

NCL Ref. No. GR - V. 22 ✓

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NATIONAL RESOURCE CENTRE OF LABOUR  
INFORMATION & DOCUMENTATION  
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National Commission on Labour

NCL Ref. No. GR.V.22

Reply to the Questionnaire received from the  
Ahmedabad Millowners' Association

<u>S.No.</u>	<u>Q.No.</u>	<u>Points for Elucidation</u>
1.	1(a) & (b)	Do you think the employers have any induction programme for new recruits? If so, what is the nature and content of such programmes?
2.	26	What measures will you suggest for minimising the political influence?
3.	47.	(i) What were the factors responsible for the discontinuance of the "check off" system?  (ii) Are you in favour of its reintroduction?
4.	54 & 58	Do you favour the extension of the provisions of the Bombay Industrial Relations Act, 1948 to other areas?
5.	70	Is there any intra-union rivalry prevailing in the Ahmedabad Cotton Textile Mill Industry?
6.	71	What conventions and traditions ought to be established for bringing both parties closer and which may help in creating mutual confidence between the parties?
7.	76	Has this been tried in the Ahmedabad Cotton Textile Mill Industry? If so, with what results?
8.	92,93 & 94	What are the reasons for indifference shown by the employees?
9.	131	What in your judgement has been the normal or historical relationship between agricultural wages and wages in the Cotton Textile Mill Industry?
10.	132	How could this be done?
11.	145	What in your judgement could be the index for measuring or judging the employer's capacity to pay?

NATIONAL COMMISSION ON LABOUR

QUESTIONNAIRE

SECTION ONE

- Q. 1. Name and address of the respondent.  
(Person/undertaking/organisation/state).

ANSWER.

The Ahmedabad Millowners' Association,  
Shri Ranchhodlal Chhotalal Marg,  
Navarangpura,  
Ahmedabad-9.

- Q. 2. The name of the Central Organisation of employers/  
workers to which you are affiliated.

ANSWER.

We are affiliated to the All-India Organisation of Industrial Employers, New Delhi, which is recognised by the Government of India as one of the two Central Organisations of Industrial Employers (the other being the Employers' Federation of India, Bombay) entitled to represent the interest of industrial employers in Tripartite Conferences like the Standing Labour Committee and the Indian Labour Conference.

- Q. 3. If union, please give the number of members.  
When was the union formed?

ANSWER.

Not applicable.

- Q. 4. If an undertaking/establishment, please give:  
(a) Commodity produced/nature of activity;  
(b) Number of employees as on 1-1-67  
(i) Workers  
(ii) Others  
(c) When was the undertaking established?

ANSWER.

Not applicable.

## I. RECRUITMENT AND INDUCTION.

### Recruitment

- Q. 1. (a) How is the labour recruited at present in industrial establishments? Is recruitment effected through (i) jobbers, (ii) contractors, (iii) advertisements, (iv) introduction by existing employees, (v) employment exchanges or (vi) any other method?

### ANSWER.

Ahmedabad was one of the first industrial cities in India in which the Cotton Textile Mill Industry had its origin and today it is one of the busiest centres of the industry. The first cotton textile mill in Ahmedabad was started in the year 1861. It was a small spinning unit with 2,500 spindles, employing 63 persons having a paid up capital of rupees one lakh. There are at present (i) 3 spinning mills and (ii) 63 composite (Spinning, Weaving, Processing) mills in the Ahmedabad city employing 1,33,000 workers.

1. In the Textile Mill Industry in Ahmedabad, the recruitment of labour had been carried out through Jobbers (also called Mucadams) and to some extent it continues even today. There is also a Decasualisation Scheme in operation with the main objects :

- (i) to regulate recruitment of labour with a view to avoiding waste of man power;
- (ii) to increase efficiency and production by reducing labour turn over;
- (iii) to reduce the waiting period of unemployed textile workers;
- (iv) to eliminate bribery, corruption and favouritism in the recruitment of textile workers and
- (v) to encourage the systematic training of textile workers with a view to ensuring a speedy supply of efficient workers.

The Scheme is a State Government Department administered by a Manager under the Commissioner of Labour. It was introduced in Ahmedabad in 1949 on a voluntary basis : (Similar schemes were also introduced in Bombay and Sholapur, Maharashtra State).

The Decasualisation Scheme provides for registration of all the workers employed in Ahmedabad mills, both permanent as well as substitutes (Badlis). A substitute (Badli) is one who is employed on the post of a permanent operative or of a probationer who is temporarily absent. The scheme maintains a Master Register of the pool of unemployed workers and the Manager, in response to an indent from a mill, provides the required number of workers of the occupational category asked for in the serial order in which their names are entered into the register, thereby the longest unemployed person getting first preference for recruitment.

With the introduction of the Decasualisation Scheme, every mill maintains a substantial Badli pool to meet its normal man-power requirement in the major departments, to be assured of immediate supply of substitute labour in required number whenever a vacancy or vacancies occur among permanent employees. The Badlis are permanently attached to the mill - their names are entered into a register and they are issued Badli Cards every month. The Badlis, though not regular employees, are required to present themselves at the mill gate every day at the starting time of the mill shift. The departments which are in need of substitutes to fill in vacancies of permanent workers who are either on leave or have remained absent from work without previous intimation, send out an indent to the Labour Welfare Officer (a statutory post created under the Factories Act) of the

mill who is normally the Labour Recruiting Officer or Personnel Manager. The Labour Welfare Officer selects the senior-most from the Badlis who have presented themselves for work and assigns him to the proper department. An entry is made to the effect in the Badli Card of the Badli and signed by the Labour Welfare Officer. If a Badli though present at the mill gate is not given employment on that day because of no vacancy, a note to that effect is also made in the Badli Card which is signed by the Labour Welfare Officer. A new Badli Card is issued on the first of every month and the seniority of a Badli is calculated on basis of the maximum number of days on which the Badli worker got employment. The Badli is given preference for filling in a vacancy in permanent posts on basis of his seniority.

It happens that on occasions a large number of recruits is required than the number of Badlis available and the supply from Decasualisation Scheme Exchange falls short. In such cases - and this happens as a chronic case twice every year : once during the monsoon when a large number of persons who are natives of nearby villages around Ahmedabad temporarily return to their homes to look after agriculture, and once during summer during the marriage season; a third case is that of an epidemic or seasonal sickness e.g. fever at the close of monsoon from which a large number of persons temporarily suffer in such cases mills are forced to take recourse to direct recruitment from out of persons who do not hold Badli Cards and yet present themselves at mill gate in anticipation of getting employment on a chance.

2. Advertisement is used as a medium for recruitment only in case of clerical and technical staff.

Q. 1. (b) How far are the present recruitment arrangements satisfactory for different types of employees and different levels of skill?

ANSWER.

Barring exceptional circumstances like epidemic, mass marriages and monsoon agriculture when there is an exodus of workers on an unprecedented scale, the present arrangement - mill's own Badli pool and the Decasualisation Scheme normally meet the labour requirement to fill in daily vacancies.

Q. 2. In what categories of employment is labour in short supply? What steps should be taken to minimise the effects of such shortages?

ANSWER.

In the cotton textile mills in Ahmedabad, the main category of employment in which there is a short supply of labour is that of Weavers. A Weaver's job is highly skilled job and filling of vacancy by employing an inexperienced worker on the job would not be in the interest of the undertaking. Several mills, therefore, have started in their individual units a scheme for training of weavers. For this purpose, a fixed number of looms are set apart on which the recruits are employed as trainees under supervision of a technical person. After receiving proper training (which normally extends over a period of three months), the recruit is promoted to a permanent job, if immediately available, otherwise is employed as a substitute. With the installation of Automatic Looms in increasing number in Ahmedabad mills, the Weavers' Training Scheme has received an impetus and at one time it was seriously considered whether establishment of a Central Training Institute for the whole Ahmedabad Industry would be a feasible proposition.

- Q. 3. Does lack of mobility affect supplies in different categories of labour? If so, what remedial measures would you suggest?

ANSWER.

There is no mobility of labour as such in the Textile Mill Industry as far as Ahmedabad centre is concerned. In fact, Ahmedabad city itself constitutes a region with its concentration of nearly 66 units with an installed capacity of 24,23,727 spindles, 45,761 looms and an employment potential of 1,40,000 workers. This provides ample mobility of labour force for supply of labour in the centre.

- Q. 4. To what extent is industrial labour migratory in character? What problems does such labour pose in recruitment and retention?

ANSWER.

In our opinion, the problem of migration of labour arises only in case of seasonal industries. There are no large fruit farms in this part of the country like those in California, so we do not know how the fruit gathering labour, if any, migrates from place to place, though cotton picking occupation will provide an excellent field for investigation of the problem of migration of labour in this part of the country. Cotton crop in different parts of Gujarat is not collected from the field simultaneously but picking spreads over some months. This provides hypothetically ample opportunity to a migratory labour force. In practice, whether this actually takes place is a moot point. In most cases the additional labour is recruited from the local area. One fact is, however, certain that after the crop i.e. cotton bolls are removed from the field to the ginning centre, it gives full opportunity to migratory labour to concentrate in such ginning centres because the bolls are to be opened by hand to remove kapas (seed cotton).



Ahmedabad Mill Industry is not a seasonal industry and as such cannot depend on migratory labour for its day to day requirement, even if there was to be a migratory labour force trained in mill jobs. In fact, there is none.

Q. 5. How do the existing statutory provisions in regard to employment of women affect recruitment of women labour? Consistent with international conventions on conditions of work for women, what modifications would be necessary in the existing provisions for promoting employment of women?

ANSWER.

Women workers are employed mainly in the following departments of cotton textile mills :

- (i) Spinning Department;
- (ii) Reeling Department;
- (iii) Winding Department;
- (iv) Waste Picking.

At one time, a large number of women workers were employed as machine tenters in the Speed Frame and Ring Frame Sections of the Spinning Department, though the greatest concentration of women employees has always been in the Reeling Department and the Winding Department. So far as it concerns the Ahmedabad mills, the first set back to free employment of women workers in the Ring Spinning Department came with the signing of the Delhi Agreement, 1935, which introduced for the first time rationalisation in the Ring Frame Department. Under the Agreement, rationalisation i.e. multiple machine assignment, in this particular case, Two Sides of a Ring Frame to be attended by a Ring Tenter in place of the then prevailing system of assigning One Side to a Ring Tenter was to be introduced, in the first instance, in a case where both husband and wife were employed in the same department. The wife was to be retrenched and the side of the Ring Frame attended by her was to be assigned to her husband in addition to his own side as a rationalised job. This was the first time when, under an Agreement, a woman worker was sacrificed because of her sex, though, according

to common experience, a woman worker because of her nimbleness of fingers and agile foot work is better fitted for a Ring Tenter's job than her husband. The second event which is held to be responsible for discouraging employment of women in the Textile Mill Industry was the passing of the Maternity Benefits Act. Though in practice it did not prove to be such an alarming measure, the Act when brought into force created anti-women employee atmosphere in some cases.

However, the third and the most effective step which worked against employment of women was the introduction of highly specialised machinery for automatic Dyeing, Winding and Reeling of yarn. This brought about employment in increasing numbers of male operatives in the Reeling and Winding Departments, which resulted in gradual displacement of women employees.

All the statutory requirements in connection with employment of women workers are being observed from the very beginning and there is no additional restriction imposed in this connection in recent times. Still it is a fact that the number of women employees is steadily going down. Another factor that has affected the employment potential of women workers in the textile industry in this centre is the introduction of the system of change-over of shifts, though in an indirect manner. It is the cumulative effect of these and other factors that has been instrumental in reducing the number of women employees and not any deliberate attempt on the part of employers to discourage women from being employed in factories as labourers. The position is, however, quite reverse in the field of white collar employment where women employees are successfully competing with males in increasing numbers.

As regards the measures to be adopted to increase employment of women; as industrial labour, it is problematic whether any modification of the type envisaged, will bring about any satisfactory result, particularly when most complicated high speed automatic machinery is being installed in place of old type machines in all sections of the Textile Industry, actually reducing employment potential. It is a forelorn hope.

- Q. 6. What are the advantages and disadvantages of recruitment of casual labour? If employment of casual labour is a disadvantage, what steps should be taken to decasualise such labour?

ANSWER.

As stated in reply to an earlier question, a Decasualisation Scheme was introduced, no doubt, on a voluntary basis, in Ahmedabad mills as well as in mills in Bombay and Sholapur, by the Bombay Government in 1949, with the sole object of stopping the recruitment of casual labour in the Textile Industry. The disadvantages of recruitment of casual - casual meaning untrained, inexperienced - labour are on the face of it, many. Advantages, if any, are that all machines in a section are kept working which would not be otherwise possible if the mill has solely to depend on trained substitutes to fill vacancies on permanent jobs. The Decasualisation Scheme is a well thought out measure for checking the entry of casual labour in the Industry and would be fully successful if enough number of experienced unemployed persons are made available every day by the Scheme for recruitment in mills against their indents.

- Q. 7. In view of the present unemployment situation, what place should be given to the absorption of 'physically handicapped' in recruitment policy? Should there be a statutory provision for reserving a portion of the vacancies to physically handicapped persons?

ANSWER.

There is very little hope for securing employment of the 'physically handicapped' in the Cotton Textile Mill Industry due to the highly mechanised nature of most of the processes involved in the manufacture of cloth. Some scope may be found in departments which are run without the help of machinery but even in such cases the job will be very few. Howevermuch the problem may have appeal from a humanitarian view-point, there is no justification for making it a statutory obligation on the employer to give employment to a fixed number of physically handicapped. We are, on principle, opposed to any such enactment as the employer must be free to choose only such type of workers who are most suitable for the job in his undertaking.

Q. 8. In establishments within your knowledge, is there any discrimination in the matter of recruitment on grounds of caste, community, region, language, etc.? Under what circumstances is such discrimination justified?

ANSWER.

We are wholly concerned with the Cotton Textile Mill Industry as concentrated in the Ahmedabad Centre and according to our knowledge no discrimination on the grounds enumerated in the question is made by any Ahmedabad mill in the recruitment of labour. However, it must not be lost sight of that with the gradual evolution of the Textile Mill Industry in this centre over a period of more than a century, there has arisen a certain type of monopolistic tendency among workers, with the result that certain departments and/or sections of departments in the mills have been manned more or less wholly by workers belonging to a particular caste or community. Such a development took place because of the fact that when the industry was first started in this centre, the recruits at the initial stage were naturally drawn from the caste and community who were already working in similar occupations viz. hand spinning, hand winding and hand weaving from yarn both hand spun as well as machine spun - the latter being imported from England and very much popular and in great demand among hand weavers because of its strength, uniformity and fineness, e.g. the spinners were recruited from Harijans, inhabitants of North Gujarat who were hereditary hand loom weavers, while the winders and weavers were mostly drawn from the local Muslim Community of hand-loom weavers. Gradually this process took the form of a rigid monopoly - Ring Spinning Section for the Harijans and weaving for the Muslims - and continued thereafter, though at a later stage weaving has been taken up as occupation by non-muslim communities and in a number of cases there is a preponderance of non-muslim weavers over the Muslim Weavers. Today there is no bar to any worker to secure employment in any department of a mill but there is always some reluctance on the part of, say a Harijan, to join as a Weaver when offered such a job. The position on the whole has much improved and with social progress there has been an infusion of different castes and communities in a number of departments.

I n d u c t i o n .

- Q. 9. Are the existing programmes for 'on-the-job' training of workers adequate? What are the directions in which improvement should be sought?

ANSWER.

A number of Ahmedabad mills provide 'on-the-job' training for their workers.

- Q. 10. What steps should be taken to encourage an employee to avail of the facilities outside the place of work for improving his skill? Is there any system of granting study leave to the employees in your establishment? If yes, please give details.

ANSWER.

In order to encourage an employee to devote his outside employment time to improve his skill, the first and foremost step should be to provide suitable facilities for the purpose : in other words, setting up of institutes for training in different occupations. Once such facilities are provided, the worker of his own accord or on persuasion would take advantage to improve his skill.

In fact an experiment in this direction was made in the past by the Government of Bombay under their Apprentices Scheme, by making arrangement with the R.C. Technical Institute, Ahmedabad to give training on certain days in a week to workers employed in different departments in the local mills. A number of Ring Spinners and Processing Department employees took advantage of such facilities, but presumably the Scheme had to be given up because of lack of enthusiasm on the part of workers.

At present there are no such facilities provided for textile mill employees in this centre and hence the question of introducing system of granting study leave to mills' employees does not arise.

- Q. 11. (a) What should be the outline of a rational promotion policy? What place would you assign in this policy to seniority, merit and trade test?
- (b) Should recruitment to positions at higher levels be made from among the existing employees only? If so, upto what level?

ANSWER.

Though there is no rational policy of promotion of mill employees as such introduced in this centre, there is in vogue a traditional method of recruitment of employees from one job to another job with higher remuneration. To give a few examples :

Department	Occupation	Previous experience required or essential as
i) Blow Room	Finisher Scutcher Tenter.	Lattice Feederman or Breaker Scutcherman.
ii) Blow Room	Jobber Tenter	A Fitter in addition to working on all machines in the Dept.
iii) Carding Dept...	Grinder	Stripper.
iv) Carding Dept...	Jobber Fitter	Grinder or Giler or Fitter.
v) Ring Frame Dept.	Ring Frame Tenter	Doffer
vi) Drawing-In Dept.	Drawer-In	Reacher
vii) Warping Dept.	Warper	Creel Boy
viii) Weaving Dept.	Lein Jeter	Weaver

This practice is usually adopted by mills in filling permanent vacancies in certain occupations, in cases where a suitable Badli in the same occupation is not available.

## II. CONDITIONS OF WORK.

### Working Conditions.

- Q. 12. (a) Conditions of work in factories, mines and plantations, etc., are presently regulated by the Factories Act, 1948, the Plantations Labour Act, 1951 and the Mines Act, 1952 etc. The main provisions of such acts inter alia relate to (i) safety and welfare, (ii) hours of work, rest intervals, weekly off, etc., (iii) employment of young persons and women, (iv) annual leave with wages, (v) occupational deceases and (vi) overtime payment. What changes are necessary in these provisions? How should the implementation of these acts be improved? (See also Q. 19).
- (b) What other steps are needed to ensure proper working conditions?

### ANSWER.

Conditions of work in the Cotton Textile Mills are governed by the provisions of the Factories Act, 1948. The Act has gradually widened its field of operation in the factories with a view to provide ideal conditions of work and proper safeguards for workers. It also provides for annual leave with wages for a specified period to enable the worker to recoup from industrial fatigue and possible exhaustion. So far the provisions have worked satisfactorily and there is not much scope for improvement.

Q. 13. In the matter of national and festival holidays, what is the extent of difference in the total number of holidays from region to region? Is this difference justified? If not, is it possible to bring about uniformity in the total number of holidays in different regions?

ANSWER.

"There is a wide spread feeling among those who take intelligent interest in these matters that there are far too many holidays in the country, that these are all not now necessary for religious or traditional social observances in many of which the educated people particularly are losing interest and that, in short, many of the public holidays are only a pretext for idleness which the country can ill afford. "

We fully subscribe to the views of the Das Commission expressed in the above quotation. Compared with other countries, there are far too many holidays in India which range very high among the countries that have made very generous provisions regarding leave and holidays for employees in industries and commercial establishments. On one pretext or another, employees make demand for additional holidays and sometimes their demand is granted by sympathetic industrial tribunals, in many cases without any justification. Even the Supreme Court of India has not looked with favour on expanding the list of holidays. The Court has observed :

in  
"While discussing the other appeals the question of justification for increasing the working hours, we have mentioned the growing realisation in the country of the need for increase in the country's productivity along with the necessity of better distribution of the wealth produced. It cannot be disputed that a necessary step in this direction is the reduction in the number of holidays. "

(1964, I.L.L.J., page 12).

There is great need of pruning such list though it will be difficult to bring about a uniformity in the total number of holidays in different regions due to wide difference in local religious and social beliefs and customs.



Q. 14. What changes are necessary in the existing arrangements for regulating conditions of work in employments other than in factories, mines and Plantations?

ANSWER.

We have no personal knowledge of the conditions of work in employment other than the Cotton Textile Mills and hence we cannot express any opinion on the subject.

Q. 15. What, in your knowledge, is the extent of prevalence of employment of child labour? In what industries/activities is employment of child labour relatively high? Are you satisfied with the existing statutory provisions about employment of child labour and their implementation?

ANSWER.

The Factories Act prohibits employment of children under the age of 14 years. There is also a restriction on the employment of children above the age of 14 and of adolescents in factories. No child labour is employed in Ahmedabad cotton textile mills and even the employment of adolescent worker is discouraged. We are, therefore, not in a position to express any opinion on the subject of employment of child labour from personal knowledge.

- Q. 16. How have the existing arrangements regarding regulation of conditions of work of contract labour and labour employed by contractors worked? In what directions are improvements necessary? (See also Q. 209).

ANSWER.

There are certain departments in cotton textile mills where it is necessary to employ contract labour for carrying out the work more efficiently and economically. Conditions of work for such contract labour are the same as those prescribed for labour directly employed by the factory owner under the Factories Act. The only difference being that the contract labour is responsible to the Contractor. The system is gradually disappearing and there is increased tendency to carry out the work departmentally as far as possible though in certain cases due to the very nature of the job, employment of contract labour is more convenient and economical. The Government of India have, however, under consideration legislation for abolition of contract labour and had actually drawn up and circulated a draft Bill to regulate contract labour incorporating principles enunciated by the Supreme Court in its judgment on the subject. The draft Bill was a comprehensive document providing for improvement in working and living conditions of contract labour in certain establishments. There were certain aspects of the Bill which were objected to by the Central Organisations of Employers which were of the view that in certain cases employment of contract labour will have to be continued. The Bill has not still been passed into a statute though it provides for measures which would go a long way to improve the condition of contract labour in certain industries which are not organised.

Q. 17. What are the statutory benefits/provisions, in the implementation of which trade unions and employers' organisations can jointly play a useful role? How should such arrangements be made effective at the plant level? Should there be any standing arrangements for this purpose?

ANSWER.

All provisions regarding conditions of work and pay can be better implemented with co-operation of employers and labour representatives, provided there is a single Representative Union for the whole industry or undertaking. Where more than one unions are recognised to represent their members, it would be difficult, nay, well nigh impossible to bring about a common agreement. We understand that this is actually the position in industrial undertakings where more than one unions are functioning.

Safety and Health.

- Q. 18. Is the existing rate of accidents high in establishments within your knowledge? What have been the main causes of such accidents?

ANSWER.

According to the latest available report (for the year 1964) on the administration of the Factories Act in the Gujarat State, there was a decrease in the frequency rate of accidents in the year under report, though there is an increase in the accidents due to machinery as a whole. As far as the textile mills are concerned, the machinery accidents have a frequency rate of 4.595 as against the total frequency rate of 9.715. On an analysis of the causes of the accidents, most of the serious accidents can be ascribed to transmission machinery due to improper fencing arrangement. Negligence on the part of the worker is also a contributory factor, particularly in case where, though a guard is provided, it is removed or insecurely fixed.

- Q. 19. What steps should be taken to establish training programmes with special emphasis on safety for the benefit of new entrants to industrial establishments? Are any refresher courses necessary for those who are already in employment? How should such courses be organised?

ANSWER.

It is an accepted fact that the best means to check accidents is to educate workers in safety measures particularly those who are already in employment. This requires constant propaganda through the medium of Safety Committees to be specially set up for the purpose. 38 mills in Ahmedabad have formed such safety Committees and regular meetings are being conducted by them. We are not aware of any refresher courses designed for those who are already in employment and hence cannot offer any suggestion as to how they should be organised. The purpose is partly served by exhibition of posters in the department illustrating the danger points against which the worker should be constantly on guard.

- Q. 20. Safety standards in some industries have been evolved by bipartite agreements. How have these agreements worked in practice? How can this bipartite approach be extended to other industries? How should the agreed arrangements be made effective at the plant level?

ANSWER.

The Ahmedabad textile mills have to adopt safety measures on basis of standards prescribed under the Factories Act and Rules made thereunder. We are not aware of safety standards which have been evolved by bipartite agreements and hence have no comments to offer either on their practicability or effectiveness.

- Q. 21. In view of the anticipated growth of new industries like machine building, chemicals, fertilisers, petro-chemicals, etc., requiring stricter safety standards, what steps should be taken to arouse safety consciousness among workers and employers?

ANSWER.

The main function of the Factories Act is to provide measures for welfare and safety of workers. Naturally, therefore, in all the new industries whatever their nature, it would be the responsibility of the Factories Department to lay down safety standards and also to strive for co-operation of the employers and the employees for implementation of such standards.

- Q. 22. Against the background of expanding industry and advancing technology involving a faster tempo of production, how should provisions concerning industrial safety (Appendix I) in the Factories Act, 1948, the Mines Act, 1952 etc. be amended?

ANSWER.

Frankly the question can be properly replied to by the Chief Factory Advisor to the Government of India and the heads of the Factories Department in the States on basis of their technical knowledge and experience gained from enforcing safety measures in existing factories.

- Q. 23. (a) What are the difficulties experienced in procuring safety equipment for installation in industrial establishments?
- (b) Is the supply of safety equipment to workers for their personal use adequate? Is there any reluctance on the part of workers to use such equipment? If so, what measures would you suggest to overcome this reluctance?

ANSWER.

The Cotton Textile Mill Industry has not much to depend on installing safety equipment of an elaborate nature for safeguarding the workers' health and safety. They, no doubt, have to provide articles like goggles, rubber gloves, goloshes, breathing masks, etc., in cases where the worker has to handle corrosive substances like acids, dyes, etc., in the Dyeing Department or has to work in a department where too much fluff and dust is flying in the work room as in the Willow Department or where dangerous particles of metal etc., are flying about e.g. on a grinding machine. Unfortunately it is the experience of the mill management that in spite of providing all such articles, the workers are not very much inclined to make their full use and suffer the consequences. Pressure from the departmental head for compulsory use of such articles is resented by the workers.

- Q. 24. What should be the elements of an 'Industrial Health Service' for introduction in India? How should the introduction of such a service be phased?

ANSWER.

We are unable to make any suggestion in reply to this question as we have no text of the 'Industrial Health Service' on hand.

We are, however, informed by the Indian Cotton Mills' Federation of the clarification given by the Commission on the subject of Industrial Health Service in reply to the Federation's query. No doubt, the Employees' State Insurance Scheme can be entrusted with the responsibility of furnishing preventive treatment to workers who are exposed to the danger of an occupational disease. But before any preventive measures are adopted, in our opinion, the first and foremost need is to study thoroughly what particular types of diseases are likely to affect the workers occupied in particular jobs. This will require an extensive survey of "occupational diseases", if the scheme of preventive treatment is to be successful. We understand that sometime back the Director-General, Factory Advice Service and Labour Institute, Bombay had undertaken studies of occupational diseases in certain industries mainly chemical. Stray attempts are also known to have been made to study the problem by non-governmental bodies, though not always in the matter of occupational diseases. But this is not sufficient. In our opinion, all the main industries covered by the provisions of the Employees State Insurance Scheme should be studied by an expert body set up for the purpose to find out what type of diseases are peculiar to different jobs. With this data in hand, it will be easy and smooth for extending preventive treatment service to the employees in the respective industries.

### III. TRADE UNIONS AND EMPLOYERS' ORGANISATIONS.

#### Federations of Employers' and Workers' Organisations.

Q. 26. What are the factors which have influenced the development and organisational pattern of trade unions/employers' organisations since Independence?

ANSWER.

We presume the question refers to the Central Organisations of employers and of employees which are recognised by the Central Government as representative bodies on Tripartite Committees, Commissions, etc., set up to deal with labour problems on All-India basis. The Ahmedabad Millowners' Association is affiliated to the All-India Organisation of Industrial Employers, New Delhi, which is one of the two (the other being Employers' Federation of India, Bombay) principal Organisations of Industrial Employers recognised by the Central Government to represent interests of employers in labour matters. The All-India Organisation is an allied body of the Federation of Indian Chambers of Commerce and Industry, New Delhi, established with the object of promoting Indian business and to secure organised action on all subjects of interests to the business community. The activities of the All-India Organisation are wholly concerned with problems connected with labour and is represented on the International Labour Conferences and its various organs. With the attainment of Independence, All-India Organisation naturally became the representative of its member organisations on all Tripartite Committees, Commissions, etc. set up from time to time by the Central Government to deal with labour problems and has helped considerably in moulding the labour policy of Government since Independence. Due to unanimity of opinion, the two apex organisations of employers viz. the All-India Organisation of Industrial Employers and the Employers' Federation of India are able to represent with one voice the views of the employers in labour matters, which is not the case



with the Central Organisations of Labour Unions. It is the sad experience of the employers that, barring rare occasions, all the four Central Labour Organisations recognised by the Government are always at war among themselves due to different political ideologies which unhappily influence their labour policies also. Such an attitude on the part of the Workers' Organisations often becomes an impediment to adoption of labour policies by Government even when Employers' Organisations are in favour of such policies. The All-India Organisation like its counter part the Employers' Federation of India, deals mainly with general problems affecting labour policy of Government as far as it concerns the employers, though the All-India Organisation may also take up problems of individual members in certain circumstances.

There is another Employers' Organisation which in certain cases represents employers in labour matters to which the Ahmedabad Millowners' Association is also affiliated. It is the Indian Cotton Mills' Federation, Bombay, representative of Cotton Textile Mills interests in the country, though mainly concerned with the economic and other problems of the industry.

Q. 27. What has been the effect of legislative provisions on the growth of trade unions/employers' organisations? (See also Q. 58).

ANSWER.

It is difficult to state how far the legislative provisions have affected the growth of employers' organisations like All-India Organisation of Industrial Employers and the Employers' Federation of India. One thing, however, is certain that the multiplicity labour legislations has greatly increased their responsibility.

- Q. 28. Do you think that the modus operandi of trade unions/employers organisations have changed during the last decade? If so, what are the characteristics of this change?

ANSWER.

The All-India Organisation of Industrial Employers was established in the early part of nineteen thirtys and has been consistently dealing with the labour problems affecting industrial employers. No doubt, their work has become more intensive with the passing of time after Independence though it is difficult to say whether there is any marked change in their modus operandi except to the extent of adjusting itself to the changed conditions.

- Q. 29. Do you think that the attitudes of trade unions and employers' organisations towards (a) each other and (b) Government have undergone any change during the last decade? If so, state the direction of this change.

ANSWER.

In our opinion the employers' organisations have been always co-operative with Trade Union Organisations and Government in dealing with problems submitted for consideration at the Indian Labour Conference, the Standing Labour Committee and other tri-partite bodies. The same, we are afraid, cannot be said of the four Central Labour Organisations who represent labour on such bodies.

- Q. 30. The traditional role of trade unions/employers' organisations has been to secure protection to advance the interests of their members. In view of the national objectives of establishing a socialist society and achieving planned economic development: (a) What should be the changes in the nature and scope of activities of the trade unions/employers' organisations? (b) What are the changes needed in their organisational pattern and attitudes? (c) What are the fields of activity in which they have an independent role to play? (d) In what others should they function in co-operation (i) between themselves and (ii) jointly with Government? (See also Q. 75).

ANSWER.

We leave it to the All-India Organisation of Industrial Employers and the Employers' Federation of India to give a comprehensive reply to the various points raised in the question.

- Q. 31. How have trade unions/employers' organisations helped in the evolution of a better society? How do they represent their views and discuss their affairs with Government and other public authorities and agencies? Does this system of communication need improvement? If so, in what direction? (See also Q. 124 and 227).

ANSWER.

The Employers' Organisations - the All-India Organisation of Industrial Employers and the Employers' Federation of India, have always readily extended full co-operation to Government and the Labour Organisations in evolving a healthy labour policy for betterment of condition of workers and maintenance of industrial peace. This in turn would contribute to the good of the society. The Employers' Organisations convey the views and opinions of their members through their representatives nominated on Governmental bodies. Sometimes they discuss major problems by sending special delegations to wait upon the Ministries. The system has so far been found satisfactory, though it may be further improved by associating the organisations more and more with Governmental bodies.

- Q. 32. How can trade unions/employers' organisations contribute towards maintaining a high level of employment? Or is this solely the concern of Government?

ANSWER.

Maintaining a high level of employment depends on unimpeded working of industries. A factory may have to curtail production because of various factors like shortage of raw materials, power cut or labour trouble. As far as the first two viz. shortage of raw material and power cut are concerned, the Central Organisation of Industrial Employers will not be of much help. In case of third viz. labour trouble, the Employers' Organisation can play an effective part by bringing about an early settlement of the dispute with the co-operation of Government and labour organisations. Continued industrial peace is the key note to maintenance of a high level of employment. Such a condition can be achieved only with the close co-operation of Government, the Employers' Organisations and the Workers' Organisations.

- Q. 33. Bipartite consultations being one of the effective means of reducing the areas of conflict between employers and their employees, what steps should trade unions/employers' organisations take for promoting such consultations?

ANSWER.

There should be close co-operation between the employers and labour which would help in promoting joint consultations for dissolving industrial disputes or narrow down the differences. This could be achieved only if there is mutual trust. The Central Organisations of employers and workers can greatly help in inculcating such spirit of mutual confidence by educating their constituents.

- Q. 34. What are the existing arrangements for communication between the Central Organisations of employers and workers and their constituents? How should these arrangements be improved?

ANSWER.

The Central Organisation of Employers usually consult their constituents on all major problems affecting labour relations before representing to Government. They formulate their opinions in the light of the views and comments received from the member bodies. To this end they are in constant touch with the members.

- Q. 35. Are there occasions when central organisations or employers and workers refuse to affiliate employing units/unions at the plant level? If so, on what grounds?

ANSWER.

We are not aware if the All-India Organisation of Industrial Employers has ever refused to accept an industrial concern as its member.

- Q. 36. To what extent are the obligations undertaken by the organisations of employers and workers at the national level implemented by their constituents? Are there any effective sanctions for non-compliance with these obligations? How far have they been used in recent years? How could these sanctions be made more effective?

ANSWER.

All obligations undertaken by the Central Organisation of employers at the National level are generally implemented

by its constituents. In a case where this is not done, it may be due to the peculiar circumstances of that particular concern and not because of any defiance of the organisation. Occasionally there may be an honest difference of opinion between a member and the organisation in certain matters but this does not come in the way of implementation of the organisation's directive.

Q. 37. Do difficulties arise in reconciling the actions of the unions/employers at the plant level with national policies evolved jointly by trade unions/employers' organisations? Could you cite instances of such difficulties? How are such difficulties resolved?

ANSWER.

So far as the Ahmedabad Cotton Textile Mills which are members of this Association are concerned, no incidence of the type referred to in the question has taken place in the past.

Q. 38. What should be the responsibility of all-india organisations of employers and workers towards  
(i) promoting the interest of their constituents in all matters affecting industrial relations,  
(ii) implementation of laws, voluntary agreements, etc., (iii) training of management personnel,  
(iv) providing guidance to constituent units,  
(v) settling of industrial disputes in constituent units and (vi) improving the efficiency of industry? (See also Q. 166). How should they be equipped for discharging these responsibilities?

ANSWER.

We believe, the All-India Organisation of Industrial Employers and the Employers' Federation of India, Bombay alone can do full justice to the queries raised under this question in the light of their experience accumulated over years.

Trade Unions - Constitution and Finance.

Q. 39. How are trade unions constituted at the plant level? What are the different forms of constitution? Are there any common objectives mentioned under the rules of different trade unions? What are these common objectives?

ANSWER.

The Ahmedabad mills are governed by the provisions of the Bombay Industrial Relations Act, 1946. The Act contains a provision for recognition of an approved union as the sole representative of labour employed in the concern or the local industry, as the case may be, irrespective of whether all the employees are the members of the union or only a part of them are members. There may be a number of trade unions registered under the Act but the Representative Union alone is given the right to represent the entire labour force in industrial matters.

Q. 40. How are the officers who man the trade unions appointed? How many of them are paid?

Q. 41. How does a trade union get new members? Are all membership applications accepted? If not, by what criteria are applicants accepted or rejected? In what ways do unions compete for membership?

Q. 42. What steps do trade unions take to encourage members to interest themselves in the conduct of unions' affairs? How effective are such steps?

Q. 43. How are the activities of a trade union conducted? How is the policy decided? Who is responsible for implementing the policy once it is decided? To what extent does the rank and file influence the formulation of the policy.

Q. 44. What in your opinion is the extent of prevalence of the system of 'closed shop' or 'union shop'? State its merits and demerits in Indian conditions.

Q. 45. Do trade unions have enough income to fulfil their role in promoting members' interests? If not, what steps should unions take for augmenting their resources? Is any statutory provision needed for enlarging trade union finances?

Q. 46. What reasons, if any, are there against increasing members' subscription so as to provide an adequate income for trade unions?

ANSWER.

The Trade Unions alone can reply these questions.

- Q. 47. Is the introduction of 'check off' system advisable in Indian conditions? If it is, should the privilege of the system be given to recognised unions only or to all registered unions?

ANSWER.

In the past, the system of 'check off' was prevalent at one time in the Ahmedabad Cotton Mill Industry under which the employers used to deduct union dues from the wages earned by the union members and hand-over the collection to the union. The system was subsequently discontinued and now the Representative Union, which alone is permitted to collect its membership dues from its members on pay days in the mill premises, itself attends to the collection.

- Q. 48. In what ways do trade unions help members/dependents of members in their personal difficulties like unemployment, sickness, and personal injuries? How are dependents helped in case of member's death?

ANSWER.

It is for the unions to reply to this question.

#### Trade Union - Leadership and Multiplicity.

- Q. 49. What has been the impact of political parties on the pattern of trade union development in India?
- Q. 50. Reference is often made to the influence of outsiders in trade unions. Please define the term 'outsider' and state what the influence of outsiders has been on trade unions.
- Q. 51. How should internal leadership in a union be built up and strengthened?
- Q. 52. Does the existing legislation encourage multiplicity of trade unions? If so, what are the remedial measures?
- Q. 53. How far has the Inter-union Code of Conduct (Appendix II) adopted by the four central labour organisations in 1958 been effective in regulating inter-union relations and avoiding inter-union rivalries? How could the Code be made more effective?

#### Trade Union Recognition.

- Q. 54. What are the advantages and disadvantages of a union registration? Are there any aspects in which the powers of the Registrar of Trade Unions could be altered or enlarged with advantage?

- Q. 55. Has there been a change in the attitude of employers towards trade unions, particularly in the matter of recognition of unions? If yes, what have been the contributory factors?
- Q. 56. Has the Code of Discipline in Industry (Appendix III) contributed towards securing recognition for trade unions?
- Q. 57. Do the existing provisions under the Code of Discipline in regard to recognition of unions provide a satisfactory arrangement in this regard? Specifically, are the provisions regarding (i) the procedure for verification, (ii) the procedure for grant and withdrawal of recognition, (iii) the period of recognition and (iv) the rights of the recognised unions (Appendix IV) satisfactory? If not, what improvements would you suggest in them? (See also Q. 111).
- Q. 58. Would you suggest giving effect to the provisions of the Indian Trade Unions Amendment Act, 1947 in the matter of recognition of unions? Or, should provisions similar to the Bombay Industrial Relations Act, 1946 or similar Acts elsewhere in India for recognition of unions (Appendix V) be written into the Indian Trade Unions Act, 1926? Are there any other suggestions in this regard? (See also Q. 27).
- Q. 59. What are the advantages of industrywise unions? What will be the difficulties in their recognition? How should the subjects to be dealt with by unions at the plant level and by the industry union be demarcated? (See also Q. 86).
- Q. 60. What are the advantages and disadvantages of naming a union as the sole bargaining agent in an industrial unit?
- Q. 61. For determining the representative character of a trade union for purposes of grant of recognition should the method of election by secret ballot be adopted? If so, explain the details of the method and the administrative arrangements necessary for the purpose. (See also Q. 86).
- Q. 62. If a union is elected as the sole bargaining agent in an establishment, what should be the rights and responsibilities of other unions in the establishment?
- Q. 63. Considering that categorywise unions, particularly of technicians, are assuming greater importance how should their rights and obligations be defined in relation to (a) the employer and (b) unions of other categories of employees?
- Q. 64. What facilities should an employer extend at the workplace for the activities of unions?
- Q. 65. What has been the attitude of the Government as employer towards trade unions?

ANSWER.

These questions can be rightfully answered by labour unions.

We, however, can attest to the great advantage of recognition of a single trade union as the sole representative of labour in all industrial matters as provided in the Bombay Industrial Relations Act, 1946. Recognition of a number of unions simultaneously in an establishment or a local industry will be a great menace to industrial peace.



Introductory.

- Q. 66. What should be the criteria for determining the effectiveness or otherwise of Government's industrial relations policy? In terms of these criteria, give your assessment of the working of the policy since Independence, with special reference to the legislative and other arrangements for prevention and settlement of industrial disputes.

ANSWER.

Chapter 34, Labour, of the First Five Year Plan reproduces agreed conclusions in the matter of industrial relations which are not a matter between employers and employees alone but a vital concern of the community. The employer-employee relationship has been conceived of as a partnership. The dignity of labour and the vital role of the worker in such a partnership has been recognised along with his right of association, organisation and collective bargaining, as the fundamental basis of the mutual relationship. Differences arising between the parties are to be examined and settled in a spirit of reasonable adjustment. Various measures are prescribed for maintaining industrial relations. Following the 3 principles, the Government of India has passed various legislative measures. On the whole, the legislative and other arrangements provided for prevention and settlement of industrial disputes have been effective, though the volume of industrial disputes has not been reduced to the minimum. All charters of demands submitted by the workers employed in various industries and commercial establishments are sympathetically considered and granted to the maximum extent depending upon the financial position of the undertaking, if not by mutual negotiation then by arbitration of the Industrial Tribunals. In matters which have been taken to the Supreme Court, the Supreme Court in their decisions has taken opportunity to clarify and enunciate important principles

governing industrial matters like wages, rights of employees, etc. There has been a series of such decisions which have created a Labour Law bringing about uniformity in application of various labour enactments. This has further helped to prevent industrial disputes.

Q. 67. Are the patterns of industrial conflict changing since Independence? In particular, how have the social, economic and political factors affected the intensity of industrial conflict?

ANSWER.

With the enunciation of the industrial relations policy by the Government of India after attaining Independence, the whole outlook of the worker has been changed and he has become more and more conscious of his rights and privileges. Industrial disputes which in the initial stage were restricted to demand for increase in earnings are now covering a wider field under influence of social, economic and political factors. In some cases, the conflict between employers and employees becomes bitter which results in complete upsetting of the working of the undertaking.

Q. 68. Is it possible to pick out some significant factors in units within your knowledge which in recent years have helped in improving industrial relations at the plant level? Will these factors continue to be of significance in future?

ANSWER.

Industrial relations in Ahmedabad Cotton Textile Mill Industry are governed by the provisions of the Bombay Industrial Relations Act which provides an elaborate machinery for settlement of industrial disputes by negotiations, by voluntary arbitration or by compulsory arbitration of the Industrial Court. In these circumstances it is difficult to pick out a particular unit of the type referred to in the question. No doubt, there will be units which as a matter of policy would prefer to allow very few disputes to go to

Court, thereby ensuring contentment among their employees. There may be other units also which though willing to settle disputes out of Court, as far as possible, are forced to take recourse to litigation due to an uncompromising element among labour.

- Q. 69. What have been the causes of industrial unrest since Independence? Have there been any special circumstances which have contributed to industrial unrest? How could their effect be minimised in future?

ANSWER.

The main causes of industrial unrest on an increasing scale since Independence are growing consciousness on the part of workers of their rights and privileges rather than their responsibilities and the pressure and influence of trade unions imbued with a political bias. There is no restraint on the part of trade unions in making demands and they believe that whatever means are available to achieve their end are fully justified. The result is 'Bandhs' and 'Gheraos'. Government's reluctance to nip in the bud such practices has further aggravated the position. Government should make a bold move to check such irresponsible behaviour on the part of the union leaders and their followers. Rigorous action on the part of Government at the right moment will help to reduce much of the unrest of industrial workers. The position can further be improved if the trade unions decide to devote their whole energy only on trade union matters, for betterment of the conditions of their members, social as well as economic, though it is too much to hope under the present set up of the trade union organisations.

Q. 70. What has been the impact of inter-union rivalry on industrial relations?

ANSWER.

According to reports, inter trade union rivalry has worsened industrial relations wherever it exists. The Ahmedabad Textile Mill Industry has been saved from such experience because of the provision under the Bombay Industrial Relations Act for recognition of a single trade union as representative of entire labour force to the exclusion of all other unions.

Q. 71. What improvements are necessary in the present arrangements for prevention of industrial disputes? What would be the role of mediation service in the prevention of disputes?

ANSWER.

The bulk of industrial disputes can be reduced if there is a sincere desire on the part of the employers and the employees to bring about a settlement by negotiations. This requires mutual confidence which element unhappily, is always missing in most cases. Settlement of industrial disputes by negotiations out of Court may take some time but it is the best means to create mutual confidence, lack of which is the main source of industrial unrest. It is not always possible to come to a satisfactory settlement in an industrial dispute by negotiations but the willingness on the part of the parties to start such negotiations as a preliminary step towards dissolving an industrial dispute helps to create an atmosphere of mutual trust. Official conciliation machinery cannot take place of bi-partite negotiations between the parties and hence the role of conciliation as mediation service in prevention of disputes is negligible.

Q. 72. What is the role of fact-finding enquiries in improving industrial relations?

ANSWER.

Much of the value of the fact finding inquiries as a means to improve industrial relations rests on the purpose of such enquiries. Mere accumulation of data by itself does not help to improve industrial relations. It must be followed by positive action to remove the causes of industrial unrest as revealed by the enquiry.

Q. 73. How is the state of industrial relations in a unit affected by the existence of trade unions? What difference, if any, exists in the climate of industrial relations where the relevant trade union organisation is (a) strong, (b) weak and (c) non-existent?

ANSWER.

More than one trade union simultaneously functioning in a single unit has rarely helped to create happy employer-employee relations. A single union, if not carried away by political ideology, will be more successful in maintaining industrial peace, provided the employer is equally responsive. This appears to be the reason why the Bombay Industrial Relations Act provides for recognition of only one trade union as the sole representative of employees in all industrial matters. No doubt, a strong union will achieve better results at a quicker pace but even a weak union having a strong backing of statutory provisions, will be able to contribute substantially towards improving industrial relations.

A 'non-existent' relevant trade union organisation apparently will not be able to create any climate of industrial relations.

- Q. 74. What has been the contribution of factors like (a) recognition of union, (see also Q. 54 to 65), (b) arrangements for dealing with individual and collective grievances, and (c) strengthening bipartite consultative arrangements, in promoting industrial harmony?

ANSWER.

We have no personal experience of the working of the Industrial Disputes Act which provides for factors enumerated in the question and hence are not in a position to offer any comments. Ahmedabad Cotton Textile Mill Industry is governed by the Bombay Industrial Relations Act, which, among others, provides for recognition of a single approved union as sole representative of employees of the unit or of the local industry. The Act further provides an elaborate machinery for settlement of individual and collective industrial disputes and gives full scope to the representative union and the employer to come to agreed arrangement for settlement of disputes out of Court thereby helping to promote industrial harmony.

- Q. 75. In maintaining and promoting harmonious employer-employee relationship, what should be the respective obligations of (i) Central organisations of employers and workers, (ii) local management, (iii) local union and (iv) the Government - Central or State? (See also Q. 30).

ANSWER.

The question can be best answered by the Central Organisations - in our case the All-India Organisation of Industrial Employers and the Employers' Federation of India.

- Q. 76. What role have labour/personnel officers played in preventing disputes and maintaining harmonious employer-employee relationship? How far have they been effective? Suggest measures to improve their effectiveness.

ANSWER.

A Labour Officer or a Personnel Officer may be successful in preventing disputes and maintaining harmonious employer-employee relationship provided he is

invested with full responsibility and given ample authority for the purpose. The officers who enjoy such status naturally aim more for maintaining industrial harmony and their efforts are concentrated towards minimising disputes.

Q. 77. What should be the arrangements for proper communication between workers and management at the plant level?

ANSWER.

All complaints arising out of employment should in the first instance be submitted to the departmental head through the sectional supervisor. If the grievance of the worker is not removed within a reasonable time, the worker should have a right to approach the top management, the employer himself or his authorised agent. This should be the normal procedure. However, much will depend on the Standing Orders framed for the unit. The Grievance Procedure recommended by the Tripartite Committee appointed by the Standing Labour Committee at its Sixteenth Session lays down general guide lines for setting up grievance machinery in each unit. However, where there is a strong labour union, much of the responsibility for settlement of worker's grievances is undertaken by it. All complaints pertaining to work and working conditions are conveyed by the aggrieved worker to the union office through the representative of the union employed in each section. The union contacts the employer or his agent and tries to remove the grievance, as far as possible. This is the procedure in vogue in the Ahmedabad Cotton Textile Mill Industry. It reduces the number of complaints which ultimately find their way to the Court and helps in maintaining harmonious relations between employer and employees.

Q. 78. To whom do managements delegate their authority in dealing with employees? To what extent do managements include specialists for dealing with personnel matters?

ANSWER.

Normally the Manager of the unit or wherever appointed, the Personnel Officer deals with all matters relating to the employees. It is not clear what exactly is meant by the term "specialist" used in the question. We are not aware if there are any managements which include "specialists" for dealing with personnel matters as far as the Cotton Textile Mill Industry is concerned.

Q. 79. To what extent are the standing orders subject to agreement between employees and managements? In how many cases are they drawn up by management alone?

ANSWER.

Standing Orders governing employer-employee relations in the Ahmedabad Cotton Textile Mill Industry are settled under the provisions of the Bombay Industrial Relations Act by the Commissioner of Labour in consultation with the employees and the management. The Act, however, provides for appeal to the Industrial Court by a person aggrieved by any Standing Order settled by the Commissioner of Labour. Though the Act casts the responsibility of submitting draft Standing Orders on the employer in cases where the Act is applied for the first time, such Standing Orders are to be approved by the Commissioner of Labour before they are brought into operation under the Bombay Industrial Relations Act. The Act does not make any provision for drawing up of Standing Orders by management alone.

Q. 80. To what extent do the Employment Standing Orders Act, 1946 and the Model Standing Orders formulated under that Act serve the purpose for which the Act was framed?

ANSWER.

As the Ahmedabad Cotton Textile Mills are not governed by the provisions of the Industrial Disputes Act (except in the matter of lay-off and retrenchment), we have no personal knowledge of the working of the Employment Standing Orders Act, 1946 and the application of the Model Standing Orders formulated under it, and hence are not in a position to express any opinion in the matter.



- Q. 81. What are the disciplinary rules imposed by managements? Do the procedures prescribed under the Model Standing Orders in dealing with disciplinary cases require modification, and if so, on what lines?

ANSWER.

The Bombay Industrial Relations Act, 1946, which is applied to the Ahmedabad Cotton Textile Mill Industry, makes ample provision for prescribing rules of discipline to regulate employer-employee relations in the industry. A list of industrial matters in regard to which Standing Orders are to be framed to regulate employer-employee relations is attached to the Act (Schedule I), and the existing Standing Orders for (i) Operatives and (ii) for Clerks cover all the items specified in the Schedule. The schedule is amended from time to time whenever occasion arises to make the Standing Orders as comprehensive as possible. Model Standing Orders are also notified by Government in respect of items included in Schedule I but the Industry has to abide by the Standing Orders settled for it in preference to the Model Standing Orders. However, if there are matters in respect of which no Standing Order has been settled for the Industry, but the Model Standing Orders include a Standing Order in that regard, an industrial employer is free to take advantage of such Model Standing Order, in terms of a decision of the Industrial Court. Under the provisions of the Bombay Industrial Relations Act, both the employers and the employees are free to propose new Standing Orders in regard to an industrial matter which is included in the Schedule but which has no corresponding Standing Order in the existing list. They can also propose modification of an existing Standing Order.

- Q. 82. Has the Model Grievance Procedure (Appendix VI) evolved under the Code of Discipline served its purpose? If not, is there need for statutory provision for the formulation of an effective Grievance Procedure? What should be the main elements of such a provision? How would it affect existing bipartite arrangements?

ANSWER.

Industrial relations in the Ahmedabad Cotton Textile Mill Industry are governed by the provisions of the Bombay Industrial Relations Act, 1946. The Act provides such an elaborate machinery for settlement of industrial disputes - removal of grievances included, that there is no scope for substitution of additional machinery like the Model Grievance Procedure for

the same purpose. We have, therefore, no experience of the working of the Grievance Procedure and are not in a position to offer any comments.

4. 83. What is the attitude of trade unions and employers' organisations to the introduction, either by voluntary agreement or statutorily, of a system of grievance arbitration? Would such a system help in improving labour-management relations?

ANSWER.

As stated hereinbefore, the Bombay Industrial Relations Act provides an exhaustive scheme for settlement of industrial disputes by different methods : by negotiations out of Court, through official conciliation machinery, by a voluntary submission for arbitration of independent non-official arbitrators or of Labour Court or of Industrial Court, compulsory arbitration by Government intervention and arbitration of Industrial Court on a reference by the Representative Union. At all the stages, the bargaining agent of the employees is the Representative Union alone. The employer either represents himself or is represented by the employers organisation of which he is a member, e.g. the Ahmedabad Millowners' Association appears on behalf of its local member mills in all general matters affecting the whole industry like wages, dearness allowance, bonus, provident fund, gratuity, working hours, holidays and similar other matters. Consequently there has been no occasion to consider the question of introduction of a system of Grievance Arbitration in this industry.

4. 84. What are the existing facilities for training management and trade union personnel in industrial relations? To what extent are they used?

ANSWER.

We are not aware in what manner the Textile Labour Association, the Labour Union recognised under the Bombay Industrial Relations Act to represent Ahmedabad mill employees in industrial matters, organise programmes for training their union personnel in industrial relations. The Industry, however, has not organised any courses of training management personnel in industrial relations.

Collective Bargaining.

Q. 85. What is the extent of prevalence of the system of collective bargaining in this country? How far has it succeeded? What has been the effect of legislation on the growth of collective bargaining? (See also Q. 193).

ANSWER.

We are not in possession of information regarding the extent of prevalence of the system of collective bargaining in organised industries in the country though it is likely that a considerable number of industrial units must have adopted the method for settlement of disputes, particularly in cases where the workers are well organised and there is a genuine desire on the part of the employer to co-operate with the Union Representatives to explore all possibilities for arriving at an agreement without taking recourse to legal machinery. The success or failure of this method depends wholly on the fact that there is only a single bargaining agent representing entire labour force. This has actually happened in case of the Ahmedabad Cotton Textile Mill Industry. The Textile Labour Association, Ahmedabad is recognised under the Bombay Industrial Relations Act as the sole representative of Ahmedabad mill employees in all industrial matters. It enjoys a unique position among the Trade Unions in the country, having been established and nurtured by Mahatma Gandhi, who inculcated the principle of settlement of disputes by peaceful means i.e. by negotiations as far as possible or by voluntary arbitration without taking recourse to litigation. The Ahmedabad mill management on their part have all throughout entertained a genuine desire to settle all disputes with their employees by mutual discussion, avoiding litigation if possible. As a result of such happy combination of a co-operative trade union and responsive and sympathetic management, the Ahmedabad Cotton Textile Mill Industry has been fortunate to enjoy an uninterrupted industrial peace for over four decades. With this back ground of mutual trust and close co-operation between the parties, the legislative provisions of the Bombay Industrial Disputes Act, 1938 and its successor the Bombay Industrial Relations Act, 1946 have not an appreciative

effect on the growth of collective bargaining as far as the Ahmedabad Cotton Textile Mill Industry is concerned.

Q. 86. If collective bargaining has to be encouraged at the industry level, how should the representative character of the bargaining agent for workers be determined? (See also Q. 59 and 61).

ANSWER.

In our opinion, the objective can be achieved by amending the Central Act, the Industrial Disputes Act to provide for recognition of a single labour union as bargaining agent to represent all employees, adopting the Bombay Industrial Relations Act as a model in this regard.

Q. 87. Do you agree with the statement that (a) collective bargaining has its uses when unions have sufficiently built up their strength and even for strengthening unions and (b) adjudication system provides an arrangement by which satisfaction can be given to parties without open industrial conflict as also for protecting the weaker party?

ANSWER.

There is much truth in the statement contained in this question though one can find fault with both the systems. A strong Union, sometimes uses its unique position to bring undue pressure on an employer to come to terms though the settlement may not be equitable. In case of adjudication also, the employer is sometimes at a disadvantage because of the zeal on the part of the Industrial Tribunal to benefit the employee to the greatest extent possible on the ground of social justice. Even the Supreme Court had to remark on this type of attitude on the part of Industrial Tribunals.

"The considerations of social justice imported by the Labour Appellate Tribunal in arriving at a decision in favour of the Respondent were not only irrelevant but untenable. Social justice is a very vague and indeterminate expression and no clear cut definition can be laid down which will cover all the situations. .... Without embarking upon a discussion as to the exact connotation of the expression "social justice" we may only observe that the concept of social justice does not emanate from the fanciful notions of any particular adjudicator but must be founded on a more solid foundation ....."

(Muir Mills Ltd. V/s Suti Mill Mazdoor Union and others, 1955, I.L.L.J., p.1-6).

"Social justice does not mean that reason and fairness must always yield to the convenience of a party - convenience of the employee at the cost of the employer as in this case - in an adjudication proceeding. Such one sided or partial view is really next of kin to caprice or humor. "

(Punjab National Bank Ltd. V/s Shri Ram Kanwar,  
Industrial Tribunal, Delhi, 1957, I.L.L.J., p. 458).

Q. 88. What should be the role of (a) collective bargaining and (b) adjudication as methods for safeguarding industrial peace in the years to come?

ANSWER.

Looking at the present trend of industrial disputes and the trade union psychology working behind the 'Gheraos' and the 'Bandhs', it is absolutely necessary to retain both the methods of settlement of industrial disputes (a) collective bargaining and (b) adjudication for safeguarding industrial peace in future.

Q. 89. In disputes arising over a charter of demands, is it feasible to separate areas of difference between the employer and the union into those where collective bargaining could exclusively operate and others which could be left to adjudication?

ANSWER.

In general, this should be the position but the decision will depend on the nature of the demands contained in a charter or on the inclination or readiness of the parties to come to a settlement. It would be feasible to separate the areas on basis of data collected from past agreements and adjudications.

Q. 90. What should be the limits of collective bargaining under conditions imposed by planned development? (See also Q. 193).

ANSWER.

In a planned economy, the employer-employee relationship is conceived of as a partnership in a constructive endeavour to promote the satisfaction of the economic needs of the community in the best possible manner. Industrial relations are, therefore, not a matter between the employer and the employees alone but a vital concern of the community which may be expressed in measures for protection of its larger interests. All differences arising between the parties should be examined and settled in a spirit of reasonable adjustment with an eye to the good of the industry and the wellbeing of the community and arbitration should be adopted as a last resort.

This is what the Plan says. Here there is no suggestion for limiting the scope of collective bargaining as a means for settling industrial disputes by negotiations. The limiting of collective bargaining as a means of settlement of industrial disputes can be considered only if as a result of such bargaining, the labour unions attain a position which will be a menace to the planned economy.

Joint Consultation.

Q. 91. Do trade unions, through collective bargaining and joint consultation, provide an effective form of democracy within the enterprise?

ANSWER.

Yes.

Q. 92. The Industrial Disputes Act, 1947, provides for the setting up of works committees "to promote" measures for securing and preserving amity and good relations between the employer and the workmen". Have they been functioning satisfactorily wherever they have been set up? If not, what factors have militated against their setting up and proper functioning?

ANSWER.

We have no personal experience of the functioning of the Works Committee set up under the provisions of the Industrial Disputes Act as the latter is not made applicable to the Ahmedabad Cotton Textile Mill Industry which is governed by the Bombay Industrial Relations Act. The Bombay Industrial Relations Act, however, provides for constituting of Joint Committees for industrial undertakings or occupations, apparently with the same objective as defined in the Industrial Disputes Act, though it does not express it in so many words. To maintain the balance and harmony between the employer and the employees, the Act provides for appointment of the Chairman of the Joint Committee by the employer and the Representative Union respectively in rotation for a period of six months, if the employer and the union fail to come to an agreement in the matter. Under Government Orders every mill in Ahmedabad has set up such a Committee composed of representatives of employer and employees. From a survey made sometime ago in the working of such Committees, it appeared that while in some cases, the Joint Committees were functioning efficiently, in a large number of cases they were merely set up in name. There were no factors actually militating against their proper functioning. The only reason of their non-effectiveness appears to be apathy

on the part of employees themselves. It will be a dull affair if the management alone has to raise or create problems for discussion at the meetings of the Joint Committees. It is for the workers to take the best advantage of the machinery for putting forward their grievances to bring about a quick settlement.

Q. 93. To meet the criticism that works committees have been languishing for want of definition of their specific functions, an illustrative list of functions (Appendix VII) of works committees was evolved by the Indian Labour Conference. Assuming that there can be a clash of functions between the trade union and works committee, can this list be the basis for demarcation/definition of works committees' functions?

ANSWER.

We are not in a position to say how far the list of functions of Works Committees appended to the questionnaire (Appendix VII) has helped to activate the functioning of the Works Committees. We also cannot state whether the list would be helpful in avoiding a clash of functions between the Trade Unions and the Works Committees. The Bombay Industrial Relations Act does not provide any list of functions of Joint Committee, but the State Government have published for the guidance of Joint Committees, a pamphlet giving a list of subjects which fall within the powers of the Joint Committee. The list though illustrative is fairly exhaustive - 18 items in all. In spite of having a clear idea as to their functions under the Act, the Joint Committees in a number of cases remain inactive.

Even where the Joint Committees are functioning properly, the workers representatives avoid taking up questions of vital importance. Take for example 'loitering' - habit of workers going out of department during working hours. This has been a chronic feature of Ahmedabad mills. The problem was brought to the notice of the Royal Commission on Labour



as far back as in 1929. It was placed before the successive Committees appointed by the Government : The Bombay Industrial Conditions Enquiry Committee, Working Party, etc. That there is a practice on the part of workers to leave the departments during working hours and to loiter in large numbers in the compound has been attested to by Shri M. R. Meher, President, Industrial Court, Bombay in his Award dated the 8th October 1957 as Umpire in arbitration in the matter of loitering :

"During my recent visit to Ahmedabad, I visited four mills in company with representatives of the Millowners' Association and the Textile Labour Association. I found a number of workers were not at work in their departments. Some of them said they were out to have tea or have a smoke or have some rest or to answer a call of nature. It seems to me that some stricter regulation of permission to workers to leave their work appears desirable ....."

According to the other:

"If joint committees are formed in the mills or existing committees utilised for the purpose, they can assist in finding ways and means of dealing with the matter."

As Mr. Meher rightly says, the problem can easily be solved if there is a frank discussion in the matter even at the level of the Joint Committee but so far the workers' representatives on the Committee have never shown any interest or enthusiasm in the matter and the problem remains as alive today as it was in the past.

Q. 94. Suggest measures for improving the utility of the works committees with particular reference to their composition and functions.

ANSWER.

We cannot find fault with the composition of the Works Committees (Joint Committees, under the Bombay Industrial Relations Act in case of Ahmedabad mills which are composed of equal numbers of representatives of the employers and the employees) and have no suggestions for amending the list of functions. The Works Committees can effectively function only if the workers' representatives are alive to the usefulness of such committees.

It is a pity that labour unions which are vociferous in their claim for being associated in management, show the least interest in functioning of Working Committees which is a first step in the direction of joint management.

- Q. 95. Have joint management councils and emergency production committees been successful in achieving the objective of better industrial relations and increasing production/productivity? Have they created a climate of mutual trust between employers and employees? (See Appendix VIII for functions of Joint Management Councils).

ANSWER.

No Emergency Production Committees have ever been set up in the Ahmedabad Cotton Textile Mills.

Our experience of functioning of Joint Management Council is limited to the working of such Councils set up in two Ahmedabad mills on experimental basis. According to reports, the results were not very satisfactory, particularly there was no marked increase in production - productivity due to direct influence of the Council.

- Q. 96. What effects do profit-sharing and copartnership schemes have on relations between management and employees?

ANSWER.

The Committee on Profit Sharing appointed by the Government of India submitted its report as far back as on 1st September 1948, but Government have so far not implemented any of the recommendations of the Committee. It is, therefore, presumed that the expression "Profit Sharing" used in the question is used in the sense it is usually found in Bonus Awards. The Committee on Profit Sharing had viewed the problem submitted to it from three important angles viz. profit sharing as an incentive to production, profit sharing as a method of securing industrial peace and profit sharing as a step in the participation of labour in management. The question of profit sharing came up for consideration before the Supreme Court as a side issue in connection with the consideration of Bonus Formula enunciated by the Labour Appellate Tribunal of India in A.C.C. and others versus their workmen. The Supreme Court accepted the Full Bench Formula

in toto without modification but with clarification of points arising out of the application of the Formula. According to the Labour Appellate Tribunal, as labour makes some contribution to the profit earned by the industry it is entitled to claim a share in it. In the first instance, Bonus is intended to bridge or narrow down the gap between the living wage and the actual wage. Once the goal of living wages has been attained, according to the Labour Appellate Tribunal, Bonus, like Profit Sharing, would represent more as the cash incentive to greater efficiency and production. So far as Ahmedabad mills are concerned, no Profit Sharing Scheme has been introduced so far, and the mills have been paying annual Bonus by agreement or award since 1942. The relations between management and employees have continued to remain the same. In other words, there has not been any marked difference in employer-employee relations in case of mills which pay fat bonuses and in case of mills which pay bonus at a lower rate because of low profits. To put it differently, there has not been any marked increase in efficiency or productivity of employees who receive substantial bonus as would be naturally expected in comparison to employees who receive bonus at a lower rate. The provision for payment of minimum bonus on a compulsory basis under the Payment of Bonus Act, 1965 irrespective of whether there is available surplus of profit or the working of the year has resulted in loss will not be a contributing factor in improving employer-employee relations.

We have no experience of the copartnership scheme in the Ahmedabad Mill Industry and as such are not in a position to express opinion on its effect on relations between management and employees.

- Q. 97. (a) Is it feasible to introduce a scheme of workers' participation in management by making the workers shareholders?
- (b) If it is considered feasible, what steps should be taken to facilitate the introduction of such a scheme?
- (c) Does such shareholding give adequate voice to workers in running of the establishment?
- (d) Are there any other methods by which workers can participate in management?

ANSWER.

Under the Provisions of the Companies Act, the management of the company is vested in Managing Agents or Directors or Secretaries and Treasurers, as the case may be, duly appointed in a General Meeting of share holders by a unanimous or majority vote and with the sanction of the Central Government. Share holders are entitled to vote in favour of any person at such meetings but mere share-holding does not automatically entitle a share holder directly to participate in the management of the company. In view of this position under law, it would not be possible to introduce a Scheme of workers participation in management by merely making the workers share holders, unless the statutory provisions for appointment of management are drastically changed. There is no bar under law to anybody being a share holder. In fact there ought to be a number of workers - manual or clerical - who are already share holders in different companies. The question of workers' participation in management came up for consideration by the Indian Labour Conference at its 15th Session which thoroughly discussed whether the idea could be implemented through legislation or by mutual agreement between employers and employees in selected industrial establishments. The Conference ultimately decided that Joint Management Councils should be set up on a voluntary basis for associating labour with management as recommended by the Study Group, the main functions of such Councils being as enumerated in Appendix VIII to the questionnaire. We are not aware how far the recommendations of the Indian Labour Conference has been implemented even on experimental basis in selected industrial undertakings. Two Ahmedabad mills had been selected for the purpose, though only one carried out the experiment, but the results were not very encouraging. Joint Management Councils would not be the means to provide automatically co-partnership for workers.

Conciliation.

Q. 98. To what extent has the conciliation machinery given satisfaction to the parties to a dispute?

ANSWER.

Though the Bombay Industrial Relations Act which governs the industrial relations in the Ahmedabad cotton textile mills provides conciliation machinery, most of the settlements are arrived at by mutual discussion between the parties in which the Official Conciliator plays a very minor role, according to our experience, though under the provisions of the Act, all such agreements between the parties by negotiations are to be published in the Government Gazette as memorandum of settlement under the signature of the Conciliator. The Official Conciliator may be helpful in bringing about settlements in cases where the employer and the employees are not well organised or where the establishment is a very small concern with very little experience of the working of the Industrial Law.

Q. 99. Statistics of settlement of industrial disputes show that conciliation machinery has played a pivotal role in maintaining industrial peace. At the same time, many major disputes may not be amenable to settlement through conciliation machinery. Do you agree with this assessment of the functioning and utility of the machinery?

ANSWER.

This is not our experience. The labour as well as the employers in the Ahmedabad Cotton Textile Mill Industry are very well organised and they are capable of coming to settlement of industrial disputes without the intervention or assistance of the Official Conciliator. Where the parties to a dispute are not amenable, the Conciliator has to report failure of his efforts to bring about a settlement. Statistics of settlement of disputes through conciliation machinery are sometimes misleading. In a substantial number of cases the settlements are arrived at by the parties themselves by negotiation though they are registered under the official stamp of the Conciliator, the Conciliator playing no part in bringing about such settlements.

Q. 100. What changes in the organisation and staffing of the machinery and powers of conciliation officers would you advocate? Please indicate the specific changes/improvements which will make for a more expeditious and effective disposal of conciliation work?

ANSWER.

The Conciliation machinery set up by the State Government in Gujarat in terms of the provisions of the Bombay Industrial Relations Act is suitably equipped to deal with industrial disputes and we do not think any material change is necessary in its set up. As regards expeditious disposal of conciliation work, the number of Official Conciliators may be increased depending upon the volume of references for conciliation.

Q. 101. Should conciliators be named arbitrators in disputes handled by their colleagues?

ANSWER.

We fail to appreciate the importance of this question. It is the duty of a Conciliator to persuade the parties to come to a fair and amicable settlement of the dispute as far as possible. It is not his function to play the part of an arbitrator between the parties unless the parties leave the final decision to him after narrowing down their differences. This is wholly a voluntary action on the part of the parties to the dispute and though the Conciliator acts as a mediator, he can never play the part of an arbitrator under law. It is difficult to understand how a Conciliator can be nominated as an arbitrator in disputes handled by his colleagues. Under the provisions of the Bombay Industrial Relations Act, the Conciliator is the sole authority to deal with disputes registered by him, either he is successful in bringing about a settlement or he fails to do so. At no stage during the proceedings before him as Conciliator, the question arises for appointment of an arbitrator from among his colleagues, the other Conciliators.

Adjudication.

- Q. 102. What are the criteria for assessing the suitability or otherwise of the present system of adjudication? Do you think the system has played an important role in maintaining industrial peace? Should the system be retained?

ANSWER.

Our experience of working of the system of adjudication in industrial matters is limited to the working of such machinery provided under the Bombay Industrial Relations Act. The system has played a material part in maintaining industrial peace. The system can be further improved by providing for appointment of the Judges of the Labour Court and Members of the Industrial Court by the State High Court and not by the State Government as is the present practice.

- Q. 103. In case adjudication machinery is to be retained, what powers should it have in industrial disputes relating to discharge and dismissals?

ANSWER.

We are strongly of opinion that once the domestic enquiry has decided on discharge or dismissal of an employee for misconduct, after a thorough enquiry the adjudication machinery should have no power to interfere with the decision of the Manager as has been clearly stated by the Supreme Court. The Courts or Tribunals may intervene only in cases where the punishment awarded is the result of victimisation or of an unfair labour practice.

- Q. 104. Are the existing arrangements for reference of disputes to adjudication satisfactory? If not how can the arrangements be improved?

ANSWER.

Under the provisions of the Bombay Industrial Relations Act the right to refer an industrial dispute to adjudication is vested only in the State Government (Section 73) and in the Representative Labour Union (Section 73A). Such a right is denied to the employers. The State Government has been averse to extend such right of reference to the employers without assigning any reasons, a highly discriminatory treatment, particularly when in the neighbouring Maharashtra State, a right of reference of disputes to adjudication has now been extended even to employers by a recent amendment of the Bombay Industrial Relations Act as applied to that State.

- Q. 105. Should the authority for appointment of industrial tribunals be vested in the Labour Departments? If not, where should it lie?

ANSWER.

As stated in our reply to question 102 above, we are firmly of opinion that the authority for appointment of judges of the Labour Court and of the Members of the Industrial Court should be vested in the High Court and not in any Department of the State Government.



Q. 106. There is a section of opinion that the existing procedures and practices involving different stages like conciliation, adjudication, etc. in settlement of disputes take an unduly long time. What measures would you advocate for expeditious settlement of disputes?

ANSWER.

It is the common lot of all adjudicating machinery in the country, be it Industrial Court, Civil Court, High Court or even the Supreme Court that there is inordinate delay in disposal of cases. In some cases the delay may be due to the complicated nature of the point at issue or of the legal questions involved in the matter, but in most of the cases the delay is due to heavy booking of cases and a limited number of judges available to dispose them of, apart from the fact that too much formality is to be gone through at every stage of the proceedings. Industrial adjudication suffers from the same handicap. Apparently the best manner in which settlements of disputes can be achieved is to encourage settlement by mutual negotiations. This would require creating of mutual confidence among employees and employers. If this cannot be achieved, the only way in which quick disposal of pending matters can be effected is to multiply the number of authorities dealing with such disputes.

Q. 107. Do you think the revival of the Labour Appellate Tribunal would help in the expeditious settlement of disputes?

ANSWER.

We have always advocated the revival of the Labour Appellate Tribunal. It would not only be a means of expeditious settlement of industrial disputes but it would reduce much of the burden of the Supreme Court.

Q. 108. How should the cost of adjudication to the parties be reduced?

ANSWER.

Since Independence, a large number of enactments have been passed to govern labour matters. Under the cumulative effect of such laws, sometimes, industrial disputes bristle with so many legal issues that instead of being subject fit for industrial arbitration, they attain the level of major cases involving high cost of adjudication. Under the present set up of things a reduction of cost of adjudication in industrial matters is not feasible, unless the parties give up going to Courts and settle their differences in industrial matters by negotiations.

Q. 109. What measures should be taken to ensure full and speedy implementation of tribunal awards and agreements?

ANSWER.

We are unable to offer any suggestions in the matter without knowing the actual circumstances responsible for delay in implementation of Awards and Agreements. In the Ahmedabad Cotton Textile Mill Industry, Agreements and Awards are always honoured and in very rare cases, the parties have to take recourse to adjudication machinery for implementation of Awards and Agreements.

Code of Discipline.

- ¶. 110. Has the Code of Discipline served its purpose?
- ¶. 111. Which provisions, if any, of the Code of Discipline should be given a legal shape?  
(See also ¶. 57).

ANSWER.

We have no practical experience of the working of the Code of Discipline as the Ahmedabad Cotton Textile Mill Industry is governed by the provisions of the Bombay Industrial Relations Act providing elaborate machinery for removal of workers' grievances and for settlement of industrial disputes at every stage, dispensing wholly with the need of introducing additional machinery either to supplement or to complement the Act.

Voluntary Arbitration.

Q. 112. What is the role of voluntary arbitration in the achievement of good industrial relations? In what way can the Central Organisations of employers and workers promote voluntary arbitration? Should a provision for voluntary arbitration be incorporated in all collective agreements?

ANSWER.

According to our experience, when the parties to a dispute cannot come to a settlement by mutual negotiations, voluntary arbitration is the next best remedy for settlement of industrial disputes as it helps to safeguard industrial peace and maintain harmonious employer-employee relations. The Central Organisations can effectively inculcate the spirit of voluntary arbitration among their constituents by persuasion with the help of sustained propaganda. It is not so difficult to achieve it, provided parties are willing to co-operate. The Ahmedabad Cotton Textile Mill Industry adopted 'Panch Pratha' - method of dissolving disputes by voluntary arbitration, decades ago under the inspiration of Mahatma Gandhi and the able guidance of the leaders of the industry. The spirit inculcated then continues to prevail even today and the Ahmedabad mills prefer to dissolve their differences with labour by mutual discussion, failing which by voluntary arbitration, as far as possible. The system has become successful because of the co-operation of the Textile Labour Association, the Representative Union. It would not be difficult to include a clause for voluntary arbitration in a collective agreement, if such agreement is arrived at on a voluntary basis and not under compulsion of law. In all agreements that are arrived at between the Ahmedabad Millowners' Association, representing its local member mills and the Textile Labour Association, a Representative Union for the Cotton Textile Industry for the local area, a clause is usually incorporated for dissolving

all issues arising out of or in connection with the Agreement by reference to a Joint Committee to be set up for the purpose. In fact, in the year 1956, the Ahmedabad Millowners' Association entered into an agreement with the Textile Labour Association to set up an arbitration machinery on a voluntary basis for settlement of all industrial disputes between the employers and employees of the Ahmedabad Cotton Textile Mill Industry.

Q. 113. Please indicate the areas of industrial disputes where voluntary arbitration could be preferred to adjudication.

ANSWER.

In our opinion, no demarcation can be made or should be made between areas and areas to choose which particular method of dissolving disputes should be adopted. On the face of it, voluntary arbitration is far more preferable than adjudication unless the issues involved in a dispute are of such a nature that only a competent Court of adjudication can decide them or where the law provides for reference of the dispute only to adjudicative machinery.

Q. 114. Are you in favour of setting up standing arbitration boards? If so, indicate (a) their composition, (b) procedure for setting up of such boards and (c) subjects to be referred to them.

ANSWER.

There can be no objection to setting up of Standing Arbitration Boards provided there is agreement between the parties to adopt this method for dissolving industrial disputes in preference to adjudication. The composition of Arbitration Boards would naturally be of a bipartite nature with a provision for appointment of an Umpire out of a panel, in case of disagreement between the Arbitrators. The subjects to be referred to the Arbitration Board may cover the whole field of industrial relations provided the law does not permit to do so in specific cases.

- Q. 115. What professional group provides the best arbitrators? Civil Servants? Lawyers? Academics? Businessmen? Trade Unionists? Technicians? Others?

ANSWER.

It is difficult to say which particular group out of those listed in the question would prove best arbitrators. All of them can prove equally efficient and helpful if they deal with the problem in a pragmatic manner without unduly entering into technicalities. On the whole, a Board of Arbitration composed of an employer and a representative of labour would best serve the purpose because of their close understanding of the psychology governing employer-employee relations and personal knowledge of the working of the industry.

- Q. 116. What should be the arrangements for meeting the expenses of arbitration?

ANSWER.

At plant level, the arbitration proceedings should not involve any substantial expenditure, nor payment of fees to Arbitrators should be encouraged.

Strikes and Lockouts.

- Q. 117. Do you consider that the existing restrictions on workers' right to strike and the employers' right to declare a lockout need to be modified in any way? If so, please indicate these modifications together with reasons in support of these modifications.

ANSWER.

We are strongly of opinion that at no stage recourse to strikes or lockouts should be allowed in settlement of an industrial dispute. If all attempts to come to a settlement of an industrial dispute by negotiations or voluntary arbitration fail, the parties must be compelled to submit the dispute to arbitration of the Industrial Court. A trial of strength between the employees and employers should not be encouraged, as it is the general experience of all concerned that strikes and lockouts even though legal have never been the means of fostering harmonious employer-employee relations. On the other hand, in spite of their legality, they invariably become a serious menace to industrial peace.

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- Q. 118. Do union rules provide/a procedure to be gone through before giving a call for strike? If so, to what extent is this procedure observed in practice?
- Q. 119. If a strike is called/lockout is declared, is prior notice always given to the other party? In what cases, if any, no such notice is given?
- Q. 120. In how many cases within your knowledge have workers been able to secure wages for the strike period when the strike is declared legal? Are there cases where strike pay is given when the strike is illegal?
- Q. 121. In what ways do trade unions seek to prevent victimisation of their members? To what extent do they succeed?
- Q. 122. Are there instances of workers going on strike without sanction of the union?
- Q. 123. In what way in practice do trade unions and managements keep in touch with each other during a strike in order to facilitate a settlement? What is the role of Government machinery in such cases? Should Government in cases where a strike is (i) legal, (ii) illegal?

ANSWER.

Only a Trade Union can supply information asked for

General.

Q. 124. What has been the role of tripartite committees like the Indian Labour Conference, Standing Labour Committee, Industrial Committees, etc., in evolving through mutual discussions and agreements acceptable arrangements in the various fields of labour relations? (See also Q. 31).

ANSWER.

The performance of tripartite committees like the Indian Labour Conference etc. has been highly commendable. They have helped in furthering the cause of labour in various fields though sometimes due to presence on such committees of a number of Central Organisations of Labour having different ideologies, there is lack of unanimity among themselves but on the whole many important arguments have been arrived at, at the Conferences which have gone a long way to improve labour relations.

Q. 125. Are you in favour of Central Government being made responsible for industrial relations in public sector undertakings under the control of the Central Government?

ANSWER.

In our opinion, public sector undertakings should not be entitled to any different treatment from that given to private sector undertakings in the matter of industrial relations for, the Central Government is as much an employer as any private sector employer. Even the Planning Commission has expressed a view that the object is to have a co-operation and contended labour and that therefore, the employees of the public sector should also have the benefit of all labour laws including benefit of industrial adjudication. The official bodies of the Government like the Indian Labour Conference have avoided to make any such distinction. Even the Supreme Court of India has refused to recognise any distinction between employees in public sector undertakings and employees in the private sector undertakings in the matter of wage fixation. The Court's latest pronouncement on the subject



- Q. 126. How should public utilities be defined in the context of a planned economy? Should there be any special provisions for avoiding work stoppages in public utilities?

ANSWER.

The term 'public utilities' is commonly used to designate industries whose services, particularly in supplying electricity, gas, water, telephone, street tramway and bus transportation operate within municipal areas under municipal permits or licences. They also include system of public conservancy and sanitation. Even Radio Broadcasting can be included in the public utility concept. In a broader sense the term has come increasingly to include railways, posts and telegraphs and other services. The public utility field is open to the initiative of both private enterprise and public administration. While private enterprise has at least proved amenable to public control, public administration has in many ways lost the 'virtue' of being per se the most efficient instrument of maximum economic benefit. In order that these essential services are available to the public without break, at all reasonable times, there must be a special provision of law restricting employees in such services from going on lightening strike or adopting other measures of work stoppage.

- Q. 127. What steps should be taken to minimise industrial conflicts in (a) the public sector, (b) the cooperative sector?

ANSWER.

In the first place the employees in public sector undertakings and undertakings in the co-operative sector should have as little cause of complaint as possible. In case there are disputes which cannot be avoided, step should be taken to settle such disputes as expeditiously as possible. In fact, there cannot be any different approach for maintaining industrial peace in public sector undertakings than that in

Q. 128. For the purpose of labour-management relations, is there a case for treating the public/cooperative sector differently from the private sector?

ANSWER.

None. The question who is the employer is irrelevant and only the needs of the employees are paramount and that from the perspective of the employee there cannot possibly be any difference between undertakings born in the public sector and those born in the private sector.

Q. 129. Has collective bargaining been possible in the small-scale sector? To what extent does this sector make use of the industrial relations machinery?

ANSWER.

We have no experience of the working of the small scale sector and hence are not in a position to give any information in the matter.

V. W A G E S.

Introductory.

Q. 130. How does the current availability of unskilled labour affect the level of wages?

ANSWER.

We have no first hand knowledge of the supply position of unskilled labour in other sectors of employment than the Cotton Textile Mill Industry. As wages are standardised under an award of the Industrial Court for the cotton textile mill employees, the supply position of labour - unskilled, semi-skilled, skilled or highly skilled - does not affect in any manner the level of wages. If at any time there is shortage of workers in a particular section or occupation of the industry, the machine remains idle but in no case basic wages are raised in order to attract workers to fill those vacancies.

Q. 131. What has been the relationship between wages in agriculture and other unorganised sectors and wages in industry?

ANSWER.

The prevalent wages in the Cotton Textile Mill Industry are not standardised on any scientific basis in relation to the wages in agriculture and other unorganised industries in the region but have been evolved from wage rates fixed from time to time in the past on ad hoc basis. No doubt, when the industry was first started in the centre it recruited labour from agriculture and other local industries and fixed wages in relation to wages paid in such sectors, though at a higher level in order to attract the worker to leave agriculture and join the mills. Such relationship has been lost long ago and today all demands for increasing occupational wages are made on ad hoc basis having no relation to wages current in agriculture and other unorganised sectors.

Q. 132. Should wages in agriculture and unorganised industries be allowed to influence wages in industry?

ANSWER.

In our opinion the correct wage policy will be fixation of wages of industrial workers in relation to wages currently paid to persons employed in agriculture and other unorganised sectors in the region. Such a policy will help to maintain economic balance between the various sections of society.

Q. 133. To what extent is the existing level of wages a result of the traditional mode of wage settlement, collective bargaining, awards, etc.?

ANSWER.

The existing level of wages of the Ahmedabad cotton textile mill workers, as stated above, is the result of settlements, collective bargaining and awards. In the initial stage, wages were standardised by mutual agreement in case of only three occupations - Ring Tenters, Doffers and Oilers. Subsequently wages were standardised in case of two more occupations - Drawers-In (Sami) and Weavers. However, the first comprehensive Standardisation Award covering all occupations was made in 1948. Since then new occupations are being added to the list with wages fixed by agreements or awards. Some of the wage levels standardised under the 1948 Award have been subsequently revised by agreement or award.

Minimum Wage.

- Q. 134. As set forth in the report of the Committee on Fair Wages, "The minimum wage must provide not merely for the bare sustenance of life, but for the preservation of the health and efficiency of the worker. For this purpose, the minimum wage must also provide for some measure of education, medical requirements and amenities." Should this concept of minimum wage be modified in any way?
- Q. 135. The 15th Session of the Indian Labour Conference accepted certain norms (Appendix IX) in regard to the size of the worker's family and minimum requirements of the family relating to food, clothing, housing and other items of expenditure. Attempts made by some wage fixing authorities to quantify this minimum wage have brought out the difficulties in implementing the formula. In what respects do the standards require reconsideration?
- Q. 136. If it is not feasible to provide the minimum wage referred to above to the working class, is it possible to suggest a phased programme for implementing the need-based minimum as recommended by the Indian Labour Conference?
- Q. 137. The Committee on Fair Wages made its recommendations about minimum wage against the back-ground of conditions in the industrial sector. Do these ideas require modification if they are to be relevant to non-industrial workers who predominate in the economy?
- Q. 138. If the idea of fixing a National Minimum Wage is to be accepted taking into account the replies to questions 134 to 137 above, how is it to be worked out in practice?
- Q. 139. As between different regions in the country it is not only that prices of consumption goods vary, but the content of the minimum needs themselves can be different. How are these variations to be provided for in arriving at the National Minimum?
- Q. 140. Would you favour any change in the definition of 'minimum', 'fair' and 'living' wage given by the Committee on Fair Wages? What in your opinion could have been the concept of 'living wage' referred to in the Constitution? (Appendix X).

ANSWER.

The questions require a discussion of the concept of "minimum wage" on theoretical basis and does not call for any information on the position existing in industries. The concepts of "minimum wage", "fair wage" and "living wage" have come up for consideration by the Supreme Court of India on several occasions and the Court's pronouncement in the matter has been the latest authoritative view on the subject. According to the Supreme Court, an industry which cannot pay the "minimum wage" has no right to exist. In case of "fair wage", the Court

is of the view that though the payment of "fair wage" is a laudable objective, it will depend on the financial capacity of the unit concerned to pay. As regards the "living wage", the Court frankly states that while the industrial adjudication will be happy to fix a wage structure which would give the workman generally a "living wage", economic considerations make that only a dream for the future. That is why the Industrial Tribunals in the country generally confine their horizon to the target of fixing a "fair wage". But there again the economic factors have to be carefully considered.

In practice, however, the "minimum wage" has lost its original connotation and has actually become a "fair wage" under the influence of a number of direct and fringe benefits. Take the case of the lowest unskilled employee in the Ahmedabad Cotton Textile Mill Industry. The Industrial Court, Bombay by its Order dated the 31st October 1947 fixed Rs.28-0-0 as "minimum" wage on subsistence level for the unskilled labour employed in Ahmedabad Cotton Textile Mills. Such "minimum wage" was first increased in 1960 by Rs.8/- and again in 1962 by Rs.2/- on the recommendation of the First Central Wage Board for the Cotton Textile Industry. Today the total emoluments of the lowest paid employee - the minimum wage earner - in Ahmedabad mills are Rs.219.11 under effect of all statutory benefits. Even the Industrial Court, Gujarat in its Award in Reference (IC) No. 67 of 1964 has accepted the fact that the basic "minimum wage" plus dearness allowance paid to Ahmedabad textile mill workers is not a mere bare subsistence wage which under no circumstances can be reduced irrespective of the capacity of the industry to pay. This view of the Court has found support of the Supreme Court.

Dearness Allowance.

Q. 141. Considering the need for protecting real wage, how should one provide for revision of wages/wage rates for changes in price level? Should this be by revision of the wage itself or by a provision of a separate component to absorb price changes?

ANSWER.

India is the only country in the world where an industrial worker is compensated for the increase in cost of living by payment of a separate cash allowance in relation to each fluctuation in prices. In the rest of the world, the industrial worker is compensated for fluctuations in cost of living by suitable adjustment in wages instead of payment of a separate dearness allowance. Such a system rules out adjustment in wages with every point of fluctuation in Consumer Price Index. According to these countries, adjustment in wages can be considered only when there is a substantial rise in the cost of living and that too should be constant for over a reasonable period of time. To cope with such eventuality every wage agreement includes an escalator clause. In India, under existing conditions, we could adopt the wage revision method for protecting the real wage and have consequently adopted the method of payment of separate dearness allowance. But the system needs revision. There are two defects in the present system. Firstly, the worker is compensated with rise of every point in Consumer Price Index Number. Secondly, in some cases, e.g. in the Ahmedabad Cotton Textile Mill Industry and in the Bombay Cotton Textile Mill Industry - the compensation is granted at a rate which neutralises the increase by 100 per cent. Both these methods are against all economic principles. In the first place, rise by a single point is not the correct barometer of the fluctuations in consumer prices. There may not be actual short supply and the rise may be due to extraneous causes. Further, the rise may be only of a temporary duration. The correct method would, therefore, be to discard the arrangement for automatic adjustment for every point rise and adopt

in its place the method to compensate on basis of a rise of certain number of points say, 10 points on the average if the index remains at that level during a substantial period e.g. period of 12 months.

As regards neutralisation, there is every reason that in no case full neutralisation should be allowed as the system is wholly unlogical and unfair to other sections of the community. The extent of the rise in prices should be a material factor in fixing neutralisation and the industrial workers should also be made to share in the hardship imposed by a National misfortune along with other sections of the society.

Neutralisation at 100 per cent amounts to singling out one particular section of the community - which may or may not be the most vulnerable - for protection at the cost of others. The whole process is illogical. Apart from all these considerations, the main factor that should influence the fixing of neutralisation is the ability of the concern to pay.

- Q. 142. In view of the prevalence of several methods to provide or the payment of a separate allowance to meet changes in cost of living, is it feasible to apply any one system on a uniform basis? Which system would be most appropriate?

ANSWER.

In our opinion the best and most feasible method for compensating industrial employees for rise in cost of living as reflected in the Consumer Price Index Number is,

- (i) if during a period of 12 months the index remains on an average 10 points above the index of the previous year, the position should be reviewed and an increase in dearness allowance should be allowed;
- (ii) the rate at which dearness allowance is to be allowed should be fixed according to the ability of the employer to pay but such compensation should in no case be at the rate of 100 per cent.



- Q. 143. If a system in which dearness allowance adjusted to changes in cost of living is favoured :
- (a) which index number viz. (i) All-India, (ii) regional, or (iii) local should be preferred?

ANSWER.

Till the end of year 1963, payment of dearness allowance to Ahmedabad cotton textile mill employees was linked to the State Series of Consumer Price Index Numbers based on the 1926-27 Family Budget Survey of Working Class in Ahmedabad. With effect from January 1964, the State Series was replaced by Labour Bureau, Simla's New Series of Consumer Price Index Numbers based on the 1958-59 Survey. The Labour Bureau, Simla has carried out similar surveys in 49 other centres in the country, but the Index Numbers for all these centres are not being published at present. The present All-India Series based on the published Index Numbers for a limited number of centres does not fully reflect the result of the latest survey and consequently is to that extent defective. In view of this position, it is advisable to continue the existing regional index numbers or local numbers in case where there are more than one Index Number in a single region.

- Q. 143. (b) What should be the frequency at which revision should be made - monthly/quarterly/half-yearly, etc.?

ANSWER.

We are strongly in favour of giving up the present method of monthly revision and introduce in its place method of yearly revision.

- Q. 143. (c) What should be the extent of change in the index which should warrant such revision in dearness allowance - each point/slab of 5 points/slab of 10 points, etc.? Give reasons.

ANSWER.

It is wholly illogical to adopt rise of a single point in Index Number as basis for revision in dearness allowance. The only rational method, in our opinion, is to consider revision in dearness allowance if the index during a period of 12 months remains on an average, 10 points above the previous index.

Q. 144. In determining the quantum of dearness allowance, what should be the principles governing the rate of neutralisation of price rise?

ANSWER.

As stated hereinbefore, under no circumstances complete neutralisation should be granted by payment of dearness allowance. The industrial worker should also be called upon to make a sacrifice like all other citizens affected by the rise in prices due to abnormal conditions. Another strong objection against complete neutralisation is that it (complete neutralisation) invariably tends to add fillip to the inflationary spirit.

Q. 145. Considering that payment of a cost of living allowance is meant to ensure that real wage of employees is not eroded by price increases, should the capacity to pay of an industry/unit be a relevant consideration fixing the rate of dearness allowance?

ANSWER.

Yes. The capacity of an employer to pay dearness allowance is a most relevant consideration in fixing the rate of dearness allowance. The Supreme Court of India has in some important decisions expressed such a view.

"If the Tribunal is satisfied that a case for reduction in the wage structure has been established, then it would be open to the Tribunal to accede to the request of the employer to make appropriate reduction in the wage structure, subject to such conditions as to time or otherwise that the Tribunal may deem fit or "expedient to impose".

(Crown Aluminium Works and their Workmen, 1958, I.L.L.J., page 1 ).

The Supreme Court has expressed similar views in another decision, in the Ahmedabad Millowners' Association, Ahmedabad and others v/s the Textile Labour Association, Ahmedabad.

"The other aspect of the matter which cannot be ignored is that if a fair wage structure is constructed by industrial adjudication, and in course of time, experience shows that the employer cannot bear the burden of such wage structure, industrial adjudication can, and in a proper case should, revise the wage structure, though such revision may result in the reduction of the wages paid to the employees. It is true that normally, once a wage structure is fixed, employees are reluctant to face a reduction in the content of their wage packet; but like all major problems associated with industrial adjudication, the decision of this problem must also be based on the major consideration that the conflicting claims of labour and capital must be harmonised on a reasonable basis; and so, if it appears that the employer cannot really bear the burden of the increasing wage bill, industrial adjudication, on principle, cannot refuse to examine the employer's case and should not hesitate to give him relief if it is satisfied that if such relief is not given, the employer may have to close down his business. It is unlikely that such situation would frequently arise; but on principle, if such situations arise, a claim by the employer for the reduction of the wage structure cannot be rejected summarily."

Q. 146. In areas/activities where part of the wage is in kind, what adjustments should be made in fixing the quantum of dearness allowance?

ANSWER.

We have no firsthand knowledge of establishments where part of wages are paid in kind and hence are unable to offer any suggestions in the matter.

Fringe Benefits.

Q. 147. How should fringe benefits be defined? What should be their scope and content? To what extent do such benefits affect production costs?

ANSWER.

One of the essential components of a minimum wage structure is allowances variously termed - fringes, benefits, amenities, concessions - etc. They have been accepted as a means to supplement wages. The term "fringes" is defined as "miscellaneous adjustments" mainly related to working conditions which directly or indirectly affect employees' compensation and which are normally designed to meet a special situation or problem within an industry. It is difficult to enumerate the different types of fringe benefits or their scope or their contents. It will depend on the peculiar nature of the industry and no general rule can be prescribed for the purpose of fixing fringe benefits.

According to the Committee on Fair Wages :

"Where a benefit goes directly to reduce the expenses of a worker on items of expenditure which are taken into account for the calculation of the fair wage, it must necessarily be taken into account in fixing the actual fair wage payable. Where, however, the benefit has no connection with the items of expenditure on which the fair wage is calculated, it cannot naturally be taken into account".

All such payments - fringe benefits - go to increase the cost of production as they constitute a part of the wage bill.

Q. 148. How far can the fringe benefits be a substitute for higher money earnings?

ANSWER.

No general rule can be prescribed for the purpose and it will depend on the peculiar circumstances of each industry.

Wage Differentials.

4. 149. Do the existing wage differentials in the plants within your knowledge appropriately reflect the considerations mentioned in the report of the Committee on Fair Wages, viz. degree of skill, strain of work, length of work, training requirement, responsibility undertaken, mental and physical strain, disagreeableness of the task, hazards of work and fatigue?

ANSWER.

The occupational wages of different categories of employees in the Ahmedabad Cotton Textile Mills were standardised in 1948 by the Industrial Court, Bombay under its Award dated the 21st April 1948 on the recommendation of the Assessor appointed by the Court. The Assessor, after hearing both the parties to the wage dispute, a demand for a flat rise of 25%, viz. the Textile Labour Association, Ahmedabad, Representative Union and the Ahmedabad Millowners' Association, Ahmedabad, representing its local member mills, for over a week, made his report. The Assessor never considered the factors enumerated by the Committee on Fair Wages (degree of skill, strain of work, etc.) which are fundamental in any scientific wage scheme because of the fact that the Report of the Committee on Fair Wages was not before him being published later in 1954, but recommended wage scales for different occupations by increasing existing wage rates on ad-hoc basis. The Ahmedabad Millowners' Association being anxious to put the whole wage scheme on a scientific basis by proper assessment of workloads and job analysis on basis of the various factors like, skill, physical strain, hazard, fatigue, etc. engaged a firm of Industrial Engineers to prepare a scientific scheme of wages for Ahmedabad mill employees at substantial cost and submitted the Experts' report to the Industrial Court to help it in its task. The Court though fully sympathetic to the employers' desire to evolve a scientific wage scheme, could not take into consideration the Experts' Report submitted by the Ahmedabad Millowners' Association due to the restricted nature of its terms of reference and particularly because of the vehement opposition of the Representative Labour Union. Thus, a great opportunity was

lost and the wage scheme - wage differentials - of Ahmedabad mill employees continue to retain their old unscientific nature except to the extent of increase granted on ad-hoc basis at the last revision. The Labour Union is in the habit of taking about the need of fixing wages in relation to work-load assessed scientifically but in practice they are never prepared to come to brass tacks and claim adjustment in wages on ad-hoc basis in no way relation to work-load.

The position is similar in case of rationalisation also. When a mill adopts the method of multiple machine assignment, it is pressed to pay higher remuneration irrespective of whether there is any increase in workload under such rationalisation. On the contrary, in some cases in which a latest type of machine is installed and the work-load actually happens to be less, yet a very high wage is demanded, a position nowhere found outside India.

Q. 150. What has been the effect of the existing systems of dearness allowance on wage differentials? What steps would you suggest to rationalise present arrangements?

ANSWER.

The basic idea behind the payment of dearness allowance, particularly in the industrial concerns, is to compensate the lowest paid worker in the industry, the minimum wage earner, for the rise-in cost of living : such compensation to be in no case higher than that required to neutralise the rise fully i.e. 100 per cent and it may be somewhat lower if condition of industry or other factors did not permit such full neutralisation. As the rest of the categories of workers other than the minimum wage earner are paid dearness allowance at the uniform rate fixed in relation to the minimum wage earner, its ratio to the occupational wage in case of such categories will vary from case to case. As the existing system of dearness allowance is wholly unscientific there cannot be any rationalisation under it.

Methods of Wage Fixation.

- Q. 151. As between different methods of wage fixation obtaining at present, namely; statutory wage fixation, wage fixation through collective bargaining, fixation through wage boards, and wage fixation resulting from adjudication, etc. which method or methods would be more suitable for adoption in future? If one or the other arrangement is needed for different sectors, indicate sector-wise the arrangement needed.

ANSWER.

As stated hereinbefore, the existing occupational wages in the Ahmedabad Cotton Textile Mill Industry are the heritage of wage rates fixed in the past on ad hoc basis in an unscientific manner. In the revised form they have fully met the demand of the workers and consequently have been found satisfactory more because of their psychological appeal than its actual contents. The wages may be fixed by any of the different methods named in the question - all the three methods have been adopted at one time or another in the Ahmedabad Cotton Textile Mill Industry - and it would satisfy the worker provided it gives him even a token increase and safeguards his status. It is difficult to choose between the methods named. It depends on the circumstances of a wage dispute which attracts any of these methods. So long as the State has not statutorily recommended a single method to the exclusion of all others, the methods enumerated will continue to play their part according to the circumstances of each case in the field of wage fixation. Undoubtedly collective bargaining should have the first preference but if that is not available any of the other methods will serve the purpose. The problem of wage fixation is common for all sectors and there cannot be any classification of the methods according to their suitability to a particular sector. There is nothing inherent in these methods, which would automatically earmark any particular method for a particular sector.

- Q. 152. In collective bargaining for wage fixation, should the principal emphasis be laid on national agreements? If so, what adjustments should be made to meet local needs?

ANSWER.

India is a vast country and a standard wage scheme cannot be designed for any industry which can be equitably applied to different regions with necessary changes. We are primarily concerned with the Cotton Textile Mill Industry and in our opinion, it would not be feasible to evolve a wage scheme that would be acceptable to all sectors. A National Agreement can be arrived at provided it merely lays down a series of guide lines for fixing wages for different occupations, leaving to the different regions the ultimate task viz. working out of the actual wage rates on basis of the current wage standards prevalent in the industry and other sectors : agriculture, non-organised industries, etc.

- Q. 153. Tripartite wage boards came in vogue because it was felt that an arrangement by which parties themselves can have a hand in shaping the wage structure in an industry could be more enduring than the one where an award is handed down by a third party. Has this expectation been fulfilled?

ANSWER.

It is a sad experience of the Cotton Textile Mill Industry that the high hopes entertained of the tripartite wage boards has not been fully realised. A mass of data is called for, voluminous information is supplied, parties are interviewed, but in the ultimate result the Board gives an ad-hoc-increase on a uniform basis to all employees of the industry. It neither satisfies the employees nor the employers.

- Q. 154. (a) In what respects should the operation of wage boards be modified to improve their working?

ANSWER.

One of the recommendations under the First Five Year Plan was for setting up in each State and the Centre permanent Wage Boards with a tripartite composition to deal comprehensively



with all aspects of the question of wages to initiate necessary enquiries, collect data, review the situation from time to time and take decisions regarding wage adjustments suo-moto or on reference from parties or from the Government. There have been already functioning Central Wage Boards for several industries. In case of the Cotton Textile Mill Industry, the first Wage Board was appointed in 1957. It completed its enquiry in 1959. The sum total of the achievement of the Board was giving a flat wage increase without entering into the question whether the then existing circumstances justified such an increase. Another Central Wage Board for the Cotton Textile Industry was appointed in 1964, which is still functioning. The principal task, in our opinion, of a Central Wage Board should be to bring about some sort of uniformity in wage structure prevailing in the different units situated in a centre or region. It would not be possible nor advisable to prescribe a single system of wages in respect of the whole industry due to its scattered nature. The Board, however, can prescribe certain standards like conditions of work, list of duties for different occupations, a standard occupational nomenclature and even a standard workload for different jobs. If this is done, every unit will have a chance gradually to improve its efficiency. Instead of dissipating their energy in going through a mass of data of no practical use, the Board should concentrate its attention on broad aspects of the employer-employee relations including wage fixation.

Q. 154. (b) Should Wage Board recommendations have legal sanction?

ANSWER.

We are not in favour of converting Wage Boards into statutorily appointed Wage Tribunals. It will not be

difficult for Government to persuade the employers and employees to implement the unanimous recommendations of the Wage Boards. There may be some delay or hesitation in some quarters due to inability of the undertaking to bear the heavy financial burden that would be imposed under the recommendations or due to other causes peculiar to that particular concern or undertaking but in the ultimate result, there will hardly be any opposition towards their acceptance.

Wage Policy.

- Q. 155. (a) How could the criteria of fairness to labour, development of industry, capital formation, return to entrepreneur, etc., be taken into account in wage fixation?
- (b) It is said that in the balance between fair wages to workers, fair profits to entrepreneurs and fair returns to treasury, the consumers are often left behind. How far is this criticism valid? How best can the situation be remedied?

ANSWER.

The question is not only of a general nature but has wide implications. We will, therefore, prefer to leave the question to the two Central Organisations of Employers viz. the All-India Organisation of Industrial Employers and the Employers' Federation of India.

We, however, believe that the term "entrepreneurs" used in the question stands for the equity capital holders and not in a narrow sense to the Managing Agents as is sometimes understood.

Q. 157. Do you suggest a policy of 'wage freeze'? If so, how can it be implemented under the existing system? What are the implications of this policy for other incomes?

ANSWER.

As is well-known, policy of wage freeze was adopted in United Kingdom sometime back. We do not know how far it has been successful. We, however, are fully aware that Indian labour will never agree to any such proposition particularly on a long term basis and that too under specific conditions that simultaneously with a "wage freeze," "return to entrepreneurs", viz. dividends and prices should also be freezed.

Q. 158. Is there a need for sectoral balance in wage structure between the public and private sectors? If there is, how should it be achieved?

ANSWER.

After the decision of the Supreme Court of India in Hindustan Antibiotics Ltd. v/s Their Workmen, the problem posed under the question has lost much of its importance. The Court's decision is the last word on the subject, at least for the present.

Mode of Wage Payment.

Q. 159. What are the existing practices in regard to payment of wages in kind? Would you suggest its extension to units where it is not obtaining at present?

ANSWER.

The Payment of Wages Act, 1936 (Section 6) lays down that all wages shall be paid in current coin or currency notes or in both. The section was enacted to stop the practice of paying wages in kind. It is, therefore, difficult to appreciate the importance of the suggestion contained in the question for extension of the practice of payment of wages in kind to other units where such practice is not obtaining. The practice of payment of wages in kind is not current in the Ahmedabad Cotton Textile Mill Industry. Where the employer provides certain amenities to the employees, e.g. sale of food grains etc. at a concessional rate, cash equivalent of the advantage of such concessional sale and other amenities provided the advantage is capable of being expressed in terms of money, is included for the purpose of calculating extra wages for overtime work.

Q. 160. To what extent is the method of paying unskilled workers on time scale of pay common? Would you favour its extension?

ANSWER.

In the Cotton Textile Mill Industry all the unskilled workers are generally the lowest paid employees in the industry and as a rule they are time-rated. There cannot be any question of introducing in their case a time-scale. They continue to do year-in and year-out a job which does not involve any element of skill which would otherwise be developed with increased experience and thereby would expect higher remuneration. We are opposed to introduction of any time-scale in case of any occupation in the Textile Industry - irrespective of whether the labour is skilled or unskilled.

Q. 161. Do you favour the suggestion that the total wage packet should consist of three components, namely, the basic wage, the other depending on price changes and the third which takes into account productivity changes? If so, how should this suggestion be made operative?

ANSWER.

We believe the third component is the incentive wage. The wage packet of the Ahmedabad cotton textile mill employees is composed of two elements :

- (i) basic wages and
- (ii) dearness allowance.

The third component viz. incentive wage is absent in the wage packet because of the fact that the Industrial Court which standardised the wages of Ahmedabad mill employees did not provide for payment of any incentive wage in any occupation under its Award. There may be industries where all the three components go into making the total wage packet but the application of the system will depend on the circumstances and the nature of product of each industry. No general rule can be proscribed for the universal adoption of the system.

General.

- Q. 162. How far can the administration of the Minimum Wages Act, 1948 be considered to be satisfactory. Outline in detail the difficulties experienced in its implementation. Offer suggestions against each difficulty on how best it could be overcome. (See also Q. 210).

ANSWER.

We have no personal knowledge of the administration of the Minimum Wages Act in industries other than the Cotton Textile Mill Industry. The Industrial Court, Bombay by its Order dated the 31st October 1947 fixed the minimum wage for an average family with three consumption units for the Ahmedabad Cotton Textile Mill Industry. Since then, there has been no revision of the minimum wage as such, though under the recommendation of the First Central Wage Board for the Cotton Textile Industry, the minimum wage earner along with all other categories of workers in the industry has been given a flat increase of Rs. 10/- (Rs. 8/- in 1960 plus Rs. 2/- in 1962) without considering the question whether there was any ground for revising the wages including the minimum wage. The Supreme Court of India in its judgment in the Express News Papers V/s Union of India and others has fully considered the principles of wage fixation and has thoroughly discussed in detail the concept of the minimum wage from different aspects.



Q. 163. Is the scheme for payment of annual bonus embodied in the Payment of Bonus Act, 1965, satisfactory? If not, what are your suggestions? How does the latest decision of the Supreme Court affect the Scheme of the Act?

ANSWER.

Though the decision of the Supreme Court dated the 5th August 1966 has removed some of the anomalies of the Payment of Bonus Act, 1965 by knocking down Sections 33, 34 and 37 as ultravires the Constitution, the retention of Section 10, payment of minimum bonus has caused dissatisfaction among the employers. Payment of minimum bonus on a compulsory basis irrespective of available surplus of profit or the undertaking actually making loss is in the nature of compulsory wage increase and puts industrial units with low working results in great embarrassment. Some industrial units may have in the past paid minimum bonus to their employees but such payment was wholly on a voluntary basis and did not create any inherent right for the employees to such minimum bonus for all times to come. The inclusion of such system of payment as a part of the scheme of Payment of Bonus Act is, therefore, irksome.

Q. 164. What should be the place of bonus payments in the future system of remuneration?

ANSWER.

In all their important decisions, the Labour Appellate Tribunal and the Supreme Court of India have stated in unambiguous terms that payment of bonus out of the surplus of profits available for the year after providing for all prior charges, goes in the first instance to reduce the gap between the existing wage and the living wage. Once the goal of living wages is reached, bonus like profit-sharing would represent more as the cash incentive to greater efficiency and production. These principles are sufficient guidance for framing a rational scheme of remuneration in future.

## VI. INCENTIVE SCHEMES AND PRODUCTIVITY.

Q. 165. What steps should be taken to introduce a system of payment by results in industries/activities where this system would be appropriate?

ANSWER.

The main advantage of the system of payment by results if applied with proper safeguards is to raise the productivity of labour thereby lowering cost of production and insuring higher earnings for the worker. By the word "safeguard" is meant that the scheme should be so designed that it does not affect the quality of the product and injure the health of the worker by fixing the standards of incentives very high. In every industry there is full scope for introduction of a system of payment by results provided the workers can be persuaded to agree to the change-over. In the Ahmedabad Cotton Textile Mill Industry, out of 388 occupations, 29 occupations are already working on the system of payment by results and the system can be extended to 58 occupations. It would be advantageous if before introducing the system of payment by results in place of time rated system, a thorough work-study is carried out by job evaluation and work-load assessment in a scientific manner. In practice, however, no job evaluation and work-study methods are adopted and the piece-rates are fixed on basis of the average monthly earnings of the worker and the average output over a reasonable period. The Industrial Court, Bombay in its Standardisation Award dated the 21st April 1948 for Ahmedabad cotton textile mill employees has fixed in respect of certain occupations which are usually piece-rated, standard monthly earnings with a direction that

The piece-work rates should be fixed by individual mills so as to yield to a full-time employee, working for 26 days the average earnings indicated against the occupation by the Court.

In such cases, the piece-rates are fixed by simple arithmetical calculation without adopting a scientific method i.e. fixing wage rate in relation to workload.

- Q. 166. Please state your views on the following guiding principles for introduction of incentive schemes.
- (a) Employers and workers should formulate a simple incentive system at the unit level and implement it on some agreed basis through collective bargaining. In every case, introduction of incentive schemes should be preceded by an agreement with trade unions.
  - (b) In evolving wage incentive schemes, it should be ensured that these do not lead to rate-cutting. The worker's normal wages should be protected where it is not possible for him for circumstances beyond his control to earn an incentive.
  - (c) Individual or group incentives can be framed to cover both direct and indirect groups of workers.
  - (d) An incentive scheme cannot be evolved without a work study undertaken with the co-operation of workers. Nevertheless, it should always be open to employers and workers to evolve a scheme by agreement or any other acceptable basis.
  - (e) Efforts should be made to reduce time-rated categories to the minimum. This will ensure that all employees have an equal chance to increase their earnings with increase in productivity.
  - (f) Wage incentives should generally provide extra earnings only after a mutually agreed level of efficiency has been achieved.
  - (g) To ensure quality of production incentive payments should be generally allowed only if the output has been approved on inspection by the management.
  - (h) Incentive earnings should not fluctuate very much. This requires a certain degree of planning so that material delays, machine-breakdowns etc., are controlled.
  - (i) The scheme should itself safeguard adequately the interests of the worker if he is forced to remain idle due to circumstances entirely beyond his control such as non-supply of raw materials, machine breakdowns, etc.
  - (j) Apart from financial incentives, non-financial incentives like better security of employment, job satisfaction, job status, etc. have also a place in increasing productivity.

ANSWER.

The question raises some important issues which deserve serious consideration when introducing any scheme of incentive wage. But as stated hereinbefore, at present no incentive scheme has been introduced in any section or department of the Ahmedabad Cotton Textile Mill Industry either under an Award or an Agreement with the Representative Labour Union. We are, therefore, not in a position to offer

any comments based on experience on the guiding principles for introduction of incentive schemes enumerated under the question. However, the principles enunciated under the question are sound and practical and are based on studies carried out in different industries and are similar to those found in I.L.O. Publications on the subject. Apparently it will not be possible to apply all the principles enunciated at a time or in the same form and some change would be necessary according to the prevalent conditions in the undertaking and the extent of co-operation available from labour.

Q. 167. What should be the respective roles of labour management and Government in raising productivity?

ANSWER.

Raising productivity is mainly the concern of the employer and the employees and the role of Government would be negligible. If the employer provides suitable conditions of work and if the worker is willing to contribute his share, there is bound to be an increase in productivity. In principle the higher output should be in relation to labour input which could be maintained by utilising as efficiently as possible all types of resources in use. The only way in which Government can help to raise productivity is to refrain from passing statutory measures which would become an impediment to the objective viz. higher productivity.

Q. 168. How should the gains of productivity be measured? Can they be allocated to different factors of production? How should the gains be shared?

ANSWER.

In any consideration of the question of sharing of gains of productivity between labour and management, one thing should not be lost sight of. There must be no confusion between the concepts of "production" and of "productivity". Increase in production does not necessarily mean increase in productivity. The existing level of production in a particular case can be

raised by installing a modern type of machine which is designed to increase production without additional effort on the part of the machine tender. Such high speed machine performance would tend to increase overall production in that particular process but such increase in production in no way connotes an increase in productivity. Increase in productivity can be achieved by taking the maximum advantage of the existing means of production - men, machine and raw materials. This will require (i) maintenance of machine in perfect working order, (ii) close application on the part of the worker and (iii) efficient use of the raw material consumed. In other words, all the wastes should be avoided by the fullest utilisation of the three components of productivity - man, machine and raw material. It would be difficult to allocate the gains of productivity to the different factors of production in the light of past performance. There will be two claimants for sharing the gains of productivity : the management and the worker. To increase productivity, the management has to provide right working conditions by overhauling machines, improving other conditions of work like, lighting, humidity, ventilation and supply better quality of raw material. All these items would involve additional expenditure for which the management would expect to be fully compensated. The workers' gain would be suitable increase in earnings, which would automatically result if he is working on the system of payment by results, provided he is giving his best on the job. There cannot be a single standard for sharing of the gains of productivity between the management and the worker, applicable in all cases and the problem would require consideration independently in each case according to their circumstances.

The existing system of Dearness Allowance has been  
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When a new high speed machine is installed to replace an out-of-date machine, there will be a definite increase in machine output, though such increase in production would not add to the workload of the worker : in some cases, there would be an actual reduction in workload. In such cases, there will be no question of sharing the gains of productivity because the worker does not in any manner contribute to the increase in production which is solely due to machine efficiency.

Q. 169. Have increases in productivity matched with wage increases in the years since Independence? Please give supporting statistics.

ANSWER.

Our experience is limited to the Cotton Textile Mill Industry situated in Ahmedabad. Due to the complex nature of the Textile Industry - constant change in type of manufacture to cater to consumer taste, it is not only difficult but well nigh impossible to assess correctly the extent of increase in productivity in this industry since Independence - measure either in form of per man hour output or number of persons employed on a set number of spindles or looms. In some cases, e.g. in case of a mill which has changed over from coarse counts to fine counts or from producing grey goods to processed goods, productivity measured in terms of physical output may actually have gone down though the same number of spindles and looms may be still working. Improvement in productivity in relation to a worker can be measured in several ways. If the worker is not 'loitering', that is, is not spending more time out of department during working hours, the production on his machine would naturally go up. If he is conscientiously attending the machine it will help to reduce the extent of damage in the product. The question whether there had been an increase in productivity of workers since Independence was posed by the First Central Wage Board for the Cotton Textile Industry in its enquiry and it is

doubtful if the Board was able to get a satisfactory reply to the question. In the first place, most of the qualities that were manufactured in 1947 have completely gone out of production and altogether different pattern of manufacture both in point of fineness of quality and structural detail and finish has been introduced in their place. Different types of processing of cloth - Bleaching, Finishing, Mercerising, Sanforising, Printing - which were just being introduced in the industry in the earlier era, have now been universally adopted. All these factors make it impossible to assess correctly the extent of increase in productivity since 1947.

It would be clear from the above that it is difficult to say whether increase in productivity has matched with wage increase in post Independence period. No doubt, the wages have gone up tremendously. The average monthly earnings of a cotton textile mill employee were Rs.101.11 in 1947 : today an Ahmedabad mill employee earns Rs.237.00 per month excluding fringe benefits etc. If, to this figure are added employers' contribution to the Provident Fund Scheme and Employees' State Insurance Scheme and wages paid in respect of extra unsubstituted holidays, the amount of workers' emoluments would come to Rs.261.36. This, however, does not mean that the entire increase in worker's earnings since 1947 as shown above is the direct result of the increase in his productivity solely due to his own efforts.

Q. 170. Has any undertaking within your knowledge experimented, in recent years, with productivity techniques? How did the employees react to these experiments? Did this result in increasing workload? If so, how was this situation met?

ANSWER.

Improvement in machine maintenance, in conditions of work, and in the type of manufacture - all parts of productivity technique - being a continuous process in the Cotton Textile Mill Industry, it is difficult to point out any particular undertaking to illustrate the points made in the question. As is usual, at the initial stage, the labour will always oppose any change in the traditional methods of production, even if such a change would be to their advantage, though subsequently they reconcile unless the proposed change is of a revolutionary nature. The workers' opposition to a change on the ground that it increased workload is usually misconceived. A worker who is habituated to put in lower output due to inattention, negligence, habit of loitering, etc. would naturally complain if required to put in standard workload under improved conditions under a productivity drive.

Q. 171. What place would you assign to suggestion schemes and institution of awards for outstanding work to improve productivity?

ANSWER.

It is understood that the propaganda of the type suggested under the question has been helpful in improving productivity in Engineering and similar industries. The usefulness of the suggestion scheme and institution of awards cannot be altogether ruled out in the Cotton Textile Mill Industry, though we are not aware if they have been tried in many mills.

Q. 172. What are the factors contributing to labour turnover and absenteeism? How do they affect improvement in productivity? (See also Q. 183).

ANSWER.

The rate of absenteeism among Ahmedabad cotton textile



from 6.5 per cent to 8.0 per cent on the average. No exact idea of the effect of labour turn over and absenteeism on increase in productivity can be given as no studies in this direction have been made so far in case of Ahmedabad Mill Industry, though on the face of it, lower absenteeism will mean steady production.

Q. 173. What is the place of the motivation of worker for improving his standard of living in the successful working of incentive schemes?

ANSWER.

We cannot give any definite reply based on experience gained from working of incentive schemes, successful or otherwise, as, as stated hereinbefore, no incentive schemes have been introduced in the Ahmedabad Cotton Textile Mill Industry. Generally an incentive scheme i.e. system of payment by results has its impact on a worker in several ways. It exerts a strong influence on initiative. It stimulates self-confidence and mental satisfaction. The motivation is stronger particularly in a family man to exert more higher earnings - a means to improve the standard of living.

Q. 174. What is the effect of (a) 'go-slow', (b) 'work to rule' and (c) "unions' ban on overtime" on creating a climate for improving productivity?

ANSWER.

All the three policies adopted by some Labour Unions to go slow, to work to rule and ban on overtime are biggest impediment to maintain standard production and as such they in no way can help to create a climate for improving productivity.

Q. 175. What is the role of rationalisation in improved productivity? The 15th Session of Indian Labour Conference had made some recommendations (Appendix XI) for regulating the process of rationalisation. Have these recommendations helped rationalisation? Do these recommendations still provide a useful frame-work for the purpose? If not, what changes would you suggest?

ANSWER.

If by rationalisation is meant multiple machine assign-

Rationalisation is adopted mainly for the purpose of reducing labour cost without affecting efficiency and quality of product. Introduction of rationalisation is feasible only in cases where the conditions of work including machine maintenance and material handled are such that a worker without being over-loaded can attend more than one machines. Rationalisation, no doubt, will improve per man hour output but it cannot be a means to improve productivity in all cases. The recommendations of the 15th Session of the Indian Labour Conference in the matter of rationalisation have been the basis for introducing schemes of rationalisation with necessary changes to suit circumstances of each case.

- Q. 176. (a) What should be the place of 'automation' in the perspective of development?  
(b) How would automation affect labour-management relations?  
(c) Should there be a special machinery to study the problem?

ANSWER.

Whether the Labour Unions like it or not, automation is going to have a definite place in the future development of industries and trade. Initially a scheme of automation will embitter employer-employee relations but with the passing of time, there will be a reconciliation between them. Such bitterness can be easily avoided if automation is introduced after proper study of the problem by a competent body and as far as possible in consultation with labour.

- Q. 177. How far has the National Productivity Council been effective in generating enthusiasm among employers and workers in increasing productivity?

ANSWER.

The National Productivity Council has been acclaimed as a great source of inspiration to those interested in increasing productivity. We are, however, not in a position to express any opinion in the matter as, thanks to the peculiar attitude of the Textile Labour Association, the Representative Union for the local Cotton Textile Industry, no local Productivity Council could be formed for the Ahmedabad Cotton Textile Mill Industry in spite of the persistent efforts of the Regional Organiser of National Productivity Council and in spite of the willingness of the Ahmedabad Millowners' Association to participate in the activity.

VII. SOCIAL SECURITY.

- Q. 178. (a) What effect do the social security schemes have on stability of employment and on industrial relations?
- (b) Have some of the benefits, based as they are on a qualifying period for entitlement, led to larger labour turnover? If so, what should be the remedial measures?

ANSWER.

- (a) In principle, the social security schemes provided under various enactments should help to make employees stable, efficient and conscientious and to improve relations between employers and employees. In practice, how far this actually takes place, we do not know as no detailed studies in the matter have been made so far. The attitude of labour on the whole appears to be that though social security schemes extend substantial benefits to workers, they are not obligated to the employer who extends such benefit.
- (b) We have no statistical data to offer in support of or against the query posed.

Q. 179. The Convention on Minimum Standards of Social Security adopted by the International Labour Organisation refers to the following branches of social security, namely, medical care, sickness benefit, unemployment benefit, old age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit and survivor's benefit.

- (a) To what extent is each one of the above benefits available at present?
- (b) What is the cost of existing social security schemes in relation to the total cost of production? How has it varied over the last 15 years?
- (c) Are the scope and coverage of each one of the benefits mentioned above adequate?
- (d) What should be the priority for enlarging the scope and coverage of the various existing benefits?
- (e) How should the programme for introduction of the benefits not currently available be phased?

ANSWER.

- (a) So far as the Ahmedabad Cotton Textile Mill Industry is concerned, the following benefits out of the list provided under the Minimum Standards of Social Security convention

adopted by the I.L.O. has been extended to the employees :

Nature of benefit	In terms of
1. Medical Care	.. ) Employees' State Insurance ) Scheme introduced from the
2. Sickness benefit	.. ) 4th October 1964.
3. Employment injury benefit.	Workmen's Compensation Act, 1923.
4. Maternity benefit	.. Maternity Benefit Act. At present under E.S.I. Scheme.

The following benefits are not made available to Ahmedabad cotton textile mill employees :

- 1) Unemployment benefit - Different from lay-off compensation and retrenchment compensation.
- 2) Old age benefit.
- 3) Family benefit (allowance).
- 4) Invalidity benefit.
- 5) Survivor's benefit.

(b) It is difficult to estimate the average expenditure incurred by Ahmedabad mills in respect of each category of benefits enumerated above, over the last 15 years in relation to the total cost of production as no separate data under each head is readily available. The contribution of the Ahmedabad mills, however, under some major heads is shown below :

Year	Medical Care and Sickness Benefit *		Maternity Benefit@	
	Total amount Rs. in Lakhs.	Percentage of total cost of production.	Total amount Rs. in Lakhs.	Percentage of total cost of production.
1	2	3	4	5
1953	15.07	0.18%	--	--
1954	13.78	0.16%	--	--
1955	12.58	0.14%	0.32	0.0037%
1956	13.93	0.14%	0.27	0.0028%
1957	14.81	0.15%	0.25	0.0025%
1958	15.70	0.16%	0.21	0.0021%
1959	17.55	0.17%	0.19	0.0018%
1960	13.24	0.15%	0.17	0.0014%
1961	18.63	0.15%	0.15	0.0012%
1962	18.85	0.14%	0.12	0.0009%
1963	19.12	0.14%	0.11	0.0007%
1964	38.18	0.22%	0.59	0.0036%
1965	81.99	0.45%	0.29	0.0016%

\* Employers' contribution to the E. S. I. Scheme  
 $\frac{3}{4}$ % Special Contribution 1953 - 1964 (September);  
 $2\frac{1}{2}$ % 1964 (October) and onwards.

@ Maternity Benefit Act 1953 to 1964, and E. S. I. Scheme 1965 onwards.

- (c) ) The queries raised under these sub-paragraphs requires  
(d) ) consideration at top level between the representatives  
(e) ) of Central Organisations of Employers and Labour and Government. Any enlargement of and addition to existing benefits would involve heavy financial liability on the part of employers and it is doubtful if the Cotton Textile Mill Industry in its present circumstances would be capable to bear such additional burden without impairing its financial stability.

Q. 180. The benefits referred to in question No. 179 are generally available only to persons who are in wage-paid employment; there will still be large numbers of persons like traders, artisans and small shop-keepers who are self-employed and who will remain uncovered by the scheme. What advance steps should be taken to bring these groups within organised social security schemes?

ANSWER.

It would be a happy day when every citizen of India will be covered by an omnibus scheme of social security sharing on equal basis benefits including benefits at present reserved for industrial labour as a privileged class, on the lines of similar schemes introduced in advanced countries like Great Britain and U.S.A. This would involve huge financial liability on the part of Government and it is difficult to envisage how such funds could be raised without imposing heavy taxation on the already overburdened tax payers.

Q. 181. The E.S.I.S. Review Committee has made a number of recommendations in its Report both for improving the administration of the ESIS and for introducing an integrated social security scheme. As regards the latter, it has recommended that planning should now proceed to evolve a comprehensive social security scheme covering in a single enactment various risks of concessions of income or wage loss to which a wage earner is exposed. Towards this end it has specifically suggested :

- (i) The Government should in consultation with the Indian Labour Conference set up an expert machinery to evolve a 'blue print' for a comprehensive scheme of social security which should also form a strong financial and administrative base for inclusion of benefits which are at present not available.
- (ii) Action should be initiated forthwith to bring about an administrative merger of the ESI Scheme and the EPF Scheme. Steps should be taken to examine the problem in all its details and to accomplish this with the least delay.

What are your suggestions on the above recommendations?

ANSWER.

We leave it to the Central Organisations of Employers - All-India Organisation of Industrial Employers and Employers' Federation of India - who represent the employers on all tripartite bodies to reply to this question.

4. 182. Should the provisions for exemption from the E. S. I. Scheme be tightened? How should this be achieved?

ANSWER.

We fully endorse the recommendations of the Employees' State Insurance Scheme Review Committee contained in paragraph 23 of their Report, 1966 as under :

- (i) The provisions in the Act for grant of exemption to certain establishments should be tightened up so as to permit exemption only in exceptional circumstances or where administratively it is not possible to reach the benefits of the Scheme to particular groups of employees.
- (ii) Exemption may be granted only when :
  - (a) The prevailing benefits enjoyed by the employees in the establishment concerned are superior on an overall assessment to those that could be provided under the Employees' State Insurance Scheme; and
  - (b) The employees concerned themselves clearly desire that the establishment should be exempted from the application of the Scheme.
- (iii) No distinction should be made between the private sector and the public sector in the grant of exemptions.

Sections 87-91 of the Employees' State Insurance Act provide for exemption of factories and employees from all or any of the provisions of the Act under certain conditions. Under Section 87, the appropriate Government may, by notification in the official gazette, and subject to such conditions as may be specified in the notification, exempt any factory or establishment or class of factories or establishments in any specified areas, from the operation of the Act for a period not exceeding one year at a time. Section 88 similarly provides for exemption of any person or class of persons employed in any factory or establishment or class of factories or establishments from the operation of the Act. The Corporation can make any representation it may wish to make in regard to the proposal for exemption. Section 90 empowers the appropriate Government to exempt any factory or establishment belonging to the Government or any local authority, if the employees in any such factory or establishment are otherwise in receipt of benefit substantially similar or superior to the benefits provided under the Act.

The provisions of Section 90 are discriminatory against factories in the private or public sector which grant to their employees similar or superior benefits. Favoured treatment to Government factories is not in accordance with the policy of the Government not to make any distinction between public sector or Government or Corporation or Private factories so far as the application of labour laws is concerned. If a factory owned by the Government could be exempted on grounds of equal or better benefits, the private sector can argue that there is no reason why their factories should not be entitled to exemption on similar grounds.

A compulsory social security legislation should be offered to all without distinction. Otherwise, if any provision for exemption is made, it should be made applicable uniformly to all factories irrespective of their ownership - private, public or Government.

- Q. 183. In so far as the ESI Scheme is concerned, there is a view that absenteeism among workers in the factories covered by the scheme has tended to increase consequent upon the introduction of the scheme. No concrete evidence has been forthcoming so far either in support of the above contention or against it. What is the experience in the industrial unit/units within your knowledge? What remedies would you suggest to minimise such absenteeism?  
(See also Q. 172).

ANSWER.

We understand that there is a marked tendency on the part of workers to remain absent on increasing scale after the introduction of the E.S.I. Scheme. As the Scheme was introduced only in October 1964, no sufficient data is available for assessing the extent of such increase in absenteeism.



- Q. 184. Should the administration of the medical benefits under the ESF Scheme remain the responsibility of State Governments? Or should the Corporation itself take it over? If State Governments are to continue administering medical benefit, what should be done to ensure that a uniform standard of medical benefits is available to insured persons in all States?

ANSWER.

This being a question of policy, we will leave it to the Central Organisations of Employers - All-India Organisation of Industrial Employers and Employers' Federation of India, to deal with the question.

- Q. 185. What should be the respective shares of contribution from employers, workers and Government in any scheme of social security?

ANSWER.

It is difficult to apportion the financial liability of a Scheme of Social Security between employers, workers and Government in a general manner without knowing the nature of the benefit provided under the Scheme for the working class. It is likely that in some cases the responsibility would be wholly that of Government to provide a particular social benefit for the workers, in which case the employer should not be required to contribute anything; while in other cases the nature of the benefit under the Scheme may justify equal contribution by all three i.e. employers, workers and Government.

- Q. 186. Should the Employees' Provident Fund Scheme be continued as at present or should steps be taken to convert it into either a pension scheme or a provident fund-cum-pension scheme?
- Q. 187. If it is to continue in the present form, would you suggest any change in the pattern of investments of the funds and in the rate of interest accruing to beneficiaries?

ANSWER.

This is a problem which requires to be discussed at the tripartite bodies and the All-India Organisation of Industrial Employers and the Employees' Federation of India would be in the best position to deal with the matter.

Q. 188. Are any changes called for in the Scheme to make the administration more satisfactory?

ANSWER.

The findings of the Special Committees appointed to examine the working of the Employees' State Insurance Scheme in some centres bring out the inherent difficulties in implementation of the Scheme. Though steps have been taken to remove the defects, it will be unrealistic to say that the Scheme is now working fully satisfactorily in every centre and much remains to be done to assure that the benefits of the Scheme are fully enjoyed by the workers and their families.

Q. 189. Should a part of the provident fund be set apart for giving insurance cover to the members of the EPF Scheme?

ANSWER.

This again is a subject which would require consideration at the tripartite level. We would, therefore, leave it to the All-India Organisation of Industrial Employers to give a suitable reply to the query.

Q. 190. What should be the place of gratuity payments in an overall social security programme?

ANSWER.

After all, gratuity is a retirement benefit and it must find a place in any programme of overall social security. What exact place it should be assigned to gratuity in such a programme will depend on the benefits to be provided under the programme. The problem of providing a comprehensive programme of social security encompassing all the existing benefits on a rationalised basis came up for consideration before the Indian Labour Conference but no decision was arrived at. The matter could, however, be considered at tripartite level and the All-India Organisation is best fitted to give constructive suggestions in the matter.

Q. 191. Would you suggest any changes in the existing provisions relating to lay-off and retrenchment provided to employees against the hazards of job insecurity resulting from temporary employment and other fluctuations?

ANSWER.

The existing provisions in the Industrial Disputes Act for payment of lay-off compensation have become recently the subject of controversy at the level of tripartite conferences, demands being made for extending the period for payment of lay-off compensation. We would, therefore, leave it to the All-India Organisation of Industrial Employers and the Employers' Federation of India to deal with the problem in the light of the experience accumulated since the introduction of the benefits to which they were a party.

Q. 192. Should the administration of some of the social security benefits be handed over to trade unions? What pre-conditions should trade unions satisfy for being eligible to take over such administration?

ANSWER.

We are strongly opposed to the suggestion. On a careful consideration of the different branches of social security benefits listed under question 179, which are currently introduced in the industries, we could not find any one of the schemes which would be better administered than they are at present by handing it over to trade unions. The schemes will fare worse at the hands of the labour unions which for most of the time act as political parties rather than trade unions and which due to diametrically opposed ideologies are always in opposite camps.

VIII. LABOUR LEGISLATION.

- Q. 193. To what extent should labour-management relations in a planned economy be governed by legislation/collective bargaining? (See also Q. 85 and 90).

ANSWER.

The Bombay Industrial Relations Act is a model of legislative measures for regulating employer-employee relations in the industry. It provides full scope for collective bargaining failing which machinery for adjudication - voluntary as well as compulsory. The sole idea behind the Act is to check and to settle all conflicts between the management and labour and to safeguard industrial peace. It would be an ideal thing if all the disputes and differences between the employer and employees are settled across the table by mutual negotiations but this is not always possible particularly where the labour is influenced by political pressure and the provisions of law are the only means to control the industrial relations.

- Q. 194. What have been the factors that have affected the proper and effective implementation of the various labour laws? (Appendix XII). Have these laws achieved the purpose/objectives for which they were enacted? If not, what factors have hindered the achievement of these objectives? (See also Q. 12).

ANSWER.

Out of the Labour Laws listed in Appendix XII, the following Acts are made applicable to the Ahmedabad Cotton Textile Mill Industry :

- 1) The Factories Act, 1948.
- 2) The Bombay Labour Welfare Fund Act, 1953.
- 3) The Payment of Wages Act, 1936.
- 4) The Workmen's Compensation Act, 1923.
- 5) The Employees' State Insurance Act, 1948.
- 6) The Employees' Provident Funds Act, 1952.
- 7) The Maternity Benefit Act.
- 8) The Industrial Disputes Act, 1947. So far it provides for payment of compensation for lay-off and for retrenchment.
- 9) The Bombay Industrial Relations Act, 1946.
- 10) The Collection of Statistics Act, 1953.
- 11) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.
- 12) The Apprentices Act, 1961.

Provisions of all these Acts in one way or another affects the working of cotton textile mills and the purpose for which they have been enacted has been achieved to considerable extent. Wherever lacuna are found, immediate steps are taken by Government and the provisions are suitably amended.

However, out of all these Acts, only one Act, viz. the Bombay Labour Welfare Fund Act, 1953 as made applicable to the Gujarat State has not fared well. The Act provides for taking over for purposes of the Act, accumulations of unpaid wages lying with the employers. The legality of this provision was challenged and the Supreme Court declared the provisions ultra vires at the time when there was no bifurcation of the previous Bombay State. The Act was subsequently amended in the light of the decision of the Supreme Court both in the Maharashtra State and in the Gujarat State. The Act as applied to the Gujarat State even in its amended form is again challenged in the Gujarat High Court which has held ultra-vires even the amended provision regarding taking over of accumulations of unpaid wages from the employers. The State is now contemplating to take the matter to the Supreme Court.

The provisions of the Factories Act also, on the whole, have been satisfactorily implemented. There is, however, one irritating element in the Act which requires immediate modification. Section 92 provides for prosecution of the occupier along with the manager for contravention of certain provisions of the Act. Sometimes it is found that the Factories Department institute prosecutions against the occupier along with the manager even when the manager alone would be the right party and the occupier is required to appear in the Court for offences of a trivial nature. This causes considerable inconvenience to the occupier.

It is, therefore, imperative that the definition of term "occupier" in the Act is suitably amended. There is another and more practical solution of the problem. If a company appoints a responsible manager available on the spot to whom the necessary powers are delegated by a resolution of the Board of Directors of the company, such person should be deemed to have the ultimate control over the affairs of the factory for the purpose of the Act - in other words, he should be the person covered by the term "occupier" for the purpose of the provisions of the Factories Act.

The Bombay Industrial Relations Act as applied to the Gujarat State is a comprehensive enactment covering all aspects of industrial relations and providing a satisfactorily workable machinery for dissolving industrial disputes in a more or less satisfactory manner. The Act, however, has been discriminatory in one aspect. While it provides full scope to the Representative Labour Union to refer any industrial dispute unilaterally to the Industrial Court for arbitration in case there is no agreement with the employer, similar power is denied to the employers in the Gujarat State, even when the Maharashtra State has recently amended the Bombay Industrial Relations Act as applied to that State, extending also to the employers right to refer an industrial dispute to the Industrial Court for arbitration, thereby according equal treatment under the Act both for the employers and the employees. The Gujarat State appears not to believe in such equal treatment and hence their refusal to amend the Act and bring it on line with Bombay Act, even when approached by the employers.

Q. 195. (a) How have the existing legislation and other provisions for protecting the interest of labour worked in practice?

ANSWER.

Government are always vigilant for full protection to the interests of labour under existing labour laws. The attention of the Labour Departments in the States and Centre is wholly concentrated on this point and any omission on the part of the employer to implement the provisions of the Act is not looked upon with favour. The workers have no right to complain that their interests are not protected under the law and adopt measures like sit down strikes, go-slow, 'bandhs', 'gheraos' etc.

Q. 195. (b) To what extent have the above provisions helped to implement the Directive Principles of State Policy on labour matters as embodied in the Constitution?

ANSWER.

The directive principles of State policy on labour matters are contained in Articles 42 and 43 of the Constitution. We are concerned only with labour employed in the factories and our conclusion from the reading of Articles 42 and 43 is that the States have achieved to a great extent all the objectives barring that of providing a "living wage" which, according to competent authorities is only a dream.

Q. 195. (c) What changes or further improvements in the existing arrangements would you suggest for fuller realisation of the Directive Principles (Appendix XIII) keeping in view the present state of our economy and the country's development in the foreseeable future?

ANSWER.

In our opinion, under the existing economic condition of the country, no further financial burden should be imposed on industrial concerns by extending fresh benefits to labour if the industries are to survive in future.



- Q. 196. Are the present constitutional arrangements under which labour is a concurrent subject satisfactory, particularly from the point of view of the administration of labour laws? Are any modifications by way of centralisation/decentralisation of certain activities and functions necessary?

ANSWER.

The question involves important issues and as such we would leave it to the Central Organisations of Employers - the All-India Organisation of Industrial Employers and Employers' Federation of India - to give a suitable reply.

We, however, feel that looking at the conditions that prevail today in some States, labour should be removed from the concurrent list and made wholly a central subject. This would not be difficult in practice as some of the major Labour Acts e.g. the Factories Act, the Payment of Wages Act, the Minimum Wages Act, the Workmen's Compensation Act, the Maternity Benefit Act, though Central Acts are applied to the whole country and have been successfully worked so far. If a Central Act governing employer-employee relations of an omnibus nature drafted on the lines of the Bombay Industrial Relations Act is enacted to replace the Industrial Disputes Act, now in force, will bring under control of the Central Government the entire labour policy of States and will be a sure means to check irresponsible behaviour of some States which instead of improving employer-employee relations, help to further disrupt the harmony and peace in industries. With the passing of a Central Act, governing industrial relations; the State Acts wherever they exist will either be replaced by the Central Act or be brought in alignment with the Central Act with necessary amendments if they (the State Acts) have to continue to be in operation. The present Central Act looks after the settlement of disputes as its name implies but in no way helps to improve or strengthen employer-employee relations, which in our opinion, should be the main object of comprehensive Labour Act. A Central Act of this nature will do away altogether with the need of having a number of separate measures : a Disputes Act, a Standing Orders Act and a Code of Discipline. This can be achieved as stated above only by making labour an item on the Central list.

Q. 197. What has been the influence, direct or indirect, of international labour conventions on the progress of labour legislation in India? To what extent has the Constitution helped or hindered such progress?

ANSWER.

India has been a member of the International Labour Organisation and as such has conscientiously tried to implement as many as possible of the international conventions adopted from time to time by the general conference of the International Labour Organisation. We are not aware if the Constitution in any manner hindered the progress of labour legislation under the influence of the international conventions, in view of the fact that the Supreme Court so far has had no occasion to knock down any labour enactment as a whole as ultra vires the Constitution, though specific provisions of some Acts are no doubt held as unconstitutional.

Q. 198. On the basis of the principles evolved out of case law over a number of years, what are your suggestions for reviewing and amending labour legislation in this country?

ANSWER.

The Supreme Court in many of its judgments has enunciated important principles pertaining to labour matters like wages, privileges of employers and employees and similar other subjects when reviewing the existing labour enactments and their effect on relations between employer and employees. All these require a comprehensive study with a view to incorporate them in the existing enactments. This can be done by entrusting the work to a special committee or commission of jurists and not by reference to a tripartite body.

Q. 199. Has there been too much legislation in the field of labour? If so, what are the aspects in regard to which there is over-legislation?

ANSWER.

It is a strong feeling on the part of the employers that there has been too much legislation in the field of labour which unilaterally benefit the labour. There is no exaggeration in the statement that industries are hemmed on all sides by labour laws which instead of helping to improve efficiency and output become a handicap to attaining such objectives. The employers cannot take disciplinary action against workers without entering into a long procedure, with the result that discipline has been steadily getting slack. It must be the aim of all labour legislations that the interests of the industry are protected simultaneously with extending benefits to the labour. It is the sad experience of the employers that this objective is not attained.

Q. 200. Is there need for consolidation and codification of existing labour laws? Please suggest the lines on which codification should be undertaken.

ANSWER.

This is a subject which can be authoritatively dealt with by the Central organisations of employers with the help of their legal advisers. One thing is, however, felt that instead of having Central and State Acts governing industrial relations, there should be a single comprehensive enactment uniformly applicable to the whole country, drafted on the pattern of the Bombay Industrial Relations Act. An attempt was made in this direction when Sri V. V. Giri was the Labour Minister in the Government of India.

Q. 201. Since 1958 the general emphasis in labour policy has been on voluntary approach in preference to legislation. This has resulted in fashioning tripartite instruments like the code of discipline, industrial truce resolution, etc. Has this policy been successful? Should it be continued?

ANSWER.

We have watched with great interest the labour policy being gradually evolved in each tripartite labour conference held annually since 1958. Though there is always an emphasis on voluntary approach in labour matters in preference to legislation, the tripartite instruments have not been implemented as successfully as they ought to have been done mainly because of the lack of unanimous decision in the labour camp. The four central organisations representing labour on the tripartite bodies, barring rare occasions, have always differed in their attitude towards the problems discussed at the tripartite conferences with the result that decisions on many important matters have been delayed due to lack of unanimity among workers' organisations. On the whole, the policy of Government to achieve the objective of the labour policy by voluntary approval of employers and labour has been successful and should be continued to be pursued in future.

- Q. 202. Please comment on the suitability of (i) labour legislation so far enacted and (ii) voluntary arrangements so far built up.

ANSWER.

In our opinion, both the approaches of Government in the matter of labour policy viz. legislation and voluntary agreement have been found suitable in the existing conditions.

- Q. 203. What is the extent of enforcement of labour legislation in public sector? Are exemptions from the applicability of certain provisions of labour laws more common in the public sector? What is the rationale for claiming such exemptions?

ANSWER.

We have no personal knowledge of the conditions prevalent in industrial organisations in the public sector. If the judgment of the Supreme Court in Hindustan Antibiotics V/s its workmen is any indication in the matter, one can say without contradiction that labour laws are not as fully enforced in public sector organisations as they are being done in organisations in private sector. Such a position cannot be defended on any ground as the Supreme Court has held, of course, in reference to wage fixation but the principle is equally applicable to all other labour problems.

- Q. 204. Are there instances of political or other rights which are normally available to an individual being denied to employees in the public sector and their dependants? How are such denials justified?

ANSWER.

We have no knowledge of the subject and hence are unable to offer any comments.

IX. RURAL AND UNORGANISED LABOUR.

- Q. 205. Rural labour faces two inter-related problems which demand urgent solution : one is social centering round its low social status in the rural hierarchy and the handicaps resulting therefrom, and the other is economic, resulting from chronic lack of sufficient employment opportunities. What is your assessment of the effectiveness of the remedial steps taken by Government.
- Q. 206. It is suggested that in countries with vast rural under-employment, special emphasis should be placed on a broad-based programme for the promotion of productive employment in rural areas by a combination of technical and institutional measures, relying to the extent possible on the efforts of the people concerned and based on adequate study of the nature, prevalence and regional distribution of rural under-employment. How should such a broad-based programme be framed for implementation?
- Q. 207. With a view to creating incentives and social conditions favourable to fuller and fruitful utilisation of local manpower in rural areas, the International Labour Organisation suggested the following action programmes:
- (a) Local capital-construction projects, more particularly, projects making for a quick increase in agricultural production, namely, small and medium irrigation and drainage works, storage facilities and feeder roads;
  - (b) Land development and settlement;
  - (c) Labour intensive methods of cultivation and animal husbandry;
  - (d) Development of other productive activities, such as, forestry and fishing;
  - (e) Promotion of social services, such as , education, housing and health services;
  - (f) Development of viable small scale industries, such as, local processing of agricultural products and manufacture of simple consumers' and producers' goods needed by rural people;
  - (g). Social efforts to develop rural manufacturing activities that are ancillary and complementary to large-scale urban industry, etc.

Which of these suggestions are feasible in the Indian context?

- Q. 208. (a) There is considerable body of workers, largely unorganised and employed in small industries in rural/urban areas, not covered by the protective provisions of the present labour legislation. How should such protection as is desirable be reached to them?
- (b) Specifically, considering the nature of their employment, the size and location of the units/industries in which they are engaged, please suggest practical methods by which their position can be improved in regard to their employment, wages and working conditions.
- Q. 209. What steps should be taken towards progressive reduction of contract labour? How should contract labour be brought effectively within the scope of state action? (See also Q. 16).
- Q. 210. To what extent are the difficulties in the implementation of Minimum Wages Act, 1948, in rural areas real? How could they be overcome? (See also Q. 162).
- Q. 211. Do you favour a separate agency for the effective implementation of the Minimum Wages Act, 1948, for agricultural labour? Or should it be merged with local village or the block development staff?

ANSWER.

In absence of any first hand knowledge of the problems covered by these questions, we are not in a position to offer any concrete suggestions on the subject.

X. LABOUR RESEARCH AND INFORMATION.

- Q. 212. Most of labour statistics are a bye-product of labour legislation. They suffer, therefore, inter alia, from the limitations arising out of lack of uniformity in the concepts, coverage and frequency of collection. The time-lag in their publication, non-response from primary units, inaccuracy of returns, changes in industrial classification are further difficulties in making labour statistics more useful. What steps should be taken to remedy the situation? Is the implementation of the Collection of Statistics Act, 1953 the answer?

ANSWER.

Only those who have intimate knowledge of the Government machinery collecting and processing of data by different departments can authoritatively submit workable proposals for improving the present confusion. One thing is, however, clear that the data collected from different sources should be co-ordinated and published in a form easily understandable by the general public, though part of the data will be for departmental use.

- Q. 213. There is a feeling that the practice of entrusting the administration of labour laws to different officials, the statutory requirements of maintenance of different registers and sending of different filled-in returns under these Acts, result in a good deal of unproductive work and unnecessary duplication. If this feeling has a basis, what steps should be taken to improve the situation?

ANSWER.

Yes, the feeling referred to in the question correctly expresses the position. There is too much duplication and collection of useless data. The situation requires immediate attention. Sometime back the Government of Bombay (before bifurcation) realised this position and appointed a Committee to go into the question of consolidation of forms prescribed under different labour laws for collection of labour statistics to remove duplication and collection of useless data. The Committee submitted a Report after prolonged deliberation but nothing appears to have come out of the efforts. The confusion appears to be the result of lack of co-ordination between the different departments administering labour laws and of a clear idea about the objective of collecting such data.

Q. 214. Does the All-India Consumer Price Index Number currently compiled reflect adequately price changes affecting urban working class? Should consumer price index numbers be compiled for every region of the country for the purposes of wage fixation? what principles should be followed in compiling the "all-india" and regional indices?

ANSWER.

The All-India Consumer Price Index Number compiled today is based on the Index Numbers published for different centres. It is not an independent series based on a Family Budget Survey of the whole country. It, therefore, cannot be assumed that it correctly reflects the price changes affecting urban working class. The Labour Bureau, Simla has selected 50 centres for compiling new Index Numbers and has already compiled Index Numbers for about 46 centres based on Family Surveys. Such Index Numbers can be utilised for the purpose of wage fixation. The principles followed by the Labour Bureau, Simla in compiling regional indices are the same as approved by the International Committee of Statisticians appointed for the purpose.

We are, however, not aware of any case, particularly in the Cotton Textile Industry in which basic wages are evolved in relation to the prevailing Index Numbers. In our experience Consumer Price Index Numbers are utilised only as a means to adjust dearness allowance paid to workers for compensating rise in the cost of living. Basic occupational wages according to our experience are in most cases the result of ad hoc adjustment in wages paid in the past. Even the minimum wage is fixed in relation to the bare subsistence needs of the standard family of an unskilled labour in relation to the prevalent wage level of a similar family in the particular centre or region. This is true, at least of the Cotton Textile Mill Industry with which we are wholly concerned.



- Q. 215. Data presently collected and compiled in respect of work-stoppages (strikes and lockouts) mostly consist of : (a) number of work-stoppages, (b) number of workers involved, (c) number of man-days lost, (d) total wages lost in rupees and (e) total production lost in rupees. Are they adequate for measuring industrial unrest in the country? If not, what other aspects of industrial unrest require quantification?

ANSWER.

The data referred to under the question correctly reflect the position as far as they refer to actual work stoppages resulting in idle production machinery. They, however, give no indication of what happens in cases where workers adopt other methods like go-slow which actually result in loss of production without actual stoppage of machines. The results in such cases should also be recorded and published.

- Q. 216. At present statistical data are collected only in respect of work-stoppages arising out of industrial disputes. Is it necessary to collect similar information on work-stoppages due to reasons other than industrial disputes?

ANSWER.

One example that comes to our mind of the type that can be covered under this head is when workers stop work because of sudden death of a worker in the factory during working hours to express their feelings. Such stoppage though not the direct outcome of an industrial dispute, ultimately affects the working of the concern. This actually happens in Ahmedabad mills several times a year. The Representative Labour Union, though fully appreciative of the feelings of the workers, does not look with favour on such practices but workers continue to behave like that either due to sentimentality or as a sign of their protest against the employer, as if the employer is in any way directly responsible for the death of the worker on mill premises during working hours. Another such occasion is when workers do not attend the mills when a political leader dies in the country or in the State. At one time it became an epidemic. The position is not so bad today but the habit is not altogether lost.

The occurrences of such spontaneous stoppages unconnected with industrial disputes should also be published along with the results of other work stoppages.

- Q. 217. The current emphasis in the collection of labour statistics is on data which will help in understanding the economic aspects of workers' life. Social and sociological aspects have been comparatively neglected. What are your suggestions for filling up the gap? For better comprehension of labour problems which particular aspect of these statistics would you emphasise?

ANSWER.

We have no suggestion to offer on the subject as we had no occasion to study the problem.

- Q. 218. Statistical data (employment, unemployment, consumption expenditure, etc.) are being collected in respect of rural population annually by the National Sample Survey. Would it be feasible to make these data available separately for rural labour for each state/region? What other statistics would be required for framing an operational programme?

ANSWER.

The Government machinery which carries out such surveys can alone express views on the feasibility or otherwise of making available separate data for rural labour in each State and region.

- Q. 219. Are the present arrangements for research and studies in the field of labour adequate to meet the requirements of policy-making in labour and economic matters?

ANSWER.

We are not conversant with the arrangements that exist today at Government level or in private institutions for carrying out research and studies in labour problems and hence cannot express any views whether they are adequate for the requirement for policy-making in labour and economic matters.

Q. 220. What are your suggestions for improving the quality of labour research?

ANSWER.

We cannot offer any suggestions on the subject as we have so far not faced a problem where the quality of labour research was found to fall short of the required standard.

Q. 221. What is the present state of labour research undertaken by employers'/workers' organisations?

ANSWER.

The Ahmedabad Millowners' Association itself does not carry out research in labour matters, but the Ahmedabad Textile Industry's Research Association (ATIIRA), a sister body set up by the Association solely devoted to research has carried out very valuable research in a number of problems affecting labour employed in Cotton Textile Mills and we suggest the Commission approaches that institution for information on the subject.

Q. 222. How should the trade unions be encouraged to strengthen their research activities?

ANSWER.

We cannot offer any advise in a matter without knowing the details of organisational set up with the Labour Unions for carrying out research on labour problems.

Q. 223. How should labour research be promoted in universities and research organisations?

ANSWER.

We are not aware if the Gujarat University has set up a research laboratory in labour problems. However, as stated above, the Ahmedabad Textile Industry's Research Association has investigated many a labour problem and the Commission may approach that organisation for their views in the matter.

Q. 224. Are the present arrangements for associating the research personnel outside Government for a deeper analysis of data available with Central and State Governments adequate? What steps should be taken to strengthen this association? Should co-ordination of research work done by different agencies be achieved?

ANSWER.

We have no knowledge of the subject and hence cannot express any opinion regarding the adequacy of the existing arrangements. We are, however, of opinion that Government should invite co-operation from as many outside research agencies as possible for co-ordinating research activities carried out by Government Departments.

Q. 225. What is the extent to which the existing information on labour matters is being put to use? Who are the main users? Give a critical assessment of the utility of the existing information.

ANSWER.

There is a large mass of labour statistics published by Government and every one connected with labour problems makes use of such data according to its own need. We are not in a position to give critical assessment of the usefulness of the existing information in a general way but whenever we have occasion to utilise such data, we have always found them useful.

Q. 226. Are the existing arrangements for publicising the research activities of the various agencies adequate? What has been the role of the press in such publicity? What improvements, if any, would you suggest?

ANSWER.

We cannot give a reply to this question in absence of information as to the manner in which the different agencies publishes their research activities. The results of research are more or less published in the official journals of the Research Institutions. On some occasions they also receive publicity in the daily press in form of popular articles.

The results of research would be more beneficially used if they are given wider circulation particularly among the employers and employees vitally concerned in the problem of research.

4. 227. How do trade unions/employers' organisations inform the public of their activities? To what extent do they succeed? (See also 4. 31).

ANSWER.

Trade Unions as well as Employers' Organisations give publicity to their activities through their bulletins and journals. Sometimes articles on specific aspects of the industry's problem are also published in daily news-papers and other journals. However, the success or failure of such effort will depend on the quality of the material published.

4. 228. It is often said that while industrial conflict gets more than its due share of publicity, industrial harmony does not. Do you agree with this view? What are the reasons for this?

ANSWER.

This is quite true, as "industrial conflicts" has better news-value than harmony which is more or less a negative factor. An industrial conflict not only affects the employers and employees concerned but it also affects the society by upsetting the general economy of the centre or region or in some cases even the country.

4. 229. What role has the press played in educating the public on labour matters and with what results? Would you suggest any improvement? If so, how should this be brought about?

ANSWER.

The general public derives its education on labour matters through the medium of the daily press. In most cases labour matters are dealt with in news papers as topical items and not in form of studies carried out on such problems. In the result, the public gets only superfluous information about labour matters and has no chance to go into the heart of the

problem. The press can effectively help in educating the public in labour matters by periodical publication of authoritative articles on different labour matters in a language easily understandable by the common man.

Q. 230. What role has the press played in shaping decisions on industrial disputes? Has it helped or hindered the promotion of just and good industrial relations?

ANSWER.

In most cases the daily press publishes news items on labour matters in an impartial manner, though usually their sympathy is with labour. The element of partisanship creeps in only when the issue affects the policy of the paper, thereby creating a bias but on the whole the press has been instrumental in creating good and healthy employer-employee relations, provided they are properly briefed in the matter.

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