the struggle of the worker against the rule of capital, in his day-to-day defence of his living, his wages, his conditions of work, the trade union is his organisation of col-

lective strength and power. The strike or withdrawal of his labour is his only potent weapon of struggle. And through these two, the union and the strike, he secures the right of collective bargaining with the employer. Through these, he overcomes the weakness of the individual member of his class as against the collective might of organised capital. Hence, recognition of trade unions, right of collective bargaining and the right to strike are the most basic and vital principles of industrial relations for the working class.

After the end of the first world war, these three rights were admitted *in principle* as rights of the working class but all the three were denied *in practice* by the employers, unless they were forced to respect them by the organised strength of the workers in various industrial centres.

From 1922 onwards, a new force had appeared in the working class movement—that of communists and other socialist-minded intellectuals. Under their leadership, mass trade unions began to take shape and when the capitalists tried to pass on the burdens of the crisis to the workers by means of wage-cuts, retrenchment and rationalisation, a big strike wave rose up in the country. In the first wave of 1925-28, the workers won their demands and secured recognition of unions and collective bargaining as in Bombay and elsewhere and succeeded in halting the attacks of rationalisation and wage-cuts. Then the government struck down the leadership by hauling almost all the trade union and political leaders of the workers in the Meerut conspiracy case. Many others in Bengal, Madras and elsewhere were imprisoned for their strike activities. Wage-cuts were imposed and lakhs of workers were retrenched. Strikes were broken up by police terror, killing hundreds by firing. Unions were de-recognised. The TU movement split. All the accepted principles underlying industrial relations policy were smashed between 1929 and 1935.

It must not be forgotten that in this attack, both the foreign and Indian capitalists joined hands setting aside

their mutual rivalries, national enmities and political differences.

They all joined hands irrespective of religion, caste, creed or language. Pious Hindu capitalists, whether Brahmin, Thakur or Bania, non-violent Jains, faithful Muslims and Christians decried the strikes and the leaders who led them, and supported the government.

Having suppressed the strikes, the government beat down the uprisings of the national revolutionary movement also (1929-35). Then they proceeded to pass laws to bypass the union and interpose a bureaucratic machine of conciliators, labour officers, welfare officers and so on between the worker and the employer. Strikes were banned from what they called "essential services". Strikes undertaken without going through conciliation were declared illegal, prescribing fines and imprisonment for those who led them.

In this whole period, only the Ahmedabad Textile Labour Union led by Mahatma Gandhi survived. Why was it so? It was because Mahatma Gandhi made compulsory arbitration as the ultimate method of collective bargaining. And, secondly, because he obliged the millowners by voluntarily accepting a wage-cut and rationalisation to enable the employers to tide over their so-called "difficulties". Even then Gandhiji's acceptance of arbitration had one proviso, that if the employer refused to abide by arbitration, he was always ready to call a strike and lead it.

In all this period, the British Government and all employers praised the Ahmedabad Majoor Mahajan as a "model" for the workers of India. In spite of this, Ahmedabad itself did not escape its share of strike struggles against attacks of the employers.

Mahatma Gandhi, however, did not try to ask the other unions in the country to follow him. He did not allow his Ahmedabad union to join the AITUC or any other organisation. He did not believe in a centralised and organised trade union movement on a national level. He did not

endorse international affiliation also. He also held the view that the capitalists were trustees of the wealth they earned and the workers should treat and trust them as such and cooperate and collaborate with them. If the trustees went wrong, the workers, of course, had a right to act and demand their correction. But so had the workers an obligation to work for these trustees. Both had an obligation to society, without which it cannot live.

What was the essence of the industrial relations policy throughout this period as followed by the British government, the Indian employers and the greatest political organisation and leadership of the country—that is, the Indian National Congress?

The essence of the policy was that society cannot do without the capitalist and he, as owner of capital, is the supreme authority in the use of his capital, that is, in the factory, mine or plantation or any place in which he put his capital; that the capitalist puts his capital to use only on condition that he makes his profit and thus multiplies his capital and for which purpose alone, he engages the worker. In this process itself, capital serves the interests of society and the nation though it may be motivated by selfish gain. The relation of the capitalist, the owner of capital, to the worker as the owner of labour power is based on the fundamental law of profits, that is, the worker shall be given work only so long as he produces profits and at the will of the owner of capital. And this fundamental relation shall be upheld and guarded by the power of the law, that is, the State.

Within the framework of this principle, the worker may bargain as he can, organise himself as he can and even refuse to work by concerted action if he can, in order to alter the terms of his employment.

But the moment his action, that is, the strike or withdrawal of his labour in any way becomes a serious menace to the capitalist order as such or even to the profits of the

employer singly or as a class or group, the so-called rights of the worker in the field of industrial relations will be curbed or abolished, as government may desire at the behest of the employers.

Such was the essence of the industrial relations policy of the British ruling class.

Then came independence. The Congress Party led by Mahatma Gandhi, Nehru, Patel, Azad and others formed the government of independent India. Everyone was glad that after great sacrifices and struggles, India had won independence, though it was marred by the Partition, communal riots and the revolt of the princes at the instigation of those very imperialists who had been forced to leave the country.

Did the attainment of independence and the establishment of "our own" government lead to any *basic* changes in the industrial relations policy? It did not. They did not promulgate any laws upholding the three fundamental principles of an industrial relations policy which capitalist societies all over the world have already accepted as necessary ingredients of democracy, even if it is to be a bourgeois democracy. Though the capitalists even in developed countries, from time to time, attack and repudiate these established principles, they are forced to restore them by the resistance of the workers. Without these three principles, the working class cannot protect itself or make any advance.

In India, these three principles have yet to secure unequivocal admission and adherence from the hands of the government and the employers as a class.

That the Congress government, despite the fact that it was supported by the masses of the Indian people, including the working class, did not establish the democratic norms of industrial relations policy did not come as a surprise to the workers and the trade union movement. In fact,

the Congress government and leadership took over the industrial relations policy of the British government in its essence and added its own national colour and prestige to it and refined it in such a way that the whole of the employing class blessed them for it.

Even before India became independent, the Congress had won some political reforms on whose basis, they had formed state governments with some limited powers in the year 1937. The State of Bombay was one of them, where the TU movement was well-organised. The first thing that they then did was to promulgate an Industrial Relations Act, which refused to impose compulsory recognition of trade unions and collective bargaining on the employers and made strikes illegal unless the workers went through a process of conciliation manned by government officials, all of whom were highly amenable to employer's influence. That was an open manifesto of the industrial relations policy of the Congress leadership. When the Act was passed, the workers in Bombay went on a one-day general strike (November 7, 1938) in which two workers died as a result of police firing. The second world war cut short the career of the Bombay Government formed by the Congress Party in the service of capital. The Congressmen had to suffer in prisons the fate of the oppressed during the war period.

But at the end of the war, when once again they formed ministries in several states before getting independence, they revived the old law again, introducing a conditional ban on strikes, providing for recognition of a union on condition that it accepted arbitration, which virtually was made compulsory and once again installed the conciliation officers and tribunals as grave-diggers of trade unionism. That was the infamous Bombay Industrial Relations Act (1946) which was later copied by some other States.

Few people remember that Dr. Ambedkar got through a central law on compulsory recognition of trade unions. But it was so half-hearted and anaemic that the workers did not

bother about it and the employers just treated it with such contempt, that it soon expired without leaving any memory.

It is also worth remembering that during these twenty years of independence, not a single new measure conferring benefits on the working class has been adopted whose roots were not planted in the pre-independence period by the struggles of the workers.

The tripartite machinery began during the war period. The right to bonus (though called ex-gratia payment then and later rendered into a right by the Supreme Court judgement and the Bonus Commission's Report) was established through strikes in 1940-42. The right to sliding scale of dearness allowance and full neutralisation for rise in cost of living was also established through bitterly fought strikes from industry to industry beginning with the year 1940. The beginnings of the ESI scheme were made in 1943 in the tripartite which, in fact, discussed the application of the principle of comprehensive social security and full employment to India. The Congress Government passed the ESI law in 1948 but allowed it to be put in a freeze by the employers' resistance till 1954. The British, during the war period, had banned strikes by promulgating the Defence of India Rules. But the workers went on strikes to defend their wages against rising prices and to earn a share of the war profits by fighting for bonus. The Congress refused to cancel those Defence of India Rules for a long time, in the name of facing the post-war crisis. But seeing the workers' resistance, they got the trade unions in a tripartite conference to agree voluntarily to an "Industrial Truce Resolution". But the attacks of the profiteering employer on the workers and on the national economy made strikes inevitable and the Truce Resolution died in its cradle.

Such was the face of the Industrial Relations policy of the early years of the Government of independent India. The country had achieved independence by the sacrifices of

the toiling millions, to which the employers as such had contributed nothing except sympathy and a small purse. In fact, they had fattened on the Swadeshi and the national movements. But when the government of free India was born, it put its industrial relations policy in the service of the bourgeoisie, while saying fine words of sympathy for the sufferings of the poor and their "legitimate" demands.

The period following the transfer of power to Indian hands was, indeed, a difficult one. The toiling people, the workers, peasants and middle-classes wanted to help the newly-established government of free India to overcome the difficulties and dangers that threatened it, through the communal massacres, the vast transfer of Hindu-Muslim population as between India and Pakistan, the invasion of Kashmir, the revolt of the Princes, the Gandhi murder and so on. The workers in industries and trades did not desire to worsen the situation by raising disputes and holding up work.

But the one class which had now captured the leadership in the economic sphere, that is, the big industrialists and financiers along with their friends in the big landlord classes, did not want a peaceful and orderly growth of the national economy and the development of a truly democratic order, if it in any way curbed their superprofits and loot of the people. They were interested only in their profits and the suppression of those who hampered them. Helped by the war-profits and inflation, they raised prices of essential commodities, caused scarcity even where it had no basis and depressed real wages of the toiling millions. They did not hesitate to use the communal scare to displace old and experienced workers in order to disrupt the strength of the organised workers. The fantastic rise in profits in some industries even crossed the 300 to 500 per cent level. Owners of basic consumer goods like textiles and sugar played the most infamous role in this process. The food hoarders and blackmarketeers were the worst sinners in the

shooting up of prices and causing scarcity. Naturally, the workers resisted with strikes and other actions. The "industrial truce" of the first days of independent India was converted into a war for super-profits by the war-profiteers, though all of them put forth hypocritical plans to build a new India.

Even then, the workers showed great restraint and many strike calls therefore did not evoke response. The dominant note in the mass mind was to give a trial to the new government run by people in whom they had political trust.

How did the Congress leadership utilise this trust? Instead of unifying the workers in a single central and united organisation on an all-India basis and building united industrial unions, the Congress leadership split the trade union movement for political and ideological reasons. They wanted a trade union movement directly inspired and run by the Congress Party. So they established the INTUC.

Though the workers had political allegiance to the national leadership of the Congress, they were not willing to desert their traditional trade union organisations. So a new Industrial Relations Law (the B.I.R. Act) was passed by which a union, which had the backing of the employers due to Congress recommendations, could easily construct its own union membership rolls inside the factory by just copying the employers' muster-roll and qualify itself as a "representative union" for bargaining. The patronage extended by the government and the employers soon enabled the INTUC to come up as the largest TU organisation in the country. This set the pace for political rivalries in the TU movement and led to splits and birth of several central trade union organisations. The working class in India split, not because it does not know the value of unity, or that it does not know that it is weakened by disunity. It split due to the machinations of the capitalists, the help that the Congress government gave to them by victimising trade unions and workers who did not follow them and by the

uninhibited open use of the state power. A united trade union was a menace to the super-profits and growth of monopolies in India. Hence, they would not tolerate it. It was a menace to undemocratic and reactionary trends in the body politic. Hence, the Congress would not tolerate it—despite its oft-declared loyalty to democracy. Thus disunited, the workers in India could not develop a powerful and effective trade union and a democratic challenge to the growth of monopoly capital. Neither could the peasantry challenge the entrenched power of landlordism. And the whole nation suffered. Unfortunately, a section of working class leadership guided by left-sectarian notions lent a hand in this process.

However, there were elements in the ruling party who could see that unless this unbridled loot of the people was checked, there would be no progress but that there could be falling back into a new slavery of the neo-colonial order, which the imperialists who had survived the war, were intent on building and enmeshing the newly-free countries in their net.

They gave the country a new Constitution. A Federal Republic with guarantees of Fundamental Rights and Directive Principles of Policy, outlining new vistas of democratic social order, was solemnly established in January 1950.

Very soon, after the adoption of the Constitution, the governmental leadership found that it was not possible to develop the economy of an under-developed country, which had for two centuries been exploited by imperialism, without taking recourse to building key industries in the public sector and without adopting some planning in development and restricting the anarchy of private capitalism. So planning and public sector accompanied by flamboyant resolutions on socialism and socialistic pattern of society were adopted.

We need not go into all the ups and downs of the Five

Year Plans. Despite the shortcomings and failures, the national economy did make an advance, though not as much as the Plans and the people of the country desired and required. Some fine units of heavy industry, engineering, oil, chemicals and electricity were built, mostly due to help from the socialist countries. But agriculture lagged behind as the Congress government failed to eradicate the crippling influences of old and new landlordism and release the productive forces of the peasant. This put the economy at the mercy of the imperialist dictat, who expropriated the country's wealth by P.L. 480 supplies, loans and various other means and hampered its growth. Even then, the national income increased and production grew, though from time to time, it suffered setbacks and crises due to the inevitable logic of the capitalist system.

What role did the workers play in this? Along with industry, their numbers grew. But industrial growth was so inadequate that the backlog of unemployed grew faster. The growing unemployment was sought to be used by the employers to depress wages and break workers' resistance. The government failed to hold the price line as the monopolists refused to cut their super-profits. The tax burdens increased, prices rose and real wages fell.

The workers contributed their share to national growth. Their productivity rose, despite fall in real wages. Productivity of labour as measured by value added (in constant prices) per employee rose by about 42 per cent (CMI-ASI, 1946-1963). The value added by manufacture, that is, by labour, kept on growing from year to year. The statistics are there in government publications for all to see. The value added in manufacturing industry alone which was Rs. 384.2 crores in 1950-51 rose to Rs. 1434 crores in 1965-66, measured in constant prices of 1960-61. (Fourth Five Year Plan, A Draft Outline, p. 10). How the various capitalist exploiters shared this among themselves by their mutual profits and losses is not our concern here. We

workers know how we produced and added to the value, wherever we worked. How each owner of the product of our labour and its value-creation kept or lost his share of it, in his own fate in the system and we workers are not concerned with it, as we do not manage the system. We create wealth and they as a class take it.

Some people say that the strikes of the workers have acted as disincentive to capital. What are the facts? According to the ASI census of 1965, productive capital of the 12,963 census sector factories rose from Rs. 5275 crores in 1964 to Rs. 6,300 crores in 1965, marking a rise of 19.4 per cent. In the span of six years, productive capital employed by the census sector of ASI has risen by 262.7 per cent.

There were big strike struggles in all the years referred to. And yet productive capital employed increased by 262.7 per cent. Where is the disincentive to capital caused by strikes? The truth is that despite strikes, the real wages are so low and the market so protected that the capitalists make high profits.

When the workers failed to get satisfaction of their minimum demands, when despite rising prices, they would not get their full DA, when despite rising profits, they would not get their bonus, they had to defend themselves by action in various forms, including strikes, go-slow, work-to-rule and all the known forms of trade union action followed by workers everywhere throughout the world.

The working class in India has risen to new heights of action. Though his organisation and consciousness has not reached that level that is necessary to combat his opponent, that is, the organised might of capital and its instrument—the state power, yet we now find not only factory workers, the real core of the working class, but also workers in transport and communications and employees in various trades and professions like banks, insurance, offices, government departments, teachers, professors, nurses, lawyers,

agricultural labourers and so on, taking to the strike weapon, the go-slow and the work-to-rule, to defend their interests from the attacks of monopoly capital (landed interests included). They have given a political challenge also and displaced many state governments of the Congress party, which has gradually developed into a reactionary instrument of vested interests. And, in order to protect itself and the exploiting classes that support it, the Congress government has once again mounted severe attacks on the democratic rights of the toiling masses, and, above all, against the rights of the workers.

And in order to facilitate this attack, it wants to mobilise all the resources of ideology, morals, ethics, law, jurisprudence and public opinion. Riding on the shoulders of all these, the capitalist system, particularly its monopoly wing wants to hurl the violent forces of state power against the democratic forces of the toiling people, to make them submissive to still greater exploitation and to make the country and its national economy a safe hunting ground for their super-profits, not only their own, but also those of their allies and collaborators from the imperialist strongholds.

It has been said by some eminent people that the basic rights and demands of the working class are framed in the constitution, that our Constitution is the most democratic in the world and so on. It is said that the Fundamental Rights and the Directive Principles are the foundation of a very democratic and progressive industrial relations policy and a progressive social policy towards the working class.

No doubt, the Directive Principles of State Policy lay down very humane and liberal principles, which the state must apply in making laws. But on some matters, the principles are themselves ambiguous, defective and incomplete or they have been ignored in their application. In regard to the Fundamental Rights also, while the rights are guaranteed and justiceable, every right, except the right to property, that is, mainly capitalist-landlord property, has been vir-

tually negated or curtailed by conferring power to frame laws that lead to such negation or curtailment.

Take the rights that should be basic to a progressive democratic industrial relations policy—first, the Right to Strike.

It has no place in the Constitution and is not protected by it in any fundamental legislation. The Constitution in Article 23 sounds and is very democratic when it rejects and annuls the remnants of medieval serfdom by saying:

> "Traffic in human beings and *begar* and other similar forms of forced labour are prohibited. . ."

Yes, chattel slavery and buying and selling a human being for life is prohibited. But when contractors and sardars drive gangs of poverty-stricken landless labourers and contract workers from place to place under dictated terms of work and wages, it does carry an element of slavery in content though not its outdated form. Hence, philosophers of socialism call the present capitalist system as "wage-slavery". And where Hinduism still rules supreme, the old lowest scheduled castes suffer from all the stigmas and oppression of *begar* and forced labour.

Article 19(a), (b) and (c) gives the right to freedom of speech and expression, the right to assemble, the right to form associations or unions.

And what is the reality? The whole of the most effective media of expression, that is the press, is in the hands of the monopolists, who own almost the entire world of daily papers and kill all expression of people's miseries, aspirations and ideals. The whole field of literature and culture, despite a few patronising medals given by the President of the Republic or the Academy have no avenues of expression if they carry any elements of democratic revolt or working class action.

The right to assemble and without arms vanishes and is suspended for years on end by the application of Section

144, the moment there is a strike situation or working class unrest. And by the logic of the bourgeois system, it is not applied in those cases when the employers bring blacklegs under gangster protection or police protection to break a legitimate strike.

Where is the sanctity of the Fundamental Rights?

There is the right to form associations or unions. And under this clause, the workers' unions are given the right to exist. But everyone knows, the trade union is a distinct category by itself as apart from mere association. The trade union is an organ of the working class to bargain, to deal with and struggle against the employer in defence of the workers, whom he exploits. So, while the right to form a union is valuable (and it was established a hundred years ago), that right has no value unless the employer is compelled to "recognise the union", that is, to deal with his workers through the union as their representative.

No law so far has imposed on the employer the obligation to unconditionally and unreservedly recognise the union of his workers (one or more). Even those laws, which ask an employer to deal with a "representative union" in matters affecting his employers do so only after laying down certain compulsory qualifying conditions on the union and the worker.

The right of the worker to get his interests represented through a union of his choice and to compel the employer to deal only through such a representative of his choice does not exist anywhere in the Constitution nor in any law enacted under the Constitution.

The Constitution and the law as made by the Congress government refuse to allow the worker an unconditional right to recognition of his trade union.

The laws that they have made so far do not allow the worker to indicate by a ballot-vote which union he would prefer to represent if there are more than one. They insist

that the State and employer will accept only that union as being representative of the workers, which fulfils certain conditions laid down by the law, which have been imposed in certain States without the approval or backing of the workers. It is not the worker who will decide what his union should be like. The laws impose an obligatory rate of subscription in the name of making the union's finances "strong". To be "representative", it is not enough if the union can command the loyalty of the majority of the workers. The law wants it to show a certain percentage of the workers in the plant on its roll. The employers even want to interfere in the nature of the leadership of the union, by asking whether it is of "outsiders" or "insiders" or of genuine trade unionists or of political leaders and so on. They insist on his registering his union, showing its roll, its accounts, or even identifying his person in the rolls in order to enable government officers "to verify". So this "weapon" and "representative" of the poor workers, exploited and terrorised by all sorts of influences and inhibitions is then certified as "representative" of him. And even then, there is no guarantee that the employer will necessarily deal with it.

And if he does not, then a whole army of conciliators, tribunals, arbitrators, judges and courts, appeals and super-appeals are provided. An army of lawyers then is brought into existence. Long-drawn cases consume time, money and patience of the worker. In the end, he may as a freak get a verdict on his side. But usually the power, the ideology, pleading of eminent advocates and the purse win the case against the worker.

Over and above all this, if at the end of these twists and turns of a "social order in which justice, social, economic and political, shall inform all the institutions of the national life" (Article 38 of the Constitution) have failed him and the worker begins to defend his right to work, right to adequate means of livelihood, right to health and strength,

right to unemployment relief and all those wonderful injunctions to the State given in Articles, 39, 40, 41, 43, 45, 46, 47 and 48, by means of a united nationwide or industry-wide strike action or Bundh, he finds all his fundamental freedoms vanish in the air. He loses his job, his bread, his freedom and finds himself in prison or on the dunghill of capitalist society.

Hence 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. Should he strike in a hospital? In the police services? Or in the electricity or water department, and so on? If all these are very *essential* to society, let society pay the "essential" cost of living to those who work them. In all the societies of the West, that is of capitalism, these rights have been secured by the workers and recognised by the employers and the State. The whole of New York had its normal life shut down by the strike of transport and municipal services. London had its food held up by the dock strike. France had all its services including the police and governmental services on strike for an increase in the guaranteed minimum wages. The whole of Italy had a complete strike of all workers and services for an increase in pension rates. And yet there were no firings and killings. And no government fell nor did a revolution take place.

But in India, under our democratic constitution, every strike and striker, every union and its member has to face

and suffer bans, ordinances, refusal to negotiate, arrests and imprisonments, firings and lathi-charges and at the end of it all, dismissal, starvation and death from unemployment.

And the capitalist class in India and its ruling party, the Congress, was so far carrying out the suppression of genuine, democratic mass-based trade unionism and the right to strike by means of executive fiats, ordinances, and court decrees and finally police action.

But, the working class defied these attempts and struck to its basic points of industrial relations policy.

However, the power of organised monopoly capital has become so powerful and impatient of any democratic expression of the will of the workers, that on the heels of the recent strike of the Central Government employees, the ruling class and its government has openly passed the law banning the right to strike for all services and undertakings run by the government or as may be declared essential by the government. A whole set of trade unions which so far used to be recognised and considered representatives of the workers have been de-recognised just because they refused to obey the dictates of their employer, that is, the State.

That is the lot of the Indian working class and the essence of the industrial relations policy of the capitalist class in India and its Government.

In contrast, the growing wealth of the country, produced by its toiling millions, goes on concentrating in the hands of monopolists, anti-social speculators, black-marketeers who hold society to ransom, in the hands of corrupt bureaucrats and ministers, who choose to serve the monopolists at the cost of society—all this in contravention of the fundamental Directive Principles of State Policy in Article 39(b) and (c). When challenged and exposed, the pious gentlemen of the ruling class appoint Monopoly Commissions and shed moral phrases and tears of regret. But the millions of

our citizens suffer, resist and die or sometimes win a few concessions. But the system continues as before.

Hence, the real cure is not in changing this law or that. It lies in abolishing the system of capitalism and establishing the system of true democracy and socialism, in which the major means of production and livelihood will be in the hands of society and not in the hands of a class of private owners. Such a system alone can fulfil the principles and promises embodied in the Constitution.

The Industrial Relations Policy based on the three main principles which the AITUC advocates will strengthen the workers in its efforts to attain such a social order.

This is our main and general submission. In the following part, we deal with some details of the same subject.

PART II

SOME SPECIFIC ASPECTS

1. The Industrial Disputes Act, 1947, and similar State legislations in Maharashtra, MP and UP are the main statutes governing industrial relations in India. Besides these, we have the Industrial Employment (Standing Orders) Act, 1946 and the Code of Discipline, the Model Grievance Procedure and the institution of Works Committee and the Joint Management Council. It would be useful to examine the concrete experience with regard to each of the above.

2. Our opposition to the Industrial Disputes Act and similar acts is not based merely on the fact that it has been consciously used to hamstring collective bargaining and to further the partisan interests of the INTUC. Actual experience of the last two decades has shown how harmful this legislation has been to the interests of the workers. At the same time, whatever limited usefulness it had, is rapidly exhausting itself.

The Tribunals and Courts established under the Industrial Disputes Act did some useful work in the beginning in that they laid down certain norms, e.g., in the case of bonus, gratuity schemes, termination of service, etc. They thus brought some uniformity and order and this, specially through the decisions of the LAT and the Supreme Court. This is the positive aspect and almost the only positive aspect, though the workers do get favourable decisions on demands sometimes even now.

As opposed to this, collective bargaining was replaced by litigation. The prohibition on strike during conciliation and pendency of disputes before the courts, enabled the employers to attack the workers with impunity. Endless litigation and appeals not only drained the finances of the unions but exhausted the stamina of the workers, while they were compelled to work during all the long years of litigation on the same terms and conditions, against which they had raised disputes. And even after an award was obtained, there was no machinery for enforcement.

The power vesting in the governments to refer a dispute or refuse to do so was consciously used by the authorities not only to favour the INTUC; it is used to crush the workers. References are refused or delayed for years on end when workers want them, while they are immediately granted when an employer so desires. During strikes when workers have merely forced an employer to agree, a reference is suddenly imposed and the strike declared illegal. In many cases, the real important demands are not referred while some of the minor ones are sent up for adjudication and the strike action prohibited.

Hence the AITUC feels that the Industrial Disputes Act and similar legislation must be repealed.

3. The Industrial Employment (Standing Orders) Act, 1946, seeks to lay down the conditions of work and employment of workers in industrial establishments. The basis of what the orders contain is laid down in the Model Standing

Orders which form part of the Act. This Model was framed in 1946 and though in some States, Model Standing Orders have been framed only in the past few years, the basis continues to be the old one.

The entire bias in these continues to be to lay down the most onerous conditions regarding 'misconduct', to facilitate action against an employee accused of misconduct, and to obstruct direct action and attempts at organisation. As such, a total revision of the Model Standing Orders is called for.

4. The Code of Discipline and the Model Grievance Procedure which forms a part of it, are supposed to have a moral binding. The only reason why the AITUC accepted the Code was that it laid down a provision for recognition of trade unions. However, actual experience has shown that while the employers as a whole refused to fulfil their obligations regarding recognition of the union, the Code was utilised by an obliging bureaucracy as a weapon to curb and crush the workers' movement. Since the employers including the public sector, refused to carry out their obligations, the AITUC has declared that it does not consider itself bound by the Code, as unilateral obligations have no meaning. Besides this, in the present set-up, the Code cannot be but another weapon in the armoury of the employers. Hence it is time when the Code which is really dead, should be given a speedy and deep burial.

The Model Grievance Procedure has really had no trial worth its name. However, there is no need for such a procedure in the present shape. An agreed procedure can be incorporated in the new Model Standing Orders which should be evolved through mutual negotiations at the national level.

5. The system of joint consultation through Works Committees and Joint Management Councils has been a failure. Works Committees are statutory bodies but these have not

been functioned for the purpose for which they were intended. Most employers seek to utilise these as some sort of rivals to trade unions and to disrupt the latter.

In the social and economic conditions obtaining today, Joint Management Councils cannot serve any useful purpose. However, if proper steps are taken, such councils can become a form of some democratic participation in the management of public sector enterprises. Without taking these steps, even the experience of the public sector has been very unhappy.

6. One aspect of the existing industrial policy which needs further strengthening is the tripartite machinery in the form of the Indian Labour Conference, Standing Labour Committee and the various Industrial Committees. Over the years, these tripartite bodies have come to occupy an important position in forums of collective bargaining and national consensus. These can be made more useful by streamlining the procedure by more functional meetings and by having sessions addressed to one or two major problems instead of a host of ill-digested matters of major, minor, trivial or of no importance—all juxtaposed against each other in the same meeting.

7. The AITUC does not consider that the so-called scheme of making workers shareholders of the undertaking is a desirable or feasible form of joint consultation. Such a scheme has no validity at all in public sector undertakings, where the shares are entirely owned by the State. In the private sector, a nominal shareholding by the workers cannot give them any say in management affairs of the company, while real control and ownership remain with the monopoly groups which are already well-entrenched. On the other hand, there appears to be some sinister purpose in making such proposals since the form of financing such acquisition of shares is to be out of the workers' provident funds. In other words, the private sector seeks to utilise the workers' provident funds without any guaranteed return or

safety of the investment, only to further enrich the employers. The AITUC has strongly opposed any such move to invest workers' provident funds in the speculative share market, in the name of promoting so-called joint consultation.

8. The basis of industrial relations so far as the workers are concerned is the existence of a strong democratically-functioning trade union which can act as their representative. Such a union should be recognised by the employers as the sole bargaining agent on behalf of the workers. The recognised bargaining agent should have the authority to enter into collective agreement on behalf of the workers which should have statutory recognition, and a machinery for enforcement. Collective bargaining should be direct and bilateral. In case, no settlement is reached, the dispute may be referred to mutually agreed arbitration by consent of both parties. There should be no appeal from the award of the arbitrator to any court of law. If the parties do not agree to settle the matter through arbitration, the workers should have the complete and unfettered right to strike in all industries.

9. As is well-known, the AITUC has consistently advocated that for determining the representative character of trade unions, the only democratic method is election of the union by secret ballot of all the workers. This proposal has now come to be increasingly accepted. All major trade union centres, except the INTUC, support the principle of ballot. Some of the employers' organisations and certain employing Ministries also accept ballot as also experts on industrial relations from the universities, research organisations, etc.

10. The main points for consideration in this connection are: (a) whether the existing procedure of verification of membership for determining the representative character of trade union should continue, with or without certain modifications; and (b) whether procedure for determining the

representative status be through secret ballot of all the workers (or as some suggest by ballot among members of contending unions.) A variation of the verification proposal which is now advocated is that verification may be done by an "independent" agency. This suggestion concedes that the present machinery for verification does not inspire confidence among the workers. All these proposals were discussed concretely recently when the Steel Ministry proposed the setting up of a bipartite machinery for public sector steel plants. The AITUC has clarified its views on the Steel Ministry's proposals in its letter dated March 25, 1968 and published in its official organ, the *Trade Union Record* (April 5, 1968). Relevant extracts are quoted below:

"We (AITUC) consider that secret ballot by all the workers in a plant or industry is the most democratic and effective way of ascertaining which union the workers accept as their own and which influence them and commands their loyalty...

"It is now proposed by you (Steel Ministry) that the verification, instead of being done by the Labour Office, should be given to a judicial authority... We do not accept this proposal and we reiterate our view that in the present conditions in India, ballot alone is the best method of unifying the workers and the trade unions and eliminating inter-union rivalries. The essential points of our proposals have already been made known to you.

"The main drawback of verification is that due to patronage and political considerations, both from the employers and the government, the INTUC has so far got all the facilities for enrolment of members, while we have been denied them. They are allowed to enter the workplaces for enrolment and realisation of dues at the pay tables on pay days. Their leaders inside the factory enjoy all protection and privileges while ours are victimised. They are given recognition even without a following, while we

are refused it even when the whole body of workers follow our advice and direction.

"Even laws are enacted to facilitate the INTUC as, for example, the Bombay Industrial Relations Act and its imitation in Madhya Pradesh, etc. (Recently, however, the Madhya Pradesh government has gone on record in favour of ballot to determine the representative character of unions). (*Note*: The M.P. Government has since promulgated an Ordinance providing for ballot for the purpose of recognition of unions.)

"In such a situation, to make enrolled membership alone as the criteria for judging which union has the majority following or support, is to impose unequal conditions for recognition, and to make verification at the very start, loaded with discrimination. Thus, it is not membership that decides recognition but patronage and protection from the employers and the Government.

"That in spite of this, some unions of the AITUC secure recognition is again not due to verified membership but due to the struggles of the workers and their solidarity and support to such union, which then secures the unwilling recognition from the obstructive employer who agrees to abide by the verdict of the struggle.

"The posing of the issue as between recognition by membership and non-membership is not correct. The issue of verification is one as between equal and unequal rights of unions, or as between company unions and genuine unions or an issue of eliminating government's and employer's patronage in the matter of recognition.

"In your own Ministry (Steel, Mines & Metals), it is on record that in the Durgapur Steel Plant, the INTUC was forced on the workers by the Congress ministry. The INTUC union had no following there.

"In the Rourkela Plant, under your Ministry, the INTUC was forced on the workers by the Congress ministry in Orissa. When that ministry fell, the new non-congress

government backed by the PSP, changed the atmosphere for verification and gave the recognition to the HMS...

"There are any number of instances in which ballots have proved that the recognised INTUC unions had no following and it relied solely on the employer and the government for its status. No wonder, the INTUC is opposed to the ballot.

"Your proposal to carry out the verification by a judicial authority does not in any way solve the basic questions. We are not arguing whether verification by government labour office is proper or one by judicial authority is better. Mere verification of membership does not solve the problem of recognition or of unity and rivalries. Our proposals alone are the best means to solve the major problem. Hence, we do not endorse your proposal and we once again press on you to accept the ballot method for deciding recognition and our proposals for uniting the rival unions on the basis of the ballot results."

11. What are the objections raised by the opponents of secret ballot?

It is argued that if recognition was to be made dependent upon the ballot, then false issues may be forced by some contending parties and they may gain votes disproportionate to their real following due to "catchy" slogans, aroused passions or the heat of the moment. Hence verification on the basis of trade union membership, it is claimed, is a much more scientific test of the true popularity of a union.

The absurdity of this argument can be seen if it is extended to other spheres. By that logic, all elections to parliament and other bodies will have to be abolished and membership of political parties made the basis of determining which party will have a majority in parliament, etc. This argument should also lead to the end of all adult suffrage, elections and, finally, democracy.

The truth is that recognition of unions, on the basis of verification, has actually resulted in imposing minority unions on the workers by arbitrary decisions of the government and employers. In industry after industry and plant after plant, imposition of such "verified" representative unions has led to strikes and the claims of the recognised unions to be really representative unions have been blown skyhigh by the united action of the workers.

Another argument advocated against ballot is that an election atmosphere would adversely affect industrial relations, undermine discipline and will not lead to stable industrial peace. We Indians have heard, with sickening monotony, the argument of the British rulers that as backward, uneducated people, we were hardly fit to elect our own representatives. It is unfortunate that the same argument is now being advanced by some trade union leaders.

The experience of elections to Works Committees and other bodies as well as of ballot wherever it has been held disproves the arguments of the opponents.

It has also been argued by opponents of ballot that giving the right to all workers to choose the representative union would be tantamount to giving a decisive right to non-members in choosing the representative union. There is no inconsistency in this insofar as the representative union bargains on behalf of all the workers and not merely its members and its settlements bind all workers, not merely its members. Secondly, restricting the ballot to members only would mean negation of the democratic right of all those who would be bound by the action of the representative union, to have a voice in the choice of that union. Hence, none of the arguments against ballot are logical or based on any valid democratic consideration.

Sometimes, a genuine fear is expressed that if members and non-members are equated in respect of the right to choose a representative union, trade unionism will weaken. Why should a worker pay his dues and become a member,

if (it is asked) he can vote for election of a union without being a member? This is not a correct statement of the position. A non-member will merely have the right to choose which union he prefers as a bargaining agent, but just because of his vote, he cannot participate in the functioning of the union, in deciding the important question of its leadership, etc. In the ultimate analysis, union membership, as membership of all voluntary democratic organisations, depends upon the degree of consciousness of the worker. Punitive provisions by which membership would be forced on a worker cannot be the basis on which trade union organisation can rest.

12. Verification conducted by judicial or other independent authority may appear to be impartial but it suffers from all the defects of the present verification, as stated earlier, and is hardly a realistic proposition. For instance, there can be a situation when a contending union may choose to challenge each and every member of the rival union and the judicial authority will be called upon to physically examine all members of all unions individually. The procedure, particularly in large complexes or in case of industrial unions, would be endless. Such physical verification of a whole membership of a union has been tried even under existing convention and has failed.

13. In fact, secret ballot of all the workers is the only solution of choosing a representative union as the sole bargaining agent. It is democratic, inspires confidence, is quick and impartial.

14. Once the representative union is thus determined, it alone should have the right to bargain and settle on behalf of all the workers. Such a settlement would have the sanction of the workers and we would be saved the spectacle of workers going on strike against the "settlements" which their governmentally-verified "leaders" have entered into.

15. Collective bargaining is the second principle on which healthy industrial relations must last. Collective bar-

gaining would necessarily be at various levels—plant, local, industrial- national-industrial and national. Such collective bargaining must be completely without the interference of any so-called conciliation officers, etc.

Over the years, through the struggles of workers and through the compulsions of the situation, the Indian Labour Conference and the Standing Labour Committee have become a sort of clearing house of principles and policies on matters affecting the workers. These can be utilised still as a forum of collective bargaining. Industrial Committees and Wage Boards too have been used for collective bargaining in some cases. These can also be further developed and strengthened.

16. All disputes of individual workers relating to termination of service through dismissal, discharge or retrenchment, promotion or demotion, fines, etc., should be dealt with through collective bargaining between the union and employer and, failing that, referred to arbitration. However, if the party so desires, it may take the case to a Labour Court which should be set up on the basis of territorial jurisdiction for settlement of such individual disputes only.

Such a procedure for individual disputes will not detract from collective bargaining but, in fact, will help and promote it. Now individual disputes get mixed up with collective disputes and the course of bargaining, even where it exists, is obstructed by this. Once such disputes are out and are easily accessible and quick machinery provided for their settlement, a great impediment to the development of collective bargaining will be removed. There is no danger that by adopting this method, a crop of disputes will arise. Today, individual cases can be taken to court but only if the government so refers them. This discretionary power is misused to the detriment of the workers and this must be done away with.

Hence the areas of collective bargaining, adjudication and statutory regulation (social security, safety, working

conditions, etc.) should be clearly demarcated and should not overlap. Unless this is done and the areas of collective bargaining removed from the justiceable areas, collective bargaining will go by default.

17. The procedure for taking disciplinary actions must be clearly defined. The workers should have the right to be represented at domestic enquiries by a union of his choice. If he is suspended pending enquiry, he must get suspension allowance. If he goes to court, the court must have the power to go into the merits of the case as well as to substitute a lesser punishment.

18. The third principle of industrial relations policy must be the right to strike. This right is fundamental to collective bargaining. Without it, there can be no sanction behind collective bargaining. It is not surprising, therefore, that this right has been under constant attack from the employers and the government.

First of all, there are the statutory prohibitions on strike, under certain conditions. These are laid down in the Industrial Disputes Act and similar legislations. Under the provisions of these Acts, any strike can, at any stage, be made illegal, even if it was previously legal despite all the onerous conditions, by simply referring any item of dispute to adjudication and banning the further continuance of the strike.

Courts have further defined this and made two categories—justified and unjustified. For all practical purposes, a legal but unjustified strike would have the same consequences for the workers as an illegal strike.

The Code of Discipline imposed still further restrictions —this time, as a moral binding. In implementation, the bureaucracy has termed all strikes as contrary to the Code.

In practice, if a strike survives the legal and moral restrictions, then in most cases, it comes up against naked repression. Section 144 Cr.P.C., banning all meetings, demonstrations, etc., Section 7 of the Criminal Law Amend-

ment Act outlawing even the most peaceful picketing, Section 107/151 Cr.P.C. and a horde of other provisions are pressed into service to attack the strikers. The Central Industrial Security Force Act is the latest weapon in the armoury and yet another is being forged through Section 36 AD of the Banking Bill. Lathi-charges, teargassing and even firings are quite common occurrences.

Thus a sustained attempt is made to outlaw strikes or defeat them if they take place. Government has even brought in special ordinances on occasions to suppress strikes like the Essential Services Maintenance Ordinance, etc., to ban strikes by railway, P&T and other workers, as in 1960 and 1968.

A special Joint Consultative Machinery has been set up for the Central Government employees. The idea is to avoid strikes and provide for mutual negotiations and in the event of failure to settle, resort to arbitration. However, as in the latest case regarding minimum wage, the government refused to have the matters settled through arbitration.

The workers therefore have no option but to either give up their demands or to proceed on strike.

Indeed, despite all the curbs and repressions, workers have been launching strikes to press their demands. And unless this right is there, collective bargaining would be nothing but imposition of the employers' terms on the workers.

The AITUC stands for collective bargaining in all industries and services. Hence, the workers must have an inviolable right to strike in all industries and services. Normally, under conditions where trade unions are recognised and collective bargaining provided, strikes will not and do not take place without notice. But if an employer changes conditions without notice or commits provocative acts, a strike without notice must be provided.

19. Does the unfettered right of the workers to strike mean reciprocally the unfettered right of the employer to lock-out? In reply, we will quote here what we said in 1954 while answering a questionnaire on Industrial Relations sent to the trade unions by the Government of India:

"In the present laws in this country, as well as in all capitalist States, strikes and lockouts are placed on an equal footing. If they admit the right to strike, they admit the right to lockout. And when they restrict or ban strike, they also speak of banning lockout.

"They say that the capitalist is at liberty either to employ a worker and carry on production or not to employ and cease production. He is the master of his capital and has a right to use it or suspend its use.

"Similarly, the worker. He is at liberty to hire himself to the employer for wages and work or not hire himself, and go out of employment. He is the master of his own capacity to work, his labour power and has a right to use it or suspend its use.

"The right of the capitalist not to hire a worker is his right to lockout. The right of the worker not to hire himself out to the employer is his right to strike. Both are equals and the State and law must treat them equally. If the law bans one, it must ban the other.

"In this, the framers of the law take their stand on the conception of formal equality between the employer and the workers.

"Such conceptions are not based on the reality of the situation.

"We hold that there should be no right to lockout but there is and should be the right to strike.

"Why is a lockout declared by the employer? Because, he wants to make more profits or cut out losses by reducing wages or worsening the conditions of employment of the workers. When the workers refuse to accept the employers' conditions, he is locked out. Production comes to standstill.

"No doubt, in both cases, production ceases. And using this, the state pretending to be a neutral acting for the people, comes forward with proposals to ban or control both strikes and lockouts, pleading that continued production is a social necessity.

"But this argument for continued production only comes in days of rising profits and demand for goods. When the crisis of capitalism creates a glut of goods, fall in prices and profits, then both the state and the employing class argue for lesser production, the inevitability of depressions, closures, etc. Thus production for social use is not the main worry of the State or the employer but production for profits.

"And it has been proved in history that no capitalist state can ever plan or carry out a plan for continued rising production and specially production for the people's needs. Therefore, let us not argue on that basis at all, but confine ourselves to the question of lockout and strike as between employer and employee in the first instance.

"As stated above, seeing the two equally in their actual results is a total inequality in which the worker, as man and producer of wealth, is hardest hit and the only sufferer.

"If an employer locks out a worker and stops production, does he lose his living? He may lose his profits or save his losses. Though it is a fact that profits are his income, yet their losses or stoppage does not face the employer in the case of a lockout, with starvation and death.

"For example, can we think that a lockout or strike can face, say the Birlas or Tatas, with starvation and death?

"In large-scale industry, the employer's living, as such, has no connection with the profits or losses of the industry. Large-scale capital is without life or soul.

"But what is the effect on the worker? With his only means of livelihood gone, the worker, who always lives only by labour from day to day, is faced with immediate starvation leading to deaths of several in case of prolonged stoppage.

"Thus the right to lockout is a right to starve and kill a worker or the right to threaten him with starvation and death.

"If a worker goes on strike and stops production, he loses his livelihood but does not affect the livelihood of his employer.

"He only ceases to produce profits for his employer in the hope that the fear of losing in competition, the fear of social opinion unable to witness the suffering of the worker and the might of collective action may bring the latter to agree to the demands of the workers.

"Thus the right to strike is not a right to starve the employer but a right to bring pressure by refusing to produce profits and by voluntary suffering and collective action.

"The right to lockout and strike in their effect are not the same. The one is a right to starve, the other is a right to live.

"Hence, the right to strike is inviolable, the right to lockout is anti-social and not permissible.

"The large-scale capitalist has all the powers at his disposal to force his will on the workers. His greatest power is money. Withholding it from the worker, he can starve and bend him. He has the power of the press, propaganda, 'public' opinion and finally the State forces at his disposal.

"The worker has no money, no press and no state forces to help him. His only power is to offer or withhold his labour power, which can live only if it works, only if the capitalist buys it for profit. Hence his only weapon is not to sell it temporarily when the capitalist wants it on his own terms. Thus strike is the only weapon of the workers against the employer. And it is not unlimited in its effectiveness because a worker cannot strike for long.

"Hence, we must protect the right to strike from being curtailed or weakened because not to do so will only benefit the already powerful and ruling forces of organised capital.

"These are some of the points on the question of strike and

lockout, arising from industrial disputes. Political strike and solidarity strike must not be made the subject matter of the law on industrial relations."

20. A specific question has been asked about governmental jurisdiction over industrial relations in public sector.

Public sector enterprises have more or less a common wage structure and conditions of work, etc., as among the various branches. Decisions affecting vital issues are taken centrally. Hence it is necessary that collective bargaining should also take place at the central level. Beyond providing for compulsory recognition of unions as a result of secret ballot and labour courts for individual disputes, we do not advocate any state interference in industrial relations. Enforcement of safety measures, social security, etc., is another field in which some State intervention is necessary. In such a scheme, the question whether industrial relations in public sector should be governed by Central or State governments is academic. Labour Courts for industrial disputes will have territorial jurisdiction and these will necessarily be set up by State governments. As a worker will have direct access to these Courts, the State does not come in. In case of all other Acts, the enforcement machinery will take care of the matter. The rest belongs to the domain of collective bargaining and no government, whether Central or State, has any direct responsibility for it, except to the extent as to which government is responsible for the management of the particular project.

II. Wages Policy

1. It is natural in the historical growth of the capitalist system anywhere, that it begins its career of exploitation of the workers without at first working out any norm of wages and working conditions. The wage structure of capitalism remains a veritable jungle of anarchy, until the workers begin their struggle for better wages and force the employers to change. It was so in India too. Wide disparities existed as between one region and another, between one industry and another, and even in the same region and industry, between one unit and another. These disparities were not confined only to the wages of the unskilled worker but went right upto the most highly-skilled and it is common to find different workers doing the same work having different differential rates in relation to unskilled minimum. The anarchy was heightened by the fact that there was no standardised nomenclature and mere designation was no guide to the actual work performed by a worker. Workers doing the same job may be time-rated or piece-rated or on contract, according to different areas or units.

Another factor which added to this anarchy was the introduction of DA which was first secured by the textile workers of Bombay during the first world war and revived in the second world war years, to offset the abnormal rise in prices. Some industries pay DA in some regions but not in others; some industries and units pay a variable DA linked to the cost of living index and at different rates of neutralisation, others pay DA linked to production; still others have a system of linking DA to the amount of basic wage earned; and there are others yet who pay a fixed DA

either at the same rate to all or in slabs according to basic wages. In many regions, there still exist several industries and units where no DA is paid. In some cases, a percentage of the DA has been merged with the basic, thus pushing up the basic wage; in others, this has not been done thus keeping the basic abnormally low.

Nowhere is the DA paid at a rate which will give one hundred per cent neutralisation at all levels of wages. In most cases, the DA neutralisation is higher per point in relation to basic wage at the lower wage levels and tapers off for those having a higher wage. As a result, each rise in prices depresses the differential and narrows it down.

In many industries and units, a variety of bonuses (apart from profit-sharing bonus) are paid. The chief of these is the incentive, linking a part of the wages to production. Introduction of such a bonus in many units has resulted in keeping the basic and the DA low. When production falls off, as in the current recession, workers who work on incentive schemes are hit really hard. The introduction of incentive in some units and not in others also results in introducing variations in wages. The other forms of 'bonuses' such as efficiency bonus, attendance bonus, regularity bonus, etc. also result in creating differences in the wage structure.

Hence, as briefly outlined above, the wages map of India still presents an anarchic picture, despite the work of several all-India tribunals and wage boards.

2. This picture has been modified to some extent by some recent developments.

Historically speaking, the first was the passage of the Minimum Wage Act of 1948. With all the shortcomings and drawbacks inherent in the Act and the further hindrances created by the way in which State governments have acted; despite all the opposition and sabotage indulged in by the employers, the impact of the TU movement could not be kept out of the results obtained through the wage fixation under this Act. Though the levels of wages fixed under the

Act remain very low, though no DA is generally granted under the Act, though incremental scales are seldom fixed and though all the problems of proper fitment remain unresolved, over the years, the working of this Act has tended to create in each State a minimum wage which is more or less common to all industries in the State. To this extent, the unitwise differences inside each industry are levelled inside each State and the differences as between one industry and another narrowed.

The second development is the recommendations of the Pay Commission and the various Wage Boards. Here again, there are many shortcomings which we will discuss later on. However, as a result of the recommendations of the Pay Commission and the various Wage Boards (except those which only gave an ad hoc increase like the First Textile Wage Board), either uniform national industrial wage structures have been achieved or at least regional uniformity has been brought in at industrial level.

The third development is the collective agreements at national industrial level, the most outstanding of which is the bipartite settlement in the banking industry.

The development and extension of capitalist production and distribution in India, following attainment of independence and establishment of a national State with a common national economy, has also created conditions in which a national minimum wage becomes a possibility. This development has created a national market for products, and by increasing the mobility of labour has created a national market for labour also. Different wages within comparable units producing the same products for the same market become an inhibiting factor for capitalist production itself.

Due to all these developments, the anarchy has been lessened and the objective conditions secured which make it possible to go forward to the achievement of a national minimum wage.

3. Wages disputes have been one of the chief items of industrial disputes during the last two decades. Through long strikes, awards and settlements, through wage boards and courts, the workers have been struggling to get wage rates, DA, incremental scales, etc. And this struggle has yielded results. Periodic wage rises have been secured by workers in all industries, the system of DA has been enlarged to cover more and more workers, the rates of neutralisation have been increased and incremental scales and grades won in many industries and units. One of the most spectacular successes was the correction of the cost of living indices in Bombay, Ahmedabad, Delhi, etc., as a result of the struggle of lakhs of workers led by the AITUC. This correction not only resulted in the payment of lakhs of rupees every month as additional DA due to the workers but concretely exposed how the State machinery and the employers continue to cheat the workers of their legitimate dues. Another big success was the acceptance of agreed norms of minimum wages at the 15th ILC and the appointment of various Wage Boards. As a result of all these struggles, the money wages of workers in the organised industries have risen and till about five years ago, this rise led to an increase in the real wage as well. However, the abnormal price rise during the last five years has outstripped the rise in money wages and now the position is that real wages are lower than what they were 10, 15 or 20 years ago.

4. It is in this background that we have to examine the important elements of the wage policy advocated by the bourgeoisie and to formulate the wage policy demanded by the working class.

5. When the Government of India adopted a policy of planning for economic development, its main plank of wage policy as advocated by the bourgeoisie was to impose a wage freeze, without guaranteeing any freeze in rise of cost of living or appropriating the gains of produc-

tivity for social use and benefit. In the context of sharply and continuously rising prices, this meant a wage-cut in real terms. The slogan in the most blunt manner was given by Shri Morarji Desai when he refused to increase the DA of the Central Government employees and wanted to extend this freezing to all industrial workers. However, the essence of the policy is sought to be hidden under various other slogans. One such slogan is: No wage increase without increase in productivity. In fact, this means de-linking even DA from cost of living index and making DA increase contingent upon an increase in productivity. Another slogan is: No wage increase without taking into account the capacity to pay and capacity to pay is to be determined after taking into account 'fair' return on capital, creation of sufficient funds for plough-back for 'development' purposes and, in the case of export industries, the needs of competition in the export market.

All these are efforts to sugarcoat the same old pill of wage-freeze for workers and super-profits for employers.

6. The working class refuses to accept the policy of wage freeze and does not accept any of the premises on which it is sought to be justified.

A wage is the price in money for the labour power which a worker sells to the employer. At the minimum level, this is determined by what the money wage will buy of the commodities which are necessary for the worker to live, to work and to reproduce. At this level, the wage is not subject to any other consideration except the consideration to live and work. The component commodities necessary for living and working at the subsistence level will change according to the particular living and working conditions of a country and of all the existing environments in the country which determine what is a necessity at a given moment.

The content of this minimum wage in physical terms was quantified by a national agreement at the 15th Session

of the Indian Labour Conference in 1957. In other words, what the 15th ILC did was to define a minimum *real wage*. The money wage corresponding to this real wage would rise and fall in proportion to the rise and fall in prices of the commodities which go to make the contents of the real wage.

Hence at this level, other considerations like capacity to pay, level of wages in other sectors of unorganised workers, increase in productivity, etc., do not apply. What is relevant at this level is only the workers' capacity to live and work.

Obviously, what this real wage would be at any particular time in terms of money depends upon the prevalent price level. Hence, once a parity between real and money wage has been established at any point in the cost of living index, there should be a system of neutralisation which would offset fully any rise or fall in prices. That is to say, there must be a system of DA providing 100% neutralisation. Such an arrangement would merely *freeze* the *real* wages. The suggestion to delink DA from the C.P.I. would, in fact, *freeze* the *nominal* wage while imposing a cut in *real* wages.

The minimum wage is the wage for simple human labour. The AITUC demands that the *national minimum wage* should be fixed at this level. This wage is irrespective of the industry in which a worker works or the region in which the industry is situated. It is the minimum wage for an average Indian adult, man or woman, who performs unskilled job of any nature anywhere in India.

7. An argument is sometimes advanced by employers that there is yet another minimum wage which is really below the minimum wage as defined by the 15th Indian Labour Conference. This is the minimum wage which is determined under the Minimum Wages Act. This is referred to by them as the statutory minimum wage and the argument runs that it is the statutory minimum wage which

is not subject to consideration like capacity to pay, while the minimum wage as defined by the 15th ILC is subject to all other considerations.

The AITUC does not accept this position. The industries brought under the operation of the Minimum Wages Act are really small-scale industries paying a sweated wage. But besides this, a minimum wage is not a legal concept, it is an economic reality. The law may depart from the economic reality and legislate for a concept which is wider or narrower than the economic reality. This departure cannot be then pleaded as a reason for departing from economic reality. The minimum wage has been defined in real terms at the level of subsistence. If a worker is paid less than that, he is being sweated. A national minimum wage cannot be based on sweated labour. The least that can be done is to fix it at the subsistence level.

8. Once the national minimum wage is determined as defined above in the light of the agreed recommendations of the 15th ILC, the next step would be to lay down the differentials. Differentials in India have not been evolved in any scientific or rational basis. Most of them have grown ad hoc from area to area. This has also resulted in a confusion in categorisation of workers and in the growth of a large number of categories not based on any relevant consideration. The further developments noted earlier have knocked out of shape even such differentials as had evolved earlier. Hence a complete analysis of the whole issue is called for. The basis of that analysis must be: first, a simplification and standardisation of the whole jungle of differentials and categories into a small number; second, the fixation of differentials on difference in degree of skill, involving training, performance, experience, etc. and also taking into account hazards, the disagreeable nature of the job and such other considerations. Third, narrowing down of the differentials on the basis of a rising curve. After the proper determination of differentials would be the question of

which category a worker comes into. This is a job which requires detailed examination and collective settlement.

9. After determining the basic wages, the question of DA at each level has to be settled. The principle for the determination of DA should be to provide 100% neutralisation at all levels of wages with monthly revision without any threshold of a minimum points rise. The linkage should be with the local C.P. Index to reflect the local variation, if any, in the real cost of living.

If 100% neutralisation is not provided at each level, every rise in price would mean a cut in real wages. Secondly, if the rate of neutralisation tapers off at the higher level of wages, then the differentials would be thrown out of shape. The theory that it is only the food basket which has to be protected against erosion is incorrect, because the higher wages paid to the more skilled workers are also the minimum necessary to maintain that level of skill and are a compensation for the mental effort spent on more skilled work.

As has been stated earlier, such a system of DA while it may push up nominal wages, would really only freeze real wages.

Since collection of data and publication of the C.P. Index takes some time and since adjustments can only be made in the month following this, it means that even if there are monthly revisions without any minimum threshold, in a period of rising prices, the money wages are always chasing the rise in prices. Hence, even under such an arrangement, there will always be a gap against the workers. If DA revision is only done at longer intervals, and if a minimum threshold is also tagged in, the loss of real wages will be prolonged.

10. A wage policy cannot be called satisfactory, leave alone progressive if it merely provides for a freezing of wages in real terms at the minimum level necessary for subsistence. What has been suggested above would, in fact,

merely do that. Hence, the AITUC proposes that after the national minimum wage has been fixed as above, steps must be laid down which will enable the real content of wages to be widened in order to provide a rising standard of living.

11. Every worker on piece-rate should be protected by a statutory minimum fall-back wage. Other considerations regarding piece rates have been dealt with in the chapter on productivity and incentives.

12. Till the living wage is arrived at, the AITUC is in principle opposed to linking any portion of the wage with productivity.

13. A national policy on wages as outlined above will leave many areas on which collective bargaining can take place. The forum for this can be bilateral settlements or wage boards on national industrial level, or the industrial committees. Collective settlements can be at plant, industry-cum-state, national industrial or even at national level. We cannot determine in advance what the exact forum of collective bargaining will be except that it must be on the basis of recognition of union by ballot and with adjudication ruled out.

14. A point is made about adjustments in money wages on account of payment in kind or fringe benefits. The content of fringe benefits is changing. What was a fringe benefit some years ago has become a statutory right, e.g., sickness benefit, hospitalisation, etc. Similarly, housing cannot be included as a fringe benefit. If there are any such benefits which a particular industry gives over and above what is customary or statutory, then the adjustment, if any, can be left to collective bargaining at the appropriate level.

15. There is no case for having different wage rates and wage structure for public sector industries. In any case, due to the Coal Wage Board, Iron & Steel Wage Board, Engineering Wage Board, Fertilizers Wage Board, etc., there is uniformity between these two sectors. Wage is

related to the money needed for buying commodities necessary for living and working and to the types of work performed and has no connection with the form of employer.

16. An argument is sometimes advanced that wages in industries oriented to export should be fixed at levels which will enable the products to compete in the foreign markets. It is precisely in the industries which have traditionally produced for the export market that the wages have been the lowest. For example, tea plantations and jute industry have a notoriously low level of wages. The advantage of keeping wages low has gone to swell the super-profits of the tea planters and jute manufacturers, who till recently, were mostly foreign and now have among them, some of the biggest Indian monopoly houses.

In fact, due to the unequal economic relations between India and the developed capitalist countries, prices of export products of India have been dictated by the foreign interests and have been deliberately kept low. But in spite of the low prices, the Indian capitalists have managed to make huge profits by keeping the wages extremely low. In fact, what the whole process amounted to, was that the Indian workers subsidised the super-profits of both the Indian and foreign capitalists by working at a miserable pittance.

The AITUC is opposed to the continuation of this super-exploitation of the workers and the extension of the same to bring new areas and industries in the name of "needs of exports". Workers in the export industries must get the same wages as any other workers and if any lowering of prices is needed, this can be done by cutting into the super-profits of the capitalists.

17. We will now discuss the experience of the working of Wage Boards. The Wage Boards were accepted by the capitalists as an alternative to collective bargaining at the national-industrial level. In their working, the Wage Boards have been utilised to delay decisions for the longest possi-

ble time. In the meantime, while there are deliberations, there is a ban on reference of wage disputes to adjudication. The fact that a Wage Board is deliberating is also used to thwart and crush any strike movement. And while the proceedings thus drag merrily along for years and years, with struggles, settlements and adjudication frozen, the workers are compelled to go on working on the same miserable pittance. After the Wage Board gives its recommendations, and the Government accepts it with or without modifications of its own, in many cases the employers refuse to implement it. In such cases, a strange paralysis overtakes the government, usually so quick to act against the workers' interests.

In constituting Wage Boards, central trade union organisations having considerable following in the relevant industry are quite often not included. The AITUC suggests, firstly, that Wage Boards must be constituted on the basis of giving representation to all sections of trade unions which have a sizeable following in the relevant industry and these must act more and more as forums of collective bargaining. Secondly, the procedure must be simplified; and a time-limit imposed for submission of recommendatons. Thirdly, the recommendations must be enforced statutorily. Lastly, collective bargaining at local level must not be restrained in any manner, and there should be no bar on direct settlement or direct action, in any shape or form, only because a Wage Board is seized of the issue.

18. The working of the Minimum Wages Act in various States has revealed serious shortcomings. Many State Governments are averse to appointing a Committee to revise the wages even years after the maximum period laid down in the Act has elapsed. Since the minimum wages fixed under this Act do not generally provide any D.A. or incremental scales, this means that in a period of continuous price rises, real wages become more and more depressed. Categorisation and fitment of existing workers into proper

categories presents another difficult problem. Like all statutorily prescribed minima, the minimum wage also tends to become the maximum wage. At the same time, collective bargaining and even reference to adjudication is denied on the plea that wages have been statutorily fixed.

If the wages policy advocated above is accepted and a national minimum wage along with a variable DA introduced, the need for Minimum Wage Act will be done away with.

19. A national minimum wage arrived at in the light of the recommendations of the 15th Indian Labour Conference takes into account only the bare current expenses of the unskilled worker. The DA ensures against erosion of this level due to price variations. Differentials place various degrees of skill in relation to the unskilled worker and ensure the minimum wages for each. In this total scheme, there is no place for provision for old age, unemployment and unforeseen contingencies. Provident Fund is supposed to look after old age but that is totally inadequate. Hence, there must be a scheme of old age pension and gratuity, along with unemployment insurance. All these logically form part of a wage policy.

All deferred payments must be based on total wage because unless this is done, the erosion in real wage will eat away the real value perhaps to such an extent as to make the money payment meaningless for the intended purpose when actually it is paid.

20. Since prices always have a direct bearing on the real wages, the trade unions cannot remain indifferent to the question of stabilisation and even lowering of prices. By following a policy of inflation, the ruling classes have at once imposed a wage cut in real wages of the workers, while creating conditions for guaranteeing the super-profits of the capitalists. This has also helped in the rise and expansion of monopolies. Hence the AITUC has been consistently advocating measures which will help in stabilising

prices and in bringing them down, while at the same time, curbing the growth of monopolies. Such measures include State trading in foodgrains, nationalisation of banks, radical land reforms in favour of the peasantry, nationalisation of oil industry and export and import trade. These measures will ensure larger food production, a more equitable distribution of food at prices which are economic to the grower and fair to the consumer, cut out speculation and eliminate malpractices in foreign exchange to a great degree. They will weaken the dangerous growth of monopolies. And this will have a favourable impact on prices.

21. We now examine the question of 'bonus' and confine ourselves merely to examining the present position and our suggestions.

The recommendations of the majority in the Bonus Commission were a package deal. The AITUC representative indicated at a number of places his dissent on some of the positions finally adopted. One of the representatives of Big Business had also indicated his dissent. The government ignored the package deal, it did not even consider the dissenting points of the AITUC and accepted in toto the dissenting points of the representatives of private monopolists and Big Business. Thus, it at once created a situation by which the recommendations of the Bonus Commission lost all meaning. The situation was worsened by the pronouncement of the Supreme Court knocking out limited protection given in some cases to workers who already enjoy a higher quantum of bonus. Although a considerable time has passed since the Supreme Court gave its decision, the government has not moved to rectify the position. Thus, so far as the trade unions are concerned, the Payment of Bonus Act has become a unilateral Act to which they are not a party at all. It does not represent any consensus.

The position has become worse in the way in which the lacunae in the Act have been taken advantage of by the employers and the complete indifference of the Government

to the gross violations of the Act by the employers. The latest decision of the Supreme Court regarding income-tax and gratuity reserve have, in fact, given the coup de grace.

This is not to suggest that even in this truncated shape and with all the malpractices indulged in by the employers and the willing complicity of the government, the Act has not conferred some benefits. The right to bonus has become a statutory right of the workers covered by it; the 4% minimum has become delinked from profits. These are gains of considerable importance.

However, the minimum has tended to become the maximum. Those arbitrarily excluded from the purview of the Act have lost the right to bonus. The changes made by the Government in the recommendations have considerably cut down the quantum of available surplus. The changes in the Finance Act since 1966 have further eroded the available surplus. For instance, the abolition of the tax on bonus shares has resulted in reserves being converted into bonus shares on a huge scale thus entitling the employers to an extra 2.5 per cent return. Similarly, changes in the rate of development rebate has helped to swell the prior charges. And the Supreme Court decisions have raised the quantum of prior charges to a formidable proportion leaving little or no available surplus in most cases.

Thus a position has arisen in which the trade unions do not accept the Payment of Bonus Act in its present form. The Act has not even reduced the number of disputes.

22. In such a situation, all the trade unions have unitedly put forward a new formula which takes into account all aspects of the question. This formula in a nutshell is the old LAT formula (as accepted by the Supreme Court) without any prior charges being allowed for rehabilitation; and distribution of the surplus so arrived at fifty-fifty between the workers and the employers after the benefit of the tax rebate has been taken into account. The trade unions also agree that minimum bonus should continue.

This formula is simple and fair to all parties.

The trade unions are all agreed that the present exceptions made in the case of new industries, public sector, departmentally-run industries, etc., should not be there and all workers wherever they are employed should be entitled to bonus.

III. Conditions of Work

WORKING CONDITIONS

1. Statutory enforcement of minimum norms of labour protection came about only after a long period of trade union struggles. After these norms were accepted, the workers have secured their revision from time to time through concerted and persistent struggle. Even now such struggles are going on. In the formulation of these measures and in their subsequent enforcement, employers and other vested interests have made concerted efforts to limit the scope of statutory intervention and to prevent the actual implementation of such limited intervention as was nevertheless secured. In many cases, the norms are outdated as, for example, in the payment of compensation. Most of the laws have been enacted at different times to meet different pressures and as such there is no specific relationship between one and another.

New lines of industry and new types of machines and technical processes are being introduced bringing in new problems of occupational safety. We must take advantage in this respect by drawing upon the experience of the advanced countries, where, as a result of struggles and of research in these fields, certain standards of labour protection have been evolved. Similarly, the ILO Labour Standards and proposals of international trade union organisations on problems of work safety could be utilised with advantage.

Hence, a review is called for with a view to revise the old norms, establish new norms, enlarge the coverage, codify

the entire law and to create a simple machinery which would provide quick, foolproof and strict enforcement and implementation of the statute.

2. Apart from sectors which have been so far covered by some form of statutory labour protection, important and growing sectors of industry are still outside the scope of any statutory intervention. In particular, it is urgently necessary that workers employed in important fields of national economic development such as road construction and maintenance, engineering and building construction, mechanised farms and other modern agricultural enterprises be brought within the purview of a statutory labour protection.

3. Some of the major weaknesses of existing legislation are as follows: (a) Most statutes have a coverage limited by the size of the unit or the number of workers employed. This has been skilfully utilized by unscrupulous employers to circumvent the law. Such limiting provisions should therefore be deleted and there should be no provisions for exemption from application of the Acts. (b) Some of the statutes draw heavily on the earlier legislation enacted in the pre-independence days and have not made a sharp departure from the colonial attitude placing the tolerance limit or threshold limit at sub-human levels. For instance, the working hours for operating staff in the Indian railway system established during the British period have not yet been revised. Even today, workers are forced to perform compulsorily more than eight hours duty. Under the Factories Act, the Motor Transport Workers' Act, etc., in the name of "spreadover", workers are forced to be on the job for 12 to 15 hours a day. The relevant provisions of the Acts must be amended to ensure that nobody is forced to work for more than eight hours a day and that the spreadover shall not exceed 8 hours, ordinarily, and 10 hours under exceptional circumstances. It is also necessary that in the more hazardous industries as in mining, chemical plants, etc., the working hours should be progressively reduced to

40 hours a week in the first instance and to a six hour working day as early as possible.

These measures must be on the basis of a guarantee that existing wages shall not fall due to reduction in working hours.

(c) The prohibition regarding employment of child labour should be total and the penal provisions for infringement of the statute should be made more stringent. The existing rates of fines are so ridiculously low that the employer finds it worth his while to pay an occasional fine while he continues to make enormous profits by employing child labour. Not only the rates of fines must be increased, but provision must be made for imposing imprisonment. (d) The enforcement machinery for implementation of the statutes is grossly inadequate. Most factories do not receive even a single inspection visit in a whole year. Apart from ineffective intervention, a great degree of corruption has also crept in. There is urgent need for a total overhaul of the enforcement machinery and the creation of a new agency to appoint sufficient number of factory inspectors and staff to cope with the growing number of factories and workers. While the apparatus of bureaucracy has grown enormously and out of proportion to the needs, the inspectorate of factories and Safety work remained disproportionately low and when measured by the requirements of human safety and working conditions. (e) In many of the older factories workers have to work under extremely unhygienic conditions. Even the elementary provisions like change of air, adequate lighting, minimum sanitary conditions etc. are lacking. In some places workers are compelled to work without any provision for such necessities as drinking water and urinals. It is still a common sight to find tin sheds which in fact increase the heat and of course there is no provision of fans. Although some of the standards have been laid down, due to inadequate and sometimes corrupt inspectorates, these are brazenly violated. At the same time

a thorough revision of the standards is called for keeping in view the changing conditions, the new techniques, the increase in workload etc. (f) Even where housing is statutorily provided for, the standard of implementation is extremely poor, as in the plantations. A time limit should be set within which the workers should be given housing facilities and it should be provided that where the employers default, the government should acquire land and construct houses and recover the amount from the employer concerned.

Although in recent years, the government has established Central and Regional Labour Institutes, not much progress has been achieved in the direction of research into problems of work physiology in the Indian setting. Even the limited studies carried out by the Institutes are not properly or adequately conveyed to the employers and trade unions.

4. The fact that one of the longest strikes in recent years (in a foreign-owned tyre company in Bombay) was on the issue of occupational hazards shows the extremely unsatisfactory nature of statutory labour protection measures. Recent inquiry reports into mining disasters have revealed serious lapses but no remedial measures have yet been taken. Safety Conferences have been held and a Safety Council has been set up. But as yet there has been no improvement. Safety Codes for various industries must be drawn up and statutorily enforced.

5. An important *recommendation* of one of the Mines Safety Conferences was for appointment of worker Inspectors who would be drawn from among the qualified mining technicians and given the task of safety inspection. This recommendation is yet to be enforced, though it is reported that a bill for this purpose is being drafted. If accepted and implemented, this recommendation would give some new angle to the problem of safety inspection and enforcement of labour protection measures.

6. The AITUC would like to propose that a new departure be made in creating an efficient agency for enforcement

of labour protection laws. The decision to have worker Inspectors in mining must be extended to cover all industries. In the USSR and other socialist countries, the inspection machinery for labour protection, safety inspection etc. is entrusted solely to the trade unions. Just as, among the coal mine workers there are qualified and licensed expert personnel as mining technicians from among whom the Inspectors can be chosen, with the change in the composition of the labour force and structural change in the industry itself requiring more and more highly-skilled labour, the creation of labour protection specialists from among the ranks of the trade unions would not be a difficult proposition. Being on the spot and knowing the problems better, the local worker Inspector can check on implementation far more effectively. It would promote the democratic intervention of the workers on questions of safety and will be a move in the right direction. If the idea is accepted, the details of working out this proposal could be settled later on. The Trade Union inspectors as well as the recognised union should have the right to institute legal proceedings for violation of regulations affecting the working conditions, health and safety of the workers. The present system that such prosecutions can only be launched by the Government appointed machinery is not only inadequate but open to gross abuse.

LEAVE & HOLIDAYS

7. The statutory provisions in respect of leave and holidays require considerable improvement. There should be paid vacations of at least three weeks per year for all industrial workers irrespective of the number of days for which he worked during the previous year. In governmental undertakings, particularly, there is invidious discrimination in the matter of leave and holidays as between industrial and non-industrial employees. Such discrimination should end. National holidays should be uniform for whole country

while festival holidays should be standardised at regional, state or industry level, without infringing any existing benefit which workers of a particular plant may be enjoying at the moment.

A degree of standardisation should be attempted in respect of grant of casual leave and sick leave. Such facilities should be extended to all industrial labour and even where the workers are covered by the ESI scheme, the provision for sick leave should be enforced to cover the loss of pay for the waiting period and to make up for the limited sickness benefits rates.

CONTRACT LABOUR

One of the worst forms of exploitation of labour is the contract labour system. The main purpose why it is resorted to is to deny to the contract labour all benefits flowing from various statutes including working hours, weekly holidays etc., depress the wages, deny bonus, exclude them from the operation of awards and settlements and to deprive them of any security of service. The argument advanced by the employers that contract labour is necessary for certain operations is totally baseless. The work could easily be done by direct employees.

In the case of Stanvac Vs. their workmen, the Supreme Court laid down that work through contract labour should not be allowed where (a) the work is perennial and must go on from day to day; (b) the work is incidental and necessary for the work of the factory; (c) the work is sufficient to employ a considerable number of wholetime workmen; and (d) the work is being done in most (other) concerns through regular workmen." Though this judgement came as long ago 1959 and the ILC decided to do away with this practice, some years ago, the evil continues unabated. The AITUC, however, does not consider that the principles enunciated by the Supreme Court are relevant when the justification or otherwise of continuing the contract system is discussed for

all industries in the country as a whole. These considerations have relevance only when a particular case of one or two enterprises is being decided by a court. But when a national policy has to be formulated, the evil results of contract system have to be considered and a clear decision taken that contract system must be abolished.

The recent Bill introduced by government in Parliament does not seek to ban employment of contract labour by law but is only an enabling measure to set up Boards at Central and State level which may recommend regulatory steps. Such a Bill is insufficient to meet the situation.

Apart from the exploitation of workers to which the contract system leads to, it results in large-scale corruption and poor work. Right from the stage of construction onwards, the contractors siphon away huge amounts and to make this possible enter in league with corrupt bureaucrats and political bosses to swindle the public sector. A classic case is the contract system prevailing in manual mining division of the captive mines of the Bhilai Steel Plant. The contractors are connected with the political bosses and with the protection thus gained, systematically violate labour laws, attack workers' job security and refuse to pay the rates recommended by the Wage Board.

The AITUC therefore advocates immediate end to the system of contract labour in all its shapes and forms. In the interim, the principal employer must be made liable for guaranteeing to the contract labour all rights and benefits derived from custom, usages, law or settlement and all benefits and conditions of service, living and working which are applicable to the regular workers of his establishment or industry.

SAFETY AND HEALTH

Reports and inquiries so far made into occupational hazards like (a) CS_2 poisoning in viscose rayon factories; (b) grave ailments caused to workers employed in ferro-

manganese industry; (c) toxic effects of chemicals like benzidine in dyestuff industry, etc., reveal grave violations of even minimum safety standards. Accidents in mines, factories, ports and docks, building and construction, chemical plants, etc. are on the rise. As has been suggested earlier, Safety Codes should be evolved which should be rigorously enforced in all industries through worker inspectors.

In several cases, accidents are not reported and hence the official statistics can at best be only an underestimation. This situation can be remedied if, as we have proposed earlier, the trade unions are entrusted with the responsibility of ensuring labour protection, and safety inspection and prosecution of defaulters.

In the sphere of occupational diseases, necessary research and preventive action can be initiated through the Employees State Insurance Corporation and State medical institutions.

Protective equipment for use of workers is not sometimes readily available. In some cases, the equipment is difficult to handle, with the result that workers do not wish to use it. It is necessary therefore that steps are taken to manufacture the equipment in adequate quantity within the country. Research must be organised to design equipment which would be easy to wear, and suited to the specific climatic conditions.

The AITUC is of the opinion that the provisions of Workmen's Compensation Act should be amended to provide for increased rates of compensation. The old rates have become totally unrealistic and inadequate. At the same time under the present provisions workers have to wait for years before they actually receive the compensation money. It is, therefore, necessary that the procedures should be streamlined ensuring speedy payment of compensation.

IV. Trade Unions and Employers' Organisations

1. A trade union is an organisation of the working class in its struggle against the all-pervading power of the capitalist class. It has to struggle with the employers on plant level, industrial level and national and international level in order to secure better living and working conditions and to secure the rights of the working class in the given capitalist society to mitigate the burdens of exploitation. In its struggle, it uses economic, political, moral and ideological means to attain its demands and objectives. 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.

Employers, who hold all the keys to economic and political power also have their own class organisations by means of which they build and strengthen their capitalist system based on the exploitation of the working class. The employers as a class use economic, political, moral and ideological means and, above all, State-power, to coerce and hold the working class to the established relationship of exploitation of labour by capital. They resist this basic relationship based on their ownership of the major and basic means of production and exchange, being fundamentally altered or abolished by establishment of socialism and abolition of exploitation.

Capitalists build their highly powerful organisation on local, national and international level.

The workers and their trade unions also have to organise on local, national and international level.

The employers do not permit any interference in their organisations by the workers or trade unions. The workers' organisations and trade unions also should not permit any interference in their organisations by the employers. How the workers conduct their trade unions is their own affair and cannot be made subject of advice, influence or check up in any form by the employers.

2. In the early days of the capitalist system, the formation of trade union was considered a criminal conspiracy and workers were sent to prison. In England, the home of bourgeois democracy and trade unionism, the trade unions were not immune from civil liability for damages claimed by the employer, as arising out of a strike.

By sheer dint of hard struggle and sacrifices, trade union rights were won by the workers in several countries.

The lessons of the two world wars and the socialist workers' revolutions compelled the employers to concede a new status and rights to trade unions. Even then, in times of acute crisis or severe struggles by the workers, unions are suppressed by police repression and dictatorial ordinances.

3. In between such periods of crisis, governments in capitalist countries show "concern" for trade union functioning and their rights. They adopt a paternal attitude towards the trade unions, who are considered to be the "weaker" party. But under the garb of this paternalism, they only impose more and more obligations on the workers towards the employers in return for some paltry concessions and thereby emasculate the strength of the unions in such a way as to make them incapable of defending the workers, when the employers attack them on such crucial matters as wages and employment.

4. Under the British rule, trade unions became legal organisations in 1926. But beyond that they got nothing. The basic right of the workers to have their union com-

pulsorily recognised was never conceded. In fact, every attempt was made to interpose between the workers' union and the employer all sorts of agencies like conciliation officers, boards, courts and so on.

After independence, the freedom of association guaranteed by fundamental rights gave the worker the right to form a union. But the government continued to impose on the unions all the British laws and procedures. Not content with that, they manufactured new weapons to hamper the unions from becoming strong defenders and bargainers on behalf of the workers.

5. We see no reason why unions should be compelled to register and be subject to the scrutiny of the Registrar in order to acquire the right to defend their members.

There is no reason why the government or the employer should want to prescribe what fees a worker must pay to his union or what kind and from what source he should find his leaders or office-bearers of his union.

The AITUC therefore demands a complete change in the approach of the government to the unions in this country and wants that all laws and regulations which interfere, supervise or control the formation and functioning of unions to be done away with.

6. It is also worth noting that all such restrictions are in direct contravention of ILO Conventions 87 and 98. Though the government of India voted for their adoption by the ILO, it has still not ratified them, and at the 25th Session of the Indian Labour Conference, all trade union organisations were unanimous in demanding their adoption and implementation.

7. The system of check-off and closed shop should not be introduced. Check-off brings in employers' interference in union functioning and weakens the voluntary obligations of the members towards their organisations and its democratic content and practice. It thus harms the organisation

and is undemocratic. Closed shop, in the absence of a fully functioning trade union democracy, will lead to many malpractices in the existing conditions.

8. A great debate is raised regarding the so-called "outsiders" in trade unions. All those who are not employees of a particular employer are termed as 'outsiders'. By implication, even dismissed workers would be outsiders. However, usually the term is restricted to those persons who are not and never have been employees in the particular industry.

Trade unions in India have been an integral part of the anti-imperialist national movement. The outstanding leaders of the TU movement have also been leaders of the political movement. Due to the widespread illiteracy among workers, social backwardness, no security of service and the extremely hostile and antagonistic attitude of employers towards trade unions, the unions have always had a number of persons who are not workers themselves, among their leaders and office-bearers. It is due to the sacrifice, hard work and integrity of these so-called "outsiders", along with the sacrifices and efforts of the workers themselves, that the trade union movement in India took root, organised the workers and has come to occupy an important place in the social set-up. The clamour of the employers against these tried and tested leaders dubbed as "outsiders" is for no other reason except to deprive the movement of the leadership which has developed historically.

The employers are free to employ any one they like. To conduct their negotiations, cases, etc., they "employ" leading lawyers, economists and all types of experts. These are made "insiders" also by being appointed on Boards of Directors or as executives with no other work but to fight the trade unions. But, if the unions get the services of experts and leaders, a huge outcry is raised. The specific purpose, though never openly acknowledged, is to deprive the workers of established leadership and to place them at

a disadvantageous position in collective bargaining, court proceedings, struggles, etc.

It is the right of a trade union to include anyone they like in their membership, and to elect their office-bearers. The AITUC opposes the attempt to interfere in the internal affairs of the unions and democratic rights of workers in the name of restricting entry of so-called "outsiders" in trade unions.

9. There is unfortunately a division in the trade union movement—a division whose basic roots lie in the policy of the employers and the government. Result is a multiplicity of trade unions at all levels. The division in the ranks of workers is obviously advantageous to the employers as it weakens their strength. However, sometimes, it is not without some disadvantage to the employers also. Though employers utilise the division to set one union against the other, the presence of many unions catering to the same set of employees leads to uncertainty in industrial relations and a situation in which collective bargaining when required by the interests of the employers also is hampered and creates obstacles in the stability and growth of his concern.

The AITUC was founded in 1920. Till 1947, except for brief periods, it continued to be the only central TU organisation. However, in 1947, the ruling party founded its own TU organisation—the INTUC. The organisational division was clearly based on political partisan considerations. Thus political affiliations were utilised consciously by the Indian National Congress to divide the working class at all levels. Subsequent developments led to some more central TU organisations being founded mostly along party affiliations. However, it cannot be denied that it was the political party of the bourgeoisie which, on assumption of State-power, deliberately fostered a TU wing of its own. Naturally, state-power was used to strengthen this organisation. How it was used, we have discussed at length in the chapter on industrial relations. The point to note here is that it is precisely

those who denounce loudly the participation of unions in politics, who themselves created, nurtured and strengthened the first political division in the TU movement and gave it an organisational shape.

The AITUC stands for unity of the working class and its trade unions. It is for achieving this objective that it has approached all central trade union organisations to find ways and means of uniting in one common organisation. However, till the interference of the ruling party continues, it will be difficult to unite through negotiations at the top only. Hence the AITUC has put forward a proposal which would enable unions to unite on a democratic basis. The crux of this proposal is recognition of a trade union through the secret ballot of all workers. The proposal is discussed in detail in the chapter on industrial relations. What concerns the immediate discussion is further proposals regarding unity which emerge from the proposal regarding recognition of unions by ballot.

Once a union is recognised by the free choice of the workers themselves, through the most democratic method of secret ballot, then the next steps we propose for consideration by the whole trade union movement are:

i) All unions which lose in the ballot will have the choice to continue to exist separately or merge with the recognised union.

ii) The merger with the recognised union will take place on the basis of giving representation to the minority union or unions on the leading bodies of the recognised union in proportion to the votes polled by each.

iii) If an unrecognised union continues to exist separately, it shall have only the right to represent the individual grievances of its members and shall not have any right to negotiate on or settle any matter which is in the nature of a collective dispute or is likely to affect in any way, workers who are not members of the particular union.

The merit of this proposal is that it ensures a democratic

voice to all minority trends in an enterprise. Since a settlement even by a minority union is binding on all including those who are not members of the union, proportional representation to minority unions, will ensure their legitimate participation at all stages of negotiation and settlement.

However, as stated earlier, this proposal can be worked only if unions are recognised as a result of a secret ballot. Recognition of unions through verification of membership, by whatever machinery, cannot be the basis as, in existing circumstances, this process has no validity. Detailed reasons for this are discussed in the next chapter. It will suffice to point out at this stage that in a number of cases, unions recognised by verification of membership are different from those who command the loyalty of the workers and lead their struggles.

10. If unions are recognised by ballot of workers, they could be entrusted with many functions which they alone can discharge but at present, due to multiplicity of unions or recognition based on official verification, they cannot. These functions relate, for instance, to the enforcement of safety regulations. An Inspectorate could be created from the trade unions themselves for this purpose. Unions could be associated with the local administration of social insurance, housing, welfare activities, etc., in a much more responsible way and with far more advantage than at present. In the public sector enterprises, such unions could play a useful role in Joint Management Councils. In fact, the recognition of unions by ballot would be useful to the unions not only for collective bargaining but also for diversifying their activities and it would give a great fillip to organisation. It would be beneficial to such employers as are desirous of negotiating and settling questions through a really representative union which can deliver the goods on behalf of all the workers.

11. It is interesting to note that the majority of central

trade union organisations accept the principle of ballot to determine the representative union. Many employers including those in public sector and many State Governments also support this demand. The only voice of dissent is from the INTUC and from its parent political party—the Congress. Thus the INTUC and the Congress are almost the sole parties who wish to perpetuate the harmful and artificial disunity among the workers which they themselves were the ones to create.

12. The AITUC is opposed to craft unions and it stands by the principle of industrial unions. However, in the conditions of today, the tripartite agreement that if, in a particular department of a large enterprise or a complex, a union (other than the recognised union) enjoys the support of more than 50 per cent of the workers, such union should be given the right to represent the individual grievances of its members, should be implemented.

13. So long as trade union unity is not achieved, the employers must be compelled to recognise all the unions in the plant or industry and arrive at collective agreements through common consent.

V. Recruitment and Induction

1. Recruitment to jobs continues to be the unrestricted sole prerogative of employers. Though there is no standard or set pattern in most of the traditional industries, recruitment is still done through jobbers, sirdars, etc. These "agents" charge regular sums of money in order to place a person in a job. With the huge army of unemployed trying to secure jobs, one can easily imagine the extent of corruption prevalent. In coal mines, Gorakhpuri labour, banned by tripartite decision and in direct contravention of ILO conventions is still employed. Contract labour is employed in many industries and the number of casual labour runs into several lakhs.

Though employment exchanges have been set up and it has been made compulsory for employers to recruit only through them, in practice, this is seldom the case.

2. While a large number of people remain without jobs, yet, there is shortage of labour in some categories. This is due to lack of training facilities and failure to dovetail training to job potential.

Some enterprises, notably in the public sector have laid down some norms and channels for recruitment. They have also established internal training schemes for training workers for their own requirements. But in the whole system, these are only isolated examples.

3. Very little can be done to improve the present conditions to any great degree. Till the pressure of unemployment ceases and till schemes are formulated for planned training, such agencies as employment exchanges etc. are bound to prove ineffective and corruption is bound to be

rampant. However, some amelioration may be there if regular recruitment channels are defined, better functioning of employment exchanges is assured and recognised unions are given the powers of supervision over recruitment. (It should be mentioned that all suggestions for enlarging the powers and functioning for trade unions are subject to acceptance of the proposals for recognition submitted by the AITUC in this memorandum).

4. In the context of the need, training facilities both prior to recruitment and during employment, are almost non-existent.

5. Recently with the growth of modern industry like chemicals, light engineering, electricals and electronics, etc., young women have been given employment in growing numbers. Many employers however seek to evade the "burdens" of maternity benefits, provision of creches, etc. by providing a so-called "marriage clause" in the service contract, automatically terminating the service on marriage. Such termination of service had the additional benefit of saving on the wage bill by replacing higher paid girls with longer service by new recruits. It also reduced the "burden" of retrenchment compensation, gratuity, etc. However, the Supreme Court has held such a clause to be illegal. Simultaneously with the increase in employment of women in these industries, there has been a sharp fall in their numbers in traditional fields like textiles, jute, etc. The reasons for this fall are the same which led the employers to force the "marriage clause"—escape from statutory liabilities and the right won by the workers of equal pay for equal work.

There is urgent need for establishment of creches not only at places of work but in residential areas. Hostels for women workers are also urgently needed.

5. Though direct evidence may be difficult to adduce, recruitment in some cases is coloured by considerations of caste, religion and locality. While it may be justified to give preference to 'local' workers over others, when a big new

enterprise is established, such considerations should not be made a point of fetish, as they retard the growth of common bonds of nationhood and class.

7. One of the worst features of the exploitation of labour is the employment of so-called "casual" labour. Though basically the problem is the same, it has different dimensions in different industries. The worst offenders are the railways, the PWD of States and Central Governments and such other departments where manual labour is required in large numbers. Casual labour in these departments would run into several lakhs, possibly into the neighbourhood of some 20 lakhs. In these departments, a variety of nomenclature which speaks volumes for the ingenuity of those who invented it is used to cover the one basic fact that all these unfortunate employees who are classified as casual, quasi-permanent, extra temporary, temporary, work-charged, nominal muster roll, etc. are just plain casual labourers who are denied the wages, leave, pension, PF, medical, housing and other facilities which have been won by permanent workers doing the same kind of work. To overcome the law, services of all such workers are "broken" on the registers at appropriate periods so that they may not qualify as permanent workers. Actually, the same person continues to work at the same job and at the same place year after year, but in the rolls at regular intervals, he is shown to have been terminated and then employed again.

This form of special exploitation piled up on the top of the usual one inherent in the system must end at once. All jobs of a permanent nature must be filled by permanent hands. Such sophistications as declaring a half mile stretch of road making to be one job and the next half mile as another and so, thus saying that no job is permanent must be done away with. Any government which lays claim to being civilized, let alone socialistic, should first start with its own employees.

In the industrial enterprise, the problem is different. It

concerns contract labour and temporary and badli labour more than casual labour. But there also statutory provisions must be made for employment of permanent men for permanent jobs, taking into account leave reserve, etc. The practice of filling only a percentage with permanent workers and the rest with temporaries, casuals, badlis, etc., must be banned by law. In our opinion, there should be only two categories of workers—Permanent and temporary.

8. The issue of promotions has assumed great importance especially with the setting up of new industrial plants and complexes. Discontent over promotions has been the real cause of several big strikes in the recent years. Hence this question deserves close attention.

The standpoint of the employers has always been that promotion is solely a management function and therefore it is entirely their prerogative to promote any particular person they choose. The workers, it is argued, have nothing to do with it.

However, it is the workers who have to be promoted or not promoted and therefore, they have everything to do with it. Cases are abundant where the managements have utilised promotions to sow discord among the workers, to disrupt their organisation. Even apart from these malpractices, it is essential in the interests of properly regulated industrial relations that a clearcut policy on promotions should be formulated. This should be done in consultation with the trade unions and it should provide for (a) channels of promotion in each category (b) ingredients of considerations for determinating promotion; (c) the ratio of direct recruitment to various categories in relation to internal promotion.

The channels of promotion must provide for possibilities to get promoted for each category of workers. In the present situation, many workers who otherwise qualify for promotion are condemned to stagnate at lower posts year after year. A complicating factor in laying down ingredients of

promotion policy is the claims of young trained workers who do not have much practical experience but come up in the industry with training qualifications in competition with old workers who have no formal training but have gained expertise through many years of actual work. In such cases, weightage for seniority would militate against the young educated workers while reliance on trade tests will go against the old experienced workers. Hence the question must be determined from unit to unit with the consent of the recognised union, and according to the needs and nature of the job keeping in view the comparative balance of training and the experience in the given work. Ordinarily, if suitable men are present inside an enterprise, preference should be given to them in promotions rather than reliance on direct recruitment to such posts.

9. At present, very few enterprises have any scheme of in-plant training. The present Apprenticeship Scheme also suffers from grave defects. What is needed is an integrated scheme of pre-employment training and in-plant training with adequate facilities and dovetailed to projected employment opportunities.

10. The growth of modern industry specially of huge public sector enterprises and complexes has brought in new developments and has posed several sharp problems.

Many of these enterprises are located in new areas and located away from the traditional big cities. Workers, recruited from the local inhabitants as well as from all parts of the country are absolutely new to the environment, which has yet to develop a social role of its own, based on experience and tradition of the new complex. In the absence of such integration and class-solidarity, there have been occasions when tensions develop based on such considerations as local vs. outsiders, or of castes, language, etc. Even then the new cities are a welcome development not only in the economy of the country but also to the working-class of India.

11. There is no discrimination openly practised in the matter of recruitment but some of the social ills such as communalism, casteism, regionalism, etc. do affect recruitment policies in particular establishments. There is also a type of witch-hunt and political discrimination prevalent in certain sectors. For instance, workers are penalised and dismissed from jobs for their alleged political beliefs, as may be reported to the management by the so-called method of police verification. This is rampant in public sector establishments and departmental undertakings of the Government. No new recruit is confirmed in service unless a police report on his past is obtained. Employers also act in concert to deny jobs to workers victimised in one unit for trade union activities.

12. In this context, it has to be noted that there are certain justified demands made in respect of preference in recruitment for "local" people. When big projects are established, lands of hundreds of peasant families are requisitioned thereby rendering them jobless. Preference in employment to members of these families as a measure of rehabilitation is a justified demand. As far as possible, recruitment to jobs should be from the area or State where the industrial unit is situated. Discontent on this score is exploited by chauvinist elements which ultimately affects social life in these townships as well as seriously impair industrial relations. A due consideration of this aspect in recruitment policy cannot be considered "discrimination".

VI. Incentive Schemes and Productivity

1. For the last few years the employers and their ideologues and propagandists have been mounting a real offensive on the workers in the name of productivity. It is being posed that the productivity of Indian workers is low and unless it is increased rapidly, industrial progress is not possible. Secondly, it is urged that all future wage increases must be made dependent upon increase in productivity.

All this loud barrage camouflaged under the cloak of national interests and couched in pseudeo-scientific terminology cannot however hide the actual situation.

The Indian employers, like their counterparts everywhere, are interested only in increasing their super-profits. If an increase in production helps them to do so, they would adopt a policy of increasing production. If however, restricted production adds to their gains, a deliberate policy of restricting production is followed.

That this is not only a theoretical proposition but hard fact is borne out by this quotation from the Economic Survey 1967-68:

"Prior to the devaluation of the Indian rupee, profit margins could in several cases be maintained at high levels, permitting adequate total profits to be earned even with considerable under-utilisation of capacity". The picture has not changed after devaluation, as is vividly brought out in the paper read by Shri M. M. Suri, at a conference of Association of Scientific Workers held in Delhi: "India's Rs. 10,000 crores over-borrowed, over-capitalised Engineer-

ing industry, especially heavy engineering industry, is lying idle to the extent of 70% of its capacity, while the import of engineering equipment of the order of Rs. 600 crores a year continues. Rs. 400 crores worth could be manufactured utilising only half the idle capacity installed in India, provided know-how in the shape of design, drawings, etc. was made available to the manufacturing units. It is also noteworthy that this Rs. 400 crore production could close the gap between our exports and imports".

But it is private profit and not national interest which determines the production levels in a capitalist society.

No statistics are available regarding movement of productivity and its relation to wage movements. However, as far back as 1961, Shri B. N. Datar came to the following conclusions:

"(a) The share of organised industrial labour in national income has remained more or less constant, in spite of expanding wage-paid employment and greater share of factory establishments in the total output.

"(b) While average real earnings have gone up to some extent, these have not outstripped productivity; and

"(c) Wages have not been a significant factor in price increase as is often made out".

(*Wages Movements Since Independence*)

Since the above analysis was made, prices have risen sharply depressing the real wages. A correct picture today would be that productivity rises have outstripped rise in real wages at a rapid pace.

Hence we are forced to come to the conclusion that the production policies of the employers are determined by their lust for profits and not by any considerations of national interest. In their eagerness to earn huge profits, they seek to exploit the workers still more by forcing them to increase output while reducing real wages.

2. The two classical ways by which capitalists seek to

increase the rate of surplus value which they extract from the workers is to increase the hours of work, and secondly, to increase the intensity of work. In both cases, the objective is the same—to get more work in proportion to what is being paid. It is too late in the day for the capitalists to seek extension of working hours. Hence the entire concentration is on the second method. This is the real essence of all productivity drives in capitalist countries, including India. However, working class action can force another meaning also. This would be the best available use of all means of production to ensure the greatest possible production with increasing benefit to the worker himself and the community as a whole. To achieve this, the system of production has to alter. Such is the nature of productivity drives in socialist countries.

In the conditions existing in our country, productivity drives could acquire meaning if they are geared to the real needs. For example, India still has an army of hereditary managements. Birth is not the criterion of ability or knowledge. If trained managements could be brought in, productivity would increase without imposing any burden on the workers. The lay-out of many factories is archaic and anything but rational. A more scientific lay-out could straight-away lead to increase in productivity. Many of our factories have no system of preventive maintenance. Frequent breakdowns result in loss of production as well as productivity and where the piece-rate system exists, in loss of earnings to the worker. Inventory control is lacking in many concerns and this results in carrying huge inventories for long periods, on the one hand, while the very materials required at a particular time may remain in short supply. Or take the question of fuel utilisation. Huge savings could be made by increasing fuel efficiency without in any way imposing burden on the worker.

A selective approach to productivity in its proper sense would reveal many more areas where application of better

techniques and methods would lead to higher productivity without any worker losing his job, without imposing greater workload on the worker and without any other detriment to him.

But as stated earlier, in their eagerness to grab profits by the shortest method, the employers concentrate only on increasing the intensity of work of the workers and when this is resisted, then raise a huge outcry. The AITUC will categorically and unequivocally oppose all attempts to impose burdens on the workers in the name of some nebulous "national interest" which in the concrete analysis always boils down to the very private profits of a handful of gentlemen.

Within these limits each scheme will have to be judged on merits. This can be done by mutual settlement with the recognised union. The issues relating to sharing the gains of the productivity measures can also be best settled at this level. The AITUC believes that till a living wage is assured, all gains consequent upon increase in productivity must be passed on to the worker.

3. Payment by result is already prevalent in vast sectors of industry. For instance, in several important departments of textile industry, piece rates prevail. In the engineering industry, apart from piece-rates, incentive schemes have been introduced in many factories. In the railway workshops and production units and in steel plants also, incentive schemes operate. In coal mines and iron ore mines, certain categories are paid on the piece-rate system. So also is the case in many departments and categories in many other industries. In all about 43% of industrial workers are employed on piece-rates.

Now the demand has been raised by the employers that wages should be linked to production or productivity. It is also being suggested that D.A. should be de-linked from the CPI and all further increasees in wages or D.A. should be linked with increase in productivity.

The AITUC is totally opposed to all these suggestions. In fact, the AITUC demands the immediate introduction of a national minimum wage in the light of the agreement arrived at in the 15th ILC; the fixation of proper differentials for all categories of workers; the linking of D.A. with the cost of living index for all categories of workers, providing 100 per cent neutralisation.

4. The experience of both piece-rates and incentive bonus schemes has been very unhappy. In the existing conditions, while both are expected to lead to some increase in money wages to the worker, they have not only assisted in increasing exploitation but have had many other ill-effects also.

5. *Piece-rates* are mostly fixed on ad hoc basis. There is no standardisation of materials and designs. Plant layouts, the maintenance and efficiency of machine, etc. all vary to a considerable degree. In such conditions, it is impossible to have any standard piece rates. The flow of materials in many cases is most defective resulting in huge idle-time and consequent loss in earnings. Some employers are even not averse to making slight changes in designs or materials or process and on this plea, unilaterally fix new piece-rates which really amount to downward revision of wages. Piece-rates are mostly fixed without reference to the workers and there is no fall-back wage. Sometimes, when the amount of work falls, the employer distributes the small amount of work among all workers thus passing on the burden to them while saving the liability to pay lay-off. Some unscrupulous employers even use the prerogative to distribute work to deliberately starve the union leaders.

Hence unless some minimum guarantees are first given, the extension of piece-rate system cannot be agreed to. In fact, these guarantees should be extended even to those workers who are now working on piece rates. First, all workers on piece-rate should have a guaranteed minimum fall-back wage. Secondly, piece-rates should be fixed mutually by the employer and the recognised union and any revi-

sion of rates on whatever plea should also be mutually decided. Thirdly, in all cases where payment is made on piece-rates, there must be a separate D.A. linked with the CPI.

6. Workers have some unhappy experience of the working of *incentive bonus* schemes. Some of the problems are extraneous to the particular scheme but are inherent in the capitalist system itself. Workers on incentive bonus schemes have found, for instance—during the recession, that due to reasons beyond their control or even the control of their particular management, their earnings have been slashed. While fixing the bonus, the basic wages are generally kept low and the larger part is supposed to be through incentive payments. When production is slashed, the incentive part of wages is also slashed. Thus the incentive schemes do in actual fact provide an automatic channel by which the burden of the recession is passed on to the workers.

In evolving such schemes, the norms are fixed artificially high and the payment curve relatively low. This results in a great increase in workload for a comparatively small payment. In many factories producing a large varieties of goods there is no rational or fair linking factor by which various products are related to one common factor for working out the bonus. In most cases the schemes are too complicated to be grasped by the workers themselves. The lure of incentives is used to keep the basic and the D.A. at a low level.

Hence the AITUC is of the view that incentive schemes should be simple and easily comprehensible. They shall be introduced only where the wage and D.A. for all categories have been already fixed at the minimum need-based level. Such schemes should be introduced only through collective agreement and any change, whether of norms or of rates and curve of payment should also be first settled mutually.

While the actual scheme of incentive bonus in a particular unit will depend on local settlement, no employee should be excluded from its purview as being non-productive.

7. An outstanding feature of the implementation of all statutes giving benefits to workers, all settlements and awards of similar nature, is the high percentage in which they are violated. The fate of the tripartite agreement regarding rationalisation made at the 15th ILC is no better. In a capitalist society where an individual producer has no control over prices, it is useless to expect that any saving made out of rationalisation will be passed onto the consumer. This part of the agreement was merely an eyewash. But the part which concerns the workers more directly, regarding no retrenchment and no fall in earnings has also had short shrift. The only resistance has been the organised resistance of workers who have gone on direct action to prevent the evil consequences of unrestricted unilateral schemes of rationalisation.

The only way in which this agreement can have a chance of implementation is by banning all schemes of rationalisation till they have been cleared by a tripartite committee which will study all its aspects including the implementation of the Model Agreement.

8. The Working Committee of the AITUC which met on 14 and 15 July 1968, summed up the stand of the AITUC regarding automation. In a resolution it says: "The present socio-economic conditions in India are characterised by a huge backlog of unemployment in the labour force and the problem of unemployment among the educated, such as graduate engineers, scientists, teachers etc., has a special severity in our socio-economic conditions. This is primarily due to the failure to carry out a rapid advance in industrial development and the high rates of super-profits sought after by the foreign and Indian monopolists who own the major areas of industrialisation. It is these monopolists and big employers who bring in schemes of automation, rationalisation and speed up which led to growth in unemployment. Hence, the AITUC declares that there can be no automation or computerisation under present socio-economic conditions

which are characterised by all the evils inherent in a capitalist system.

"The experience of oil workers is that 90 per cent of the reduction in clerical manpower enforced during the last few years is due to higher mechanisation viz. with electronic accounting machines and computers, particularly in the three foreign oil companies of ESSO, Caltex and Burmah-Shell where clerical work is or sought to be completely replaced by computerisation in offices. There is no prospect for those thrown out, except to join the army of educated unemployed. Hence, the working committee calls upon its delegation to the 27th SLC meeting to demand that computerisation wherever installed for table work be withdrawn and wherever proposed or in the stage of being installed as in the LIC be stopped forthwith.

"Where automatic devices including computers are found to be imperative in certain types of scientific work, safety of human lives or well-ascertained compulsions of economies of scale in modern industries, introduction of automation and automatic devices in such cases could be considered, not on the basis of individual or piecemeal requirements but only within the framework of a national scheme of economic and technical advance which must be evolved and implemented with the consent and participation of the trade unions. Such a scheme will be based particularly in the solution of the question of security of existing jobs and increasing job opportunities and raising the standard of living through higher wages and falling prices, thereby preventing the gains of the advance in technique being mobilised solely for monopoly concentration of profits and power. The AITUC demands that since such agreed national schemes does not exist, all automation pending or otherwise be scrapped."

9. In the existing social conditions, AITUC is opposed to all schemes of automation. This opposition is not based upon aversion to technological change and advance, nor on any

absolute immutable principle. It is based on the fact that automation in a capitalist system is not in the interests of the workers. In a socialist system, automation is used to raise not only the level of production, but also the standard of living of the people as a whole including the workers. It is used to lighten the toils of labour, to provide more leisure and the means to make that leisure fruitful and beneficial. Under capitalism, the drive for automation is a part of the drive for super-profits; it is a part of the drive to create bigger and bigger monopolies; it is used to de-humanise labour and all the fruits it may bring are garnered by the capitalists. Hence the opposition is on grounds much wider than merely of job security and job potential.

It is wrong therefore to pose the question as has been posed by the Commission as to the place of automation in the perspective of development. The 'development' of what? The country? Yes. But along what lines? Along the lines of expansion of monopolies, of super-profits and super-hunger and super-starvation, or along the lines of socialism? The question cannot therefore be posed in the absolute.

There may be certain areas where automation may be necessary due to reasons of public safety; or for scientific research; not determined unilaterally but by a tripartite at the national level. Such schemes may be permitted if a national policy is laid down regarding security of job without reduction in any of the existing workers, safeguarding of job potential, and of the sharing of gains. At the same time, as past experience regarding the Model Agreement on Rationalisation shows, even the most wonderful Model Agreement will be useless if it is not backed by an effective machinery to ensure implementation.

Hence, on automation our straight position is that till such a national scheme is agreed upon and an implementation machinery devised, all schemes—pending, existing, contemplated—must be held in abeyance. After that, in the light

of exceptions noted above, some necessary projects may be allowed by the consent of all concerned. But our overall approach would be against automation in the existing social conditions.

VII. Social Security

1. Such social security as exists in India is not in the shape of one unified scheme but is fragmented in many different statutes enacted at different times. As a result, we have the Workmen's Compensation Act of 1923: the Employees State Insurance Act, 1948; The Coalmines Provident Fund and Bonus Schemes Act, 1948; the Employees Provident Funds Act, 1952; the various Maternity Benefit Acts (Central and State) and provisions relating to compensation for lay-off, retrenchment and closure contained in the Industrial Disputes Act, 1947. There is a lapse of 30 years between the first and last of these acts. Naturally the total result cannot be a harmonious whole.

But even with all these different Acts and provisions, there are many important areas of social security which are totally uncovered. There is as yet no provision for unemployment insurance, for old age pension, and except where the workers have won it through settlement or award, for any gratuity.

Even the provisions which are there do not apply to all industries or to all workers. For example, take the ESI Act or the PF Act which still leave a large number of industrial workers outside their purview. Even when an industry may be covered, many workers are excluded from the operation of the various acts and provisions. For example, every new unit is given exemption from the PF Act for two years. The lay-off provisions do not apply to factories employing less than 50 persons.

The benefits conferred by all these Acts and provisions are very limited and totally inadequate. And even to get

these, in the case of the ESI, the worker has to contribute his share.

Hence the AITUC would urge a codification of all legislations on social security, the enlargement of its scope to cover all contingencies like old age, unemployment, etc., extension of coverage to include all workers in all industries, revision of the benefits available to the workers and no contribution from workers except towards the PF.

The AITUC would like to clarify its stand regarding the proposed unemployment insurance scheme. This scheme is totally unacceptable. It covers only those who are employed and then, for some reason, lose their job. It sets off the limited compensation available to them against their lay-off and retrenchment benefits. The benefits proposed to be given are for a very limited period. The AITUC feels that it is the duty of the State to provide jobs for all adults. If it cannot do so, it must at least give them bread. Hence there must be a scheme for giving relief to all those who are out of job, and it must have no limits as to period, coverage, etc.

2. Even the best scheme would be rendered useless unless it is backed by a machinery to ensure its speedy and faithful implementation. The present position regarding administration and implementation of even the meagre provisions now existing is very unsatisfactory.

The ESIC Review Committee has recently gone into the question so far as this scheme is concerned. We generally agree with the recommendations of the Committee made in their report.

We do not propose to go into the details of administrative defects, lacunae and shortcomings with regard to each of the Acts. At this stage, we would like only to make one proposal regarding principles of administration alone.

The first of these is that in order to cut down unnecessary expenses, the entire social security administration should be run by one agency. There is no need for parallel agencies to be built up for each set of laws. Secondly, the adminis-

tration should be decentralised to as great an extent as is possible. Thirdly, the trade unions must be associated at all levels not only with the formulation of policies but with the actual administration of the scheme. Fourthly, at the local level, the recognised unions should be given inspection powers to see that proper implementation is done and that the workers' interest does not suffer due to bureaucratic handling, corruption and other causes.

3. To sum up: The social security scheme must be all-inclusive covering all recognised contingencies and all classes of workers in all industries. Except for PF scheme, they must be non-contributory so far as workers are concerned. The administration should be unified, de-centralised and democratised with the participation of the recognised trade unions.

VIII. Labour Legislation

1. Laws relating to labour have come either as a result of the struggle of the workers for more rights and better conditions of work and living or as a result of policy decisions of the ruling classes to curb and obstruct these struggles. Hence all legislations regarding labour can be largely classified from the angle of the working class into two—favourable and unfavourable. In the first category would be such laws as the Indian Trade Unions Act, the Factories Act, the Workmen's Compensation Act, the Payment of Wages Act, the Mines Act, the ESI Act, and the PF Act and all similar legislation. In the second category are the restrictive acts like the Industrial Disputes Act, the BIR Act, the Standing Orders Act and more recently the Industrial Security Force Act and Section 36 A(d) of the Banking Laws (Amendment) Act, etc.

2. Norms for the first category of legislation are set by the demands and struggles of the workers. Hence these norms are changing and not all norms are set at the same time. Nor are the norms set fully in accordance with the demands of the workers nor of what would objectively be a just position. As opposed to the pressure of the workers is the pressure of the employers and because the ruling party since 1947 has been the political party of the bourgeoisie, the latter has a great impact.

It would be advantageous and rational if all such laws are retained with appropriate changes and are codified in a fit manner.

As regards the other types of laws, the AITUC has already argued earlier its case for immediate repeal of the Industrial Disputes Act and other State Acts on this line. These Acts

should be repealed and a new set of laws enforced which will provide for recognition of unions on the basis of secret ballot of workers as collective bargaining agent and settlements of disputes through them; voluntary arbitration of disputes; adjudication machinery on the lines suggested earlier for all individual disputes; the unfettered right to strike in all industries and the consequential right of peaceful picketing, etc.

Hence the AITUC would suggest four codes or one Code in four parts: (i) Trade Unions and Industrial Relations; (ii) Wages and Bonus; (iii) Social Security and Welfare; and (iv) Safety. The precise content of each and the norms, etc, are not matters which can be discussed here. However, the direction must be of enlarging the trade union and democratic rights of workers; of strengthening the organisation and autonomy of unions; of strengthening collective bargaining and of guaranteeing to workers adequate social security, welfare facilities, etc. and of laying down modern norms of safety.

In all these matters, the question of implementation is most important. At present the implementation of all measures and provisions favourable to the workers is most unsatisfactory. Even where it can be secured, the processes are tortuous, time consuming and costly. Hence, a radical overhaul is needed and the AITUC has elsewhere made appropriate suggestions.

3. Under the scheme envisaged by the AITUC, all matters except those for which there is statutory provision will be left to collective bargaining. This collective bargaining will be at various levels—local, industrial and national. In the case of public sector enterprises, it will be appropriate if important matters like wages, etc. are discussed at the national or industrial level. In facilitating such discussion, naturally the Central Government will have to play its role. Individual disputes may go to adjudication and for this purpose, the State Governments will have to set up courts

which will be common for all industries within their boundaries. What is left is implementation of laws such as social security, safety, etc. For these, appropriate machinery is to be created and it is not very material which government—Central or State—runs this.

4. At present, the employees in the public sector are being denied a number of political and democratic rights which are normally exercised by the ordinary citizens of India. Such rights include the right to join a political party of their choice. In fact, today employees are summarily dismissed even after years of service if the so-called police verification says that they have been members of a political party (of course, this does not apply if they have been members of the Congress or some rightist party). In some cases, entry of friends and relations even to colonies of workers is denied. The right to have a say in civic management through elected representatives (as in municipal committees, corporations, notified area committees, etc.) is also denied. Now with the passage of the Industrial Security Force Act, a special central mobile force will be created to curb their struggles, to arrest them without warrants, to search their premises at will.

It is high time that the ruling party realises that the public sector which is already the subject of attack by imperialists, Indian monopolies and the vested interests and which is riddled with bureaucrats and agents of private capitalists, cannot run without the willing cooperation of workers and denial of rights. It has to be based on recognition of the worker and his role and on the creation of conditions in which he can participate in the working and management of the enterprise.

If this is to be achieved, all restrictive measures must be immediately removed.

IX. Labour Research and Information

1. Facts and figures covering all the various aspects of labour are not available; the officially-compiled statistics cover only a small area of the information required. For example, there is no information available regarding the movements of productivity both as a whole in the organised industry and in various industries. Again, the changes in the composition of the working class as regards changes in skill and payment of differentials is not collected at all. There is no attempt to standardise nomenclature of jobs, except in a few industries. Many more such areas on which information is vitally needed are left totally uncovered and everyone is free to conclude what he likes.

2. Even the statistics which are collected suffer from serious drawbacks and shortcomings. Firstly, there is no centralised agency for compilation of data at the source. The Labour Bureau depends upon such information which is collected by the Factories Inspectorate, the Labour Inspectorate, etc., in the course of their normal, routine duties. The information available is unchecked and unverified and in any case is not collected systematically. Secondly, there is no regularity in collection of information. In many cases, the "statistics" compiled by the Labour Bureau are only "estimates" based on guesses regarding trends. Thirdly, even these are available after considerable lapse of time. Fourthly, in a situation of considerable regional, industrial and other variations and in a situation of continuous change in the structure of industry and the labour force itself, the all-India

averages such as on wages, etc. can indicate almost nothing.

3. What is necessary therefore is a rational planning of all the statistics that are needed. Their scope and coverage should be expanded to include areas which are today totally uncovered, or covered only partially, or covered as broad, all-India trends only.

The collection of data should be handed over to a specialised agency. This will ensure accuracy and speed.

4. The index fraud of Bombay, Ahmedabad and Delhi has revealed the urgent necessity of correct compilation of CPI figures. The 25th ILC recommended the introduction of a new series of the all-India CPI numbers with 1960 as the base year and also to initiate preparations for fresh family budget enquiries in 1968-69 for compiling a fresh series with 1970 as the base year. In view of the rapid and continuous rise in prices, the shortages in various items of daily use, change in consumption patterns, there is urgent necessity to ensure implementation of this recommendation. In doing this, representatives of trade unions must be taken on the various bodies connected with the work.

5. It would be useful to compile regional or state-wise indices. The required indices should have, as constituent series, all the main centres of industry and the technical aspects should be discussed with the trade union centres.

6. The Government has established a Committee on Labour Research. But it has not functioned at all. The work of this Committee should be seriously taken up and representatives of national TU centres given representation on it.

X. Rural and Unorganised Labour

1. Reports about the inhuman social oppression and extreme insecurity faced by agricultural workers, majority of whom belong to the Harijan and Adivasi communities, indicate that in the twenty one years of freedom, this section of our working class has yet to acquire some of the basic human and social rights and even those norms of working and living conditions which have been acquired by other sections of the working people. Primitive, feudal and authoritarian practices of extracting forced labour continue in certain areas, despite the Constitutional provisions relating to abolition of forced labour. For long considered social outcasts, even despite the tremendous efforts of the democratic movement and laws banning untouchability, etc., the situation of social oppression continues in various forms in several areas. This social oppression based on the hierarchy of the old Hindu society, its laws and ideology, whose hold still continues to rule in many strata of society, is now used by the new capitalist order to justify lower wages and working and living conditions for particularly this class of workers. Denied a human existence by the upper classes which exploit them, the Harijan agricultural labour is not even considered by their exploiters as deserving even a minimum wage, since the socially oppressed can allegedly live on something subnormal and sub-human. The so-called new "agricultural strategy" of boosting farm production is nothing but a plan to develop capitalist agriculture on a big scale by putting banking finance, agricultural machines and new hybrids and

fertilisers at the disposal of large and medium farms. But the generation of this new wealth and high incomes does not affect the wages and status of the agricultural labourers. At the same time, the new socio-economic developments have made these ancient downtrodden classes conscious of their rights and the value of their labour which inspires them into new struggles. The new capitalist "strategy" itself has not grown beyond certain intensive agricultural development areas. Hence unemployment and under-employment inherent in an unplanned and capitalist economy continues unmitigated in most areas. Despite all pious preachings of the ruling classes, the basic problems of the Harijan and the Adivasi remain unresolved.

2. The agricultural labour is slowly getting organised, as was reflected in the holding of the All-India Agricultural Workers' Conference which met last year at Moga (Punjab). Agricultural workers demand that all State Governments should notify a just wage for farm work, adequate enough to meet the minimum requirements. These rates must reflect the present-day high cost of living due to the rise in prices of essential commodities. As far as workers in farms owned by government, companies and 'industrial' landlords, including orchards and vineyards, the workers' demand is for a need-based minimum wage and systems of D.A. and bonus to be made available. Hours of work should be fixed providing for seasonal variations and needs, and all amenities and rights available to industrial labour should be extended to this category of farm labour. Other specific demands include equal wages for equal work for men and women; separate governmental machinery for implementation of legislation with regard to agricultural workers, from the central to the taluk level; abolition of *halwahi* (attached labour) or debt slavery, where these persist; and free homesteads land for housing.

3. A radical transformation of the system of land relations is essential to introduce the needed regeneration of the rural

economy. The resolution of the land problem is also fundamental in providing relief to agricultural labour. All commissions and committees which have discussed the problem have admitted that in most of the States, a real land reform based even on the tardy laws adopted by states, have not been carried out. The agricultural workers also demand a ceiling on landholdings, speedy land reforms and distribution of surplus lands to farm labour and poor peasants. All fallow lands lying with government should be distributed immediately to farm labour and poor peasants, with provision of necessary implements, material and credit, in order to augment food production. All auctions and sale of fallow lands for use of largescale capitalist farms of big monopolists should be stopped forthwith. A portion of such lands may be reserved for establishing large mechanised seed and experimental farms in the State Sector. At the same time, it is also essential that the farm workers and poor peasants who have occupied State-owned fallow lands and are cultivating them should be given title deeds and all penalties imposed in the name of unauthorised occupation should be withdrawn and cancelled.

4. Another aspect of the problem is the need to end all forms of social oppression and discrimination on the basis of caste or religion including all manifestations of untouchability. In this connection, it is necessary that the quota of reservation in government services for the Scheduled Castes and Scheduled Tribes and other backward classes should be increased to make it proportional to the population figures and effective measures taken to fill all vacancies reserved for them.

5. The problems faced by rural labour are thus intimately linked with the regeneration of the rural economy, the crux of which lies in fundamental social transformations in the countryside. The land reforms attempted by government, as we have noted earlier, have not weakened the economic hold of the rural vested interests and the triple burden of rent,

interest and taxes weighs heavily on the rural population. Tenant farming without assured security of tenure continues extensively while, in certain intensive cultivation areas, a section of former landlords has switched over to carrying on farming on the basis of wage labour, with or without mechanised implements. A break-through in agriculture which is much talked about these days cannot be achieved without ensuring land to the tiller, credit and other help for greater inputs to promote scientific and intensive farming techniques. If the regeneration of the rural economy takes place on the basis of the social transformations, intensive farming techniques can provide full-time employment to a much larger section of the rural force than at present. The big advance in transport and services which will go with an agricultural break-through can supplement efforts for creation of job opportunities. However, since the pressure of population on land is at a formidable level, only the absorption of the surplus in industrial occupations, through accelerated rate of industrial development can effectively tackle the problem. All this involves re-direction of policy in the strategy of economic planning, and the present policy of boosting up capitalism in agriculture as the agency for agricultural breakthrough will not solve the problem, though it may temporarily show a pick-up in the economy for a certain time.