

LABOUR AND EMPLOYMENT

I. Policy Before and After Independence

Labour in India has made significant strides in recent decades, particularly since the thirties. This has been made possible by the increasing social consciousness among the entire community, assisted by a series of progressive pieces of legislation on labour matters by the Government which, in turn, were due to pressure from the trade union organization. The developments abroad as well as the standard-setting efforts of the International Labour Organization (I.L.O.) have also influenced the shaping of labour policies in India.

Early labour legislation in the country related mainly to the regulation of recruitment, forwarding and employment of Indian labourers under the indenture system to various British colonies, as well as to uncultivated lands and the nearly uninhabited jungles of Assam towards the expansion of the plantation industry in that area. Labour of Indian origin can be found even today in places like Sri Lanka, Burma, Malaysia, Africa, etc. Under the regulatory scheme, the worker was bound by a contract to serve for a specified period, failing which, he could be arrested for criminal breach of contract. The Government, however, prescribed a minimum wage and provided for the protection of labour in certain other respects.

Some attempts to mitigate the serious abuses in the employment of workers in factories were made towards the close of the last century. These again were more from the point of view of protecting the competitive capacity of British products from those of Indian origin where labour was not regulated at all. The Factories Acts, 1881 and 1891, provided for the limitation on the employment and working hours of workmen and children. Between 1875 and 1908, factory legislation was the subject of investigation by four commissions or committees. Most of these investigations led to the amendment of the Factories Act. Similarly, in regard to mines, the first Mines Act, 1901, contained provisions relating to safety and health but imposed no restrictions on employment of labour and hours of work. Except for this and the Factories Act, 1911, the period upto the end of the First World War (1914-18) did not see any further significant developments in the field of labour.

The period following the close of the First World War witnessed the emergence of the organizations of workers. Employers were organized even before this period, but mainly in the form of Associations and Chambers of Commerce to deal with matters of common interest pertain-

ing to trade, commerce and industry. Their aim was to protect the interests of their members. They took an active part in the discussion of legislative measures affecting trade and industrial policies, as well as those having a bearing on social and labour matters. The industrial unrest following the end of the First World War compelled employers to devote more attention to the demands of employees for improved working conditions. To some extent, this was due to the gradual growth of trade unionism (in the presently accepted sense of the term) during this period. This brought home to the employers the need for a common approach on matters affecting labour and for the first time there were some instances of employers and workers acting in consultation with each other in labour matters.

The International Labour Organization was set up in 1919 and India became a member of this organization from its inception. The membership of the I.L.O., assisted further in the spread of labour-consciousness in India. This, coupled with the economic difficulties of industrial labour following the close of war, and the prosperity of employers, led to a widespread unrest and culminated in the birth of a central organization of workers, viz., the All-India Trade Union Congress, in 1920. The political turmoil in the country provided leadership to the trade union movement. The association of political leaders with the trade union movement had mixed results.

These developments accelerated the pace of labour legislation in India. The Factories Act was amended in 1922, 1923 and 1926, to reduce the hours of work of adults to 11 a day and 60 a week, to provide payment for overtime work, to raise the minimum age of employment of children from 9 to 12 years, to extend the coverage of the Act, etc. The Mines Act, 1923, provided *inter-alia* provision for the exclusion of children under 13 years, grant of a weekly holiday and the limitation of weekly hours to 60 above ground and 54 under ground. The other important measures were the Workmen's Compensation Act, 1933, modelled on the British pattern and amended twice, once in 1926 and again in 1929, to bring it in line with the I.L.O., conventions on the subject; the Indian Trade Unions Act 1926, which is still in force; the Trade Disputes Act, 1929, etc. All these aimed at gradual improvement in the working and living conditions of labour.

The appointment of the Royal Commission on Labour in 1929, marked the next important stage in the evolution of labour and employment policies in India. The main purpose of the Commission was to enquire into the conditions of labour in industrial undertakings and plantations in British India, on the health, efficiency and standard of living of workers, on the relation between the employers and employees and to make recommendations on these matters. The Commission made comprehensive and detailed recommendations for the revision of

the old laws and/or enactment of new ones on the various aspects of working and living conditions of labour. Most of the legislation pertaining to labour enacted in the thirties arose either directly or indirectly out of the recommendations of the Commission. Under the constitution which governed India then, labour was a subject on which legislation by Provincial Governments was possible. Some of the more industrialized provinces availed themselves of this situation to enact legislation suitable to labour conditions in the respective provinces.

Then came the period of the Second World War. Labour legislation enacted during the period falls under two main headings, *viz.*, (i) laws and regulations adopted by following the usual legislative procedure, and (ii) emergency measures, put into force by Ordinances, to meet the demands of war. Important measures that fall in the former category relate to the Industrial Statistics Act, 1942, Amendments to the Factories Act, etc. The emergency measures undertaken during the period related to the utilization of men and material to the maximum advantage for the prosecution of war by regulating (i) recruitment, (ii) discharge, (iii) transfer of technical personnel, (iv) hours of work, etc. In regard to industrial disputes, an amendment to the Defence of India Rules (Rule 81A) empowered the Central Government (i) to prohibit strikes or lock-outs in connection with any trade dispute unless reasonable notice was given, (ii) to refer disputes to conciliation or adjudication, and (iii) to require the employer not to worsen the terms and conditions of employment pending the completion of proceedings under this Rule. Another significant step taken during the period was the establishment in August 1942 of a permanent tripartite organization, subsequently called the Indian Labour Conference, at national level, composed of representatives of Governments, employers and workers. It was modelled almost on the pattern of the International Labour Organization. The tripartite Conference, though mainly an advisory body, brought together the parties concerned and even to this day continues to be the main policy recommending body in regard to labour and connected matters. The main objects of the Conference were:—

- (i) Promotion of uniformity in labour legislation.
- (ii) The formulation of a procedure for the settlement of industrial disputes.
- (iii) The discussion of all matters of all-India importance between employers, workers and Governments.

One of the earliest recommendations of the Conference accepted by the Government was the setting up of the Labour Investigation Committee whose deliberations, while bringing the work of the Royal Commission on Labour up-to-date, paved the way for the establishment of a permanent machinery for studying labour problems.

The period following the Second World War synchronized with the

complete transfer of power in India on 15 August, 1947. Immediately after the assumption of office, even prior to independence, the National Government came forward in 1946 with a five-year programme of legislative and administrative action in the field of labour. This was expected to serve as a post-war reconstruction programme for the amelioration of labour conditions and aimed at the implementation of most of the recommendations of the Labour Investigation Committee.

The programme was discussed at a special meeting of employers and workers and Central and Provincial Ministers and was generally approved. The important elements of this programme were:

I. Wages

- (a) Statutory prescription of minimum wages in "sweated" industries and occupations.
- (b) Standardization of occupational terms and wages in all the major industries and the determination of differentials in wage rates as between various occupations in an industry.
- (c) Promotion of 'fair wage' agreement including the introduction of time scales, wherever possible, with due regard to the capacity of industry to pay.

II. Regulation and Improvement of Working Conditions

- (d) Reduction in the hours of work in mines to bring the working hours in line with hours of work in factories.
- (e) Overhaul of the Factories Act with a view to the prescription and enforcement of right standards in regard to lighting, ventilation, safety, health and welfare of workers.

III. Social Security Measures

- (f) Organization of the Health Insurance Scheme, applicable to factory workers to start with, for the provision of medical treatment and monetary relief during sickness, maternity benefit on an extended scale, medical treatment in the case of disablement, etc.

IV. Housing

- (g) Provision of adequate housing for workers within the resources of both materials and man-power.

V. Industrial Relations

- (h) Trade disputes legislation to provide conciliation and adjudication machinery in respect of essential public utility services and important industrial undertakings.

- (i) Appointment of Joint Works Committees to iron out day-to-day difficulties.
- (j) Organization of industrial committees on a tripartite basis for important industries, namely, coal, cotton textiles, jute, plantations and engineering.

The programme also envisaged the strengthening of the machinery both at the Centre and States for the efficient administration of labour policies.

In spite of the declaration of the Government's intention to ameliorate the conditions of labour, industrial unrest persisted in the country in the early days of independence. The mandays lost owing to industrial disputes between 1946 and 1950 were 11.3 million per annum. Production had fallen all round. The Government of India called in December 1947 an Industries Conference consisting of representatives of Government (Centre and States), employers and workers, to consider action to be taken to remedy the situation. The Conference reached certain decisions and adopted unanimously a resolution called the Industrial Truce Resolution (1947). The Resolution recognized that increase in industrial production, which was so vital to the economy of the country, could not be achieved without the fullest co-operation between labour and management. It urged the employers to recognize the proper role of labour in industry and the need to provide fair wages and good working conditions. Labour, for its part, was required to recognize its duty towards increasing national income. The need for mutual discussion of problems common to both and settlement of all disputes without recourse to interruption in or slowing down of production was emphasized, as also the determination of a suitable method of remunerating the factors of production, keeping in view the interests of consumers, primary producers, the industry, etc. To attain these objectives the Resolution recommended *inter-alia* that —

- (i) the fullest use should be made of statutory and other machinery for the resolution of industrial disputes in a just and peaceful manner;
- (ii) a machinery be set up for the study and determination of fair wages and conditions of labour, fair remuneration for capital and methods for the association of labour in all matters concerning industrial production;
- (iii) works committees representing management and duly elected representatives of labour should be constituted in industrial units for the settlement of day-to-day disputes; and
- (v) as a first step, immediate attention should be devoted to the problem of housing of industrial labour; the cost of such housing should be shared in suitable proportions between the Government, employers and labour.

On these principles, the Resolution called upon labour and management to agree to maintain industrial peace and to avert strikes and lock-outs or slowing down of production for a period of three years.

The Industrial Truce Resolution was accepted by the Government in their settlement on Industrial Policy dated April 6, 1948. The Government considered that labour's share in profits should be on a sliding scale normally varying with production. It, therefore, appointed an Export Committee to study the question of profit sharing in industries. After detailed examination of the issues, the Profit Sharing Committee came to the conclusion that the system of profit sharing should be tried on an experimental basis in selected industries for a period of five years. Towards the end of 1948, another committee, the Fair Wages Committee, was set up to determine the principles on which fair wages were to be based and to suggest the lines on which these principles should be applied. The report of this committee even to this day provides the guidelines for the settlement of wage disputes in the organized industrial sector.

The developments referred to above led to the necessary legislative activity in the field of labour. With the passing of the Industrial Disputes Act in 1947, the Government adopted a comprehensive measure to improve industrial relations, by providing for a machinery for peaceful settlement of disputes and for setting up of Works Committees, etc. The Factories Act, 1948, aimed at plugging the loopholes in the earlier Act and also enlarging its scope in certain directions. The Minimum Wages Act 1948, sought to fix for the first time minimum rates of wages to employees in certain "sweated" industries. A pioneering measure undertaken by the Government in social insurance in the country was the passing of the Employees' State Insurance Act, 1948. It provided for certain benefits to employees in case of sickness, maternity, employment injury, etc. Other similar measures taken during the period that deserve mention are, first, the Coal Mines Labour Welfare Fund Act, 1947, creating a fund for the welfare of the coal miners and the machinery for its administration and, second, the Coal Mines Provident Fund and Bonus Schemes Act, 1948, to safeguard the future of mine workers. Legislation was enacted for compulsory recognition of trade unions and the Fair Wages Bill was also drafted.

At about this time, the constitution of independent India was being framed. It came into force on January 26, 1950. The need to improve the welfare and standard of living of the working class was recognized in the Constitution. Under Fundamental Rights, the Constitution prohibited the imposition of forced labour, and employment of children below the age of fourteen years in any factory or mine or in any other hazardous work. The Directive Principles of State Policy, apart from the provisions relating to right of work, equal pay for equal work, public assistance in case of unemployment, etc., specifically mentioned: "The

State shall endeavour to secure by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities . . .”

Under the Constitution, ‘labour’ is included in the Concurrent List, thus continuing the arrangements existing since 1919, and therefore, both the Union and the State Governments have powers to make laws relating to labour. However, certain items like participation in international conferences, associations and other bodies and implementation of such decisions; regulation of labour and safety in mines and oil-fields and industrial disputes concerning union employees fall exclusively within the purview of the Central Government. Items included in the Concurrent List are: trade unions, industrial and labour disputes, social insurance, employment and unemployment, welfare of labour including conditions of work, provident funds, employers’ liability of workmen’s compensation, invalidity and old age pensions, maternity benefits, vocational and technical training of labour, economic and social planning etc. However, when the provisions of an Act passed by the Union conflict with those of a State Act, the former generally prevails. Under these concurrent arrangements, some of the State Governments had enacted comprehensive legislation on industrial relations, maternity benefits, etc., even before such laws were enacted by the Central Government. Within two months of the adoption of the Constitution, the Planning Commission was set up to work out a programme of development, keeping in view the declared objective of the Government as set out in the Directive Principles of State Policy of the Constitution. In formulating the programme for labour in the First Plan, the Commission was advised by a committee called the Industries Development Committee, composed of representatives of employers and leaders of the principal workers’ organizations in the country. The Plan recognized that the worker was the principal instrument in the fulfilment of the Plan targets and said that “this co-operation will be an essential factor in creating an economic organisation in the country which will best subserve the needs of social justice”. The Plan further stated that “adequate provision has to be made for the basic needs of workers in respect of food, clothing and shelter so as to enable them to remain in a state of health and efficiency. Besides, the satisfaction of their basic needs, workers should have their due share in social and economic progress in the shape of improved health services, wider provision of social security, better educational opportunities, and increased recreation and cultural facilities.” It also emphasized the need to improve productivity for raising the standard of living of the community, and pointed out that the role of labour involved acceptance of greater regularity in attendance,

disciplined behaviour and meticulous care in the discharge of duties. Specific recommendations in regard to securing peace in industry through avoidance of dispute, overhauling of the machinery and procedure relating to settlement of disputes once they arose, defining the role and conduct of trade unions, improvement in wages, working conditions, social security, etc. were also made.

A general assessment of what happened in the First Plan revealed that the machinery for the settlement of industrial disputes worked well. There was a reduction in the number of mandays lost owing to industrial disputes. Real wages of workers were restored to the pre-war level. The desire to associate labour with management in the solution of common problems gained momentum. The importance of better working conditions came to be progressively recognized; efforts were intensified to improve housing for industrial workers. Progress was made in the implementation of social security measures like the Employees' State Insurance Act, 1948, and the Employees' Provident Fund Act 1952. Lay-off and retrenchment compensation was provided for through an amendment of the Industrial Disputes Act, 1947, in 1953.

The labour policy in the Second Plan was formulated on the basis of advice rendered to the Planning Commission by the Labour Panel composed of employers' and workers' interests and Government representatives. The Plan, while making no changes in the basic policy, emphasized the need for fuller implementation of existing laws rather than the enactment of new ones. It said: "The goal of speeding up production would mean that indiscipline, stoppage of production and indifferent quality of work will have to be guarded against". In industrial relations, emphasis was on mutual agreement. Labour legislation and the enforcement machinery set up for its implementation could only provide a suitable framework in which employers and workers could reach such agreements. The best solution to common problems, however, could be found by mutual agreement. The main elements of the policy were, avoidance of disputes, quicker disposal of disputes once they arose, adequate implementation of awards and agreements, joint consultations, greater association of workers with management through joint management councils at the level of the undertaking, observance of strict discipline both on the part of labour and management, etc. In wage policy, the evolution of a structure with rising real wages was aimed at. Appointment of wage boards consisting of employers' and workers' representatives as the machinery for settling wage demands was also recommended. Extensive and deeper coverage of the social security measures was envisaged. Apart from these a massive programme of craftsmen training was undertaken.

In accordance with the above policy, legislative activity during 1956-61 was confined to amending the existing legislation with a view to plugg-

ing loop-holes noticed in the course of implementation. Wage Boards were set up to examine the wage levels in important industries like cotton textiles, jute products, sugar, cement and plantation industries. During the Second Plan, joint management councils were set up in many units on an experimental basis. These councils have the right to obtain information regarding the working of the undertaking and also have direct administrative responsibility for matters concerning workers' welfare, training and allied matters. Their main purpose has been to provide a machinery for mutual consultation between employers and workers on matters affecting industrial relations. To enable workers to realize their role in industries and effectively participate in joint consultation, a country-wide programme of workers' education was initiated.

In industrial relations, a new approach based on moral, rather than legal, sanctions was initiated. During the early years of the Second Plan, complaints were voiced from the workers' side about the non-implementation of awards, agreements, etc., by managements, while the latter referred to the signs of indiscipline among the workers. The Plan recognized that conditions for better discipline could not be created merely by legislation but would have to be achieved jointly by organizations of employers and workers evolving suitable sanctions of their own. A code called the Code of Discipline in Industry was, therefore, adopted voluntarily by all the central organizations of employers and workers towards the middle of 1958, and has been in operation since. The Code lays down specific obligations for management and workers with a view to promoting constructive co-operation, avoiding stoppages of work as well as litigation, securing settlements of disputes and grievances by mutual negotiations, conciliation and arbitration, facilitating free growth of trade unions and eliminating all forms of coercion and violence in industrial relations. The Code carries with it its own sanctions. The working of the Code has produced encouraging results. It has created awareness amongst employers and workers of their obligations towards each other. The desire to settle disputes through mutual negotiations is growing. The Code provides for a regular grievance procedure. As a complement to the Code of Discipline, another code, called the Code of Inter-Union Conduct, has been adopted by workers' organizations in order to regulate inter-union relations. A machinery for implementation and evaluation has also been set up at the Centre and in the States to ensure observance by parties of the obligations arising from the Codes and from laws and agreements.

The Third Plan mainly envisaged an extension of the policy pursued in the first two Plans. In industrial relations, the Plan recommended that a fuller awareness of the obligations under the Code of Discipline should be extended to more units; greater recourse would have to be had to voluntary arbitration in resolving differences; and works committees

should be set up to develop harmonious relations between employers and workers at the unit level. Progressive extension of the schemes of worker participation in management and workers' education was also envisaged. To settle wage problems, the machinery of the wage board was expected to be continued. A Tripartite Bonus Commission was set up to study problems connected with bonus claims. A mid-plan appraisal of the policy pursued in the Third Plan showed that, on the whole, the policy had worked well.

Labour relations continued to be regulated by the protective legislative measures introduced in earlier Plan periods and the tripartite arrangements. A mention may be made of the Payment of Bonus Act, 1965, Shops and Commercial Establishment Act and Labour Welfare Fund Acts in States. A National Safety Council was set up in 1966. Out of the 22 wage boards set up covering almost all the major industries, 19 have submitted their reports. Under the Minimum Wages Act, 1948, minimum wages were fixed and periodically revised by State Governments in respect of various agricultural and other trades. The National Labour Commission set up in 1966 submitted its report in August 1969.

The sum up, the programmes and policies for labour envisaged under the Plans aimed at the fulfilment of certain assurances given to labour during the period immediately prior to, and following independence. Suitable alterations were made in them in the light of the socialist pattern of society adopted by Parliament in 1954 as the goal of our economic and social development. The approach is essentially pragmatic and thus flexible, as may be seen by the adoption of the Industrial Truce Resolution (1962) with the declaration of Emergency*. While some improvement in the conditions of labour has been achieved, much remains to be done. Money wages have gone up, although improvement in real terms may not be significant owing to the rise in price level. This has occurred without disturbing the wage element in the cost of production which has gone down somewhat. The climate of industrial relation has improved; productivity has gone up. Under the plan programmes, fresh employment opportunities have been created although the achievement of the full employment level still remains a long-term objective. All this achievement is, indeed, a tribute to the realistic manner in which the policies are framed through tripartite consultation on every aspect of the framing and implementation of policy.

II. Employment and Training

Employment pattern and policy: The employment policy pursued in recent years has to be viewed in the context of the pattern of employ-

*Appendix III.

ment as it prevailed before the initiation of the planning process and the specific social and economic objectives as set forth in the Plans. The statement below compares the broad occupational distribution of the working force in India on the basis of the population censuses conducted in 1951, 1961 and 1971:

TABLE I
Occupational Distribution of Working Force
(Population Census Data)

<i>Workers engaged in</i>	1951	1961	1971	1951	1961	1971
	<i>(in millions)</i>			<i>(percentages)</i>		
Cultivation	69.8	99.5	78.2	50.0	52.8	43.4
Agricultural Labour	27.5	31.5	52.0	19.7	16.7	26.3
Mining, Manufacturing & Household Industry	16.7	25.2	18.0	12.0	13.4	12.4
Construction	1.5	2.1	2.1	1.1	1.1	1.2
Trade & Commerce	7.3	7.6	10.0	5.2	4.0	5.6
Transport & Communications	2.1	3.0	4.4	1.5	1.6	2.4
Services	14.6	19.5	15.7	10.5	10.4	8.7
Total	139.5	188.4	180.4	100.0	100.0	100.0

It will be seen that nearly 70 per cent of the working population is engaged in agriculture. The excessive dependence on agriculture has affected productivity in agriculture, which is about a third of the productivity in other sectors of the economy like industry, commerce and transport. The growth of the non-agricultural sector has not been sufficient to absorb the surplus population on land, with the result that under-employment and unemployment are prevalent in the economy. It is because of this fact that employment has been one of the major objectives of planning in India.

The employment problem has two aspects: a number of people are idle and a much large number are under-employed. Low productivity and the need for improvement in living standards, associated with both whole time and partial employment, do not generate surpluses for development. Thus, both qualitative and quantitative improvement is needed in taking the economy to higher levels of development through generating employment.

It is for these reasons that employment has come to be viewed in its long-term perspective. Even here the difficulties of tackling effectively the unemployment problem may be seen from the estimates of growth in the labour force given in the Third Plan, where it is stated that during 1961-66 if our dependence on agriculture as a means of providing employment has to be reduced from 70 per cent to 60 per cent, we may still have to add over 23 millions in agriculture and allied occupations, and about double the number will have to be found for non-agricultural employment.

As to the other aspect, namely, increasing productivity simultaneously with raising the level of employment, it has been accepted that larger employment was not inconsistent with increase in the productivity of labour. Indeed, this is how the national income could be made to grow faster. Also, the other major goal of development *i.e.* reduction in inequality of income and in regional imbalances of development could be reached through a wider dispersal of employment opportunities and their suitable diversification. While, therefore, the long-term employment policy was governed by these objectives, in the short run, planning has to aim at creating employment opportunities which would help in arresting deterioration in the employment situation, *i.e.* by generating employment opportunities equivalent in number to the additions to the labour force under the Third Plan.

The magnitude of unemployment in the country was estimated to be around 5 millions in 1956 — roughly half of them in the urban areas. The Second Plan aimed at creating sufficient employment opportunities to absorb an equivalent of new entrants to the labour force estimated at about 10 millions. But the actual increase in the labour force during the Second Plan period was 1.7 million more than what was visualized, and the employment target of 10 million could not be reached, with the result that the backlog of unemployment at the beginning of the Third Plan was about 9 million. Coupled with this there was the problem of under-employment which, in terms of those who have some work and who need additional work opportunities, is estimated at 15 to 18 million.

It was in this setting and the ever growing numbers in the labour force that the Third Plan was framed. The labour force increase was estimated at 17 million and the full time employment opportunities created through Plan investments were estimated at 14 million. Partly to bridge this gap and partly to relieve under-employment, the Third Plan envisaged a large programme of rural industrialization with emphasis on rural electrification, development of rural industrial estates, promotion of village industries, etc. In addition, comprehensive rural works programmes, especially in areas where there was heavy pressure of population, was also provided for. The rural works programme aimed not merely at the creation of additional employment opportunities; it was also expected to serve as an important means of harnessing the larger manpower resources available in rural areas for economic development. It was expected that the rural works programme would provide employment on an average of about 100 days in a year, for about 2.5 million persons, by the end of the Third Plan period.

Another aspect of the employment policy was to ensure within the framework of the Plans that proper attention was being given to maximizing the employment potential of projects included in the Plan, as well as

to see that the employment effects were spread out more widely and evenly than in the past. The former involved a question of choice of techniques. In an economy with relative abundance of labour, a general bias in favour of labour intensive techniques was both natural and desirable. But specific investment decisions involving alternative techniques, had to be made in the light of a number of considerations. For instance, the establishment of basic industries like steel, machine building, heavy chemicals, oil refineries, etc., was vital to raise levels of employment in the long run. Considerations of size and technology required that these industries should be capital intensive. To make up for the low employment potential of the basic industries, it was necessary to encourage consumer goods industries through labour intensive methods. However, in road construction, housing, laying railway lines, a certain combination of men and machines had been evolved over a period of years, a combination consistent with the progressive elimination of arduous human labour. This trend had to be allowed to continue, and so was the trend towards higher productivity in established industries. Maximization of employment had to operate within these constraints.

The impact of the employment policy pursued in the last few years has been to increase the employment opportunities to a significant extent. In an economy where the predominant pattern is one of self-employment, substantial increases have taken place since the planning process started in the number of wage earners as the following Table, which gives employment increases in certain organized sectors, indicates:

TABLE II
Average Daily Employment
SECTOR (in '1000)

Year	Factory	Mining	Plantation	Central Govt. including Railways, P & T (as on 30 June)
1951	2,914	549	1,236	N.A.
1956	3,433	629	1,295	1,792
1961	3,928	671	1,210	2,186
1966	4,702	699	1,167	2,688
1967	4,760	671	1,148	2,715
1968	4,739	664	N.A.	2,726

Source: Indian Labour Statistics, 1960-64, 1970.*

The 1961 Census placed the number of unemployed at 1.4 million, 0.57 in the rural areas and 0.83 in the urban areas. The 16th round of the National Sample Survey estimated that unemployment in rural areas

*Data regarding employment in factories for the period 1951 to 1955 is only for the reporting factories/States while that for 1956 onwards includes the estimated employment regarding non-reporting factories/States.

was 1.62 per cent of the rural population and 0.82 per cent of the urban population for the period July 1960 to June 1961. On this basis, unemployment in 1961 worked out at 5.8 million in rural areas and 0.7 in urban areas. The comparative available figure for 1967-68 is 0.66 per cent of the urban population. Consequent upon widely differing estimates of unemployment, the Planning Commission set up in August 1968, a committee of experts to enquire into the estimates of unemployment worked out for the previous Plans and the data and methodology used in arriving at them.

On the basis of information available from the Directorate General of Employment and Training (which does not cover employment in agriculture and household establishments, the self-employed and the defence forces), employment increased from about 12.09 million at the end of 1960-61 to about 15.46* million at the end of 1965-66 or about 28 per cent, the average annual growth rate being 5 per cent during the Third Plan period. The growth of employment in 1966-67 was considerably lower at about 0.8 per cent, and during 1967-68 it was almost negligible. The slow growth in non-agricultural employment since 1965-68 is attributable to the slackness in the economy, and in particular to the virtual stagnation of the industrial sector during these years. The growth of employment during 1961-68 showed marked differences in different States. It was higher than the all-India rate in Kerala, Karnataka, Tamil Nadu, West Bengal and Maharashtra; it was very low in Bihar and Orissa.

Technical Personnel: One of the difficulties experienced in the First and Second Plans, and which has not yet been overcome, is the shortage of technical personnel. This experience keeps the planners continuously forewarned and a sufficient emphasis is not laid on providing facilities for technical training. Special committees were appointed to assess the demand and supply of technical personnel. A machinery by which the recommendations of these committees could be implemented and the progress of implementation reviewed has also been set up. It is not necessary to go into the details of this machinery, but it would be appropriate to point out what is being done by the Government in furtherance of one important aspect of technical manpower — training at the lower levels of skills with which labour welfare is closely linked.

Craftsmen Training: In view of the large demand for craftsmen, training facilities available in the Labour and Employment Ministry were raised from 10,000 seats in 1956 to 43,000 seats by 1961 — the end of the Second Plan. The Third Plan envisaged a gradual expansion of such

*Later revised at 16.18 million.

facilities to 1 lakh seats, with an estimated out-turn of 2 lakh craftsmen during 1961-66. A greater expansion in the craftsmen training scheme was not practicable unless sufficient facilities could be provided for the training of craft instructors. The number of Industrial Training Institutes for training craftsmen increased from 163 at the end of March 1961 to 356 in December 1968. The seating capacity increased from 42,685 at the end of 1960-61 to 146,788 in 1968-69.

Apprenticeship Training: During the Second Plan little progress was registered under the voluntary apprenticeship training scheme. With the enactment of the Apprentices Act, 1961, the scheme has been placed on a compulsory footing. Initially, the Act was applicable only to some engineering establishments. However, in August 1963, its coverage was extended to include almost all important industries, *e.g.*, textiles, paper, chemicals, rubber, food and beverages, construction, transport and communication, etc. The Central Government in consultation with the Central Apprenticeship Council, which was constituted in 1962, have laid down rules prescribing the minimum educational qualifications, standards of fitness, period of training, stipends to apprentices, hours of work, the number of apprentices to be trained in each establishment and industry, etc. The syllabuses for basic engineering trades have been prepared in consultation with technical experts. The State Governments have also set up State Apprenticeship Councils.

By 1969, 37,658 apprentices were undergoing training in 3,313 establishments in the public and private sectors. A Central Institute for Research and Training in Employment to conduct research in employment and periodically to impart training to employment officers was set up in 1964. The same year, the Indian Institute of Labour Studies was established in New Delhi to train Industrial Relations Officers of the Central and State Governments.

Employment Service: India has already a well-established employment service organization through a network of employment exchanges located at different parts of the country. Even so, each exchange covers a wide geographical area. Considerable progress has been made during the last decade in reducing the distance between exchange and job-seekers by establishing new centres. From a mere 126 exchanges in March 1951, the number of exchanges had risen to 317 by the end of the Second Plan (March 1961). There was simultaneously an enlargement of the scope of its activities. For example, under the Employment Market Information Scheme, employment information is collected on a continuous basis from all establishments in the public and private sectors employing 25 or more persons. Under the scheme of employment counselling,

guidance about careers and occupations is provided to employment seekers and occupational research and analysis is undertaken for the purpose. Establishment of University Employment Bureaux and Exchanges for the rural areas are some of the other important activities under the employment service scheme.

There were 461 Employment Exchanges including 45 University Employment Information and Guidance Bureaux, 15 Professional and Executive Employment Officers, 7 Colliery Exchanges, 8 Project Employment Exchanges, 9 Exchanges for the Physically Handicapped and 1 Special Exchange for Plantation Labour functioning in the country at the end of December 1969. In addition, 183 Employment Information and Assistance Bureaux to cater for the rural areas functioned in various Community Development Blocks. In the course of 1969, 10 additional Employment Exchanges including 2 University Employment Information and Guidance Bureaux were set up.

III. Industrial Relations

Industrial relations in a country depend on a variety of factors, such as labour legislation, the broad economic and social policies pursued by the Government, the state of consciousness on the part of employers and workers in regard to their rights and responsibilities towards one another and towards the nation, the strength of the employers' organization, and the trade union movement, etc. As pointed out earlier, the industrial relations policy as it has evolved in the last two decades, is essentially the product of extensive tripartite consultations. At the apex of the various tripartite consultative bodies is the Indian Labour Conference set up in August 1942. Since then, all the important policy decisions in the field of labour have been taken by the Government after discussions at tripartite meetings. The policy thus represents the consensus of opinion of the parties concerned, and has acquired the strength and character of a national policy operating on a voluntary basis. Apart from the formulation of policies, the tripartite bodies look after the implementation aspects also. The main plank on which the policy rests is that the major responsibility for maintenance of industrial peace must devolve equally upon the employer's and workers' organizations, the Government intervening only if disputes are not mutually settled.

The earliest known act relating to the settlement of trade disputes was the Employer's and Workmen (Disputes) Act, 1860, which provided for summary disposal by magistrates of disputes relating to wages of certain kinds of workers. Apart from its limited character, it contained various undesirable provisions like a breach of contract on the part of a worker being a criminal offence. It fell into disuse and was finally

repealed. The next significant legislative step taken towards regulation of industrial relations was the Trade Disputes Act, 1929. In between different measures were adopted to prevent the occurrence of disputes as well as their settlement. The constitution of Works Committees received attention at an early stage. Works Committees were for the first time set up in 1920 in Government presses. Similar committees were also set up by the Tatas at Jamshedpur, the Buckingham and Carnatic Mills at Madras, etc., and by many progressive employers, but the results achieved were by and large disappointing. In addition to Works Committees, there were also occasions when conciliation or arbitration was undertaken by individuals or specially appointed committees or courts. The first attempt to settle disputes through formal bodies like courts was made in Madras in 1919-20. These were followed by other committees in other provinces also. One such committee known as the Fawcett Committee was set up in 1928 by the Government of Bombay for the settlement of the dispute between the employers and workers in cotton mills. So far as conciliation and arbitration was concerned, the individuals (usually officials) were also generally successful in bringing about settlements. Apart from these official efforts at settling labour disputes, Ahmadabad saw a standing arrangement for arbitration between labour and management, an arrangement which envisaged that if the arbitrators on behalf of workers and employers did not agree, the matter would be referred to a mutually agreed umpire.

Trade Disputes Act, 1929: The widespread industrial unrest following the close of the First World War brought into focus the need for legislation for the settlement of industrial disputes. Committees were set up in 1921 by the Provincial Governments of Bombay and Bengal to examine the feasibility of introducing legislation. Though Bombay had a bill ready in 1924, it was not processed through the legislature. The Trade Disputes Act was passed in 1929 by the Central Legislature. It provided for the setting up of Courts of Enquiry and Boards of Conciliation for the settlement of disputes. The Act also contained provisions rendering punishable by fine or imprisonment, lightning strikes or lock-outs in certain public utility services and embodied a provision aimed at the prevention of general strikes. The Act was originally limited in its operation to 5 years but was made permanent by an Act in April 1934.

State Legislation: The Royal Commission on labour which was appointed soon after the Trade Disputes Act 1929, was passed, recommended the establishment of permanent courts instead of *ad hoc* tribunals. They also emphasized the need to make available to the parties the services of Conciliation Officers and others in the earlier stages of the dispute, so as to bring the parties privately to agreement. To imple

ment these recommendations, the Government of India amended the Act in 1938. In the meantime, Bombay had passed the Bombay Trade Disputes Conciliation Act, 1934, which, while not directly based on the Royal Commission's recommendations, incorporated some of its suggestions. It provided for the appointment of Chief Conciliators/Special Conciliators and Assistant Conciliators. The conciliators were empowered to initiate conciliation proceedings in cases where a trade dispute existed or was apprehended, to enforce the attendance of parties, obtain evidence etc. The Act was, however, made applicable only to the textile industry in Bombay City and the Bombay Sub-urban District. The Bombay Industrial Disputes Act, 1938, a later creation, provided for elaborate machinery for the settlement of disputes by conciliation or by arbitration. The Act provided *inter alia* for, first, appointment of a Board of Conciliation in case a dispute could not be settled by a conciliator; second, appointment of an Arbitrator or a Court of Industrial Arbitration; thirdly, declaration of strikes and lock-outs as illegal during negotiations and conciliation proceedings; fourthly, registration of unions recognized by employers; and finally, penalties for victimization of workers under certain circumstances. The Act was amended once in 1941 to make arbitration compulsory in certain cases.

The Trade Disputes Act, 1929, was amended in 1938 to provide for the appointment of conciliators as recommended by the Royal Commission. It also extended the definition of trade disputes to cover differences between employers and employees, or between workmen and workmen, and included transport and tramways under public utility services. Provisions concerning illegal strikes and lock-outs were also made less restrictive. Even so, for various reasons, the Act was not sufficiently used for settling labour disputes.

The Second World War called for more definite measures to deal with disputes than were provided under the then existing Acts or under the contemplated amendments. In January 1942, the Government of India introduced a new rule, Rule No. 81-A, to the Defence of India Rules, with a view to dealing with trade disputes. The details of this new rule have been quoted earlier in this chapter under the section on 'Policy Before and After Independence'. The principle of compulsory adjudication in the settlement of labour disputes was, as will be clear, introduced in the early forties and has remained with us ever since.

Industrial Disputes Act, 1947: Rule 81-A of the Defence of India Rules was in operation upto September 30, 1946; it was extended by an ordinance in 1946 for a further period of six months pending enactment of a suitable legislation. The Government had found the rule useful in preventing industrial unrest and felt the need to incorporate its compul-

sions in the permanent labour law of the country. The Government, therefore, enacted the Industrial Disputes Act in March 1947, incorporating in it many of the important provisions of the Trade Disputes Act, 1929, and the Rule 81-A of the Defence of India Rules. The Act provided for two new institutions *viz.* the 'Works Committees' and the 'Industrial Tribunals' for the prevention and settlement of disputes. The Act empowered the appropriate Government to order establishments employing more than 100 workers to set up Works Committees. Disputes could be referred to the Court of Enquiry, Board of Conciliation or Industrial Tribunal. It also sought to reorient the administration of conciliation machinery by making conciliation obligatory in all disputes in public utility services, and optional in other cases. With a view to expediting conciliation, time limits were prescribed for their completion. The Act prohibited strikes or lock-outs during pendency of conciliation or adjudication proceedings.

The following details show the functioning of the Central Industrial Relations Machinery:

TABLE III

	1969	1970	1971
1. Number of disputes referred to Central Industrial Relations Machinery	6,731	6,953	6,705
2. Number of failure reports received:—			
(i) of (2) above. No. of disputes referred to adjudication	323 (37+)	297 (31+)	368 (38+)
(ii) of (2) above. No. of disputes referred to arbitration	70 (80+)	55 (60+)	13 (10+)

Apart from the Central legislation, some of the State Governments, namely, Bombay, Madhya Pradesh and Uttar Pradesh had also taken statutory measures for prevention and settlement of industrial disputes. These, while containing most of the basic features of the Central Act, sought to supplement them in certain respects.

The First Plan: The Central Act was amended from time to time to take care of deficiencies in its working as also to suit requirements of planned development. The First Plan, for instance, recommended the framing of suitable statutory provisions on the following principles:

- (i) legal technicalities and formalities of procedure should be reduced to the minimum;
- (ii) the machinery and procedure should be adopted to varying needs;
- (iii) selection, recruitment and training of personnel of courts should be carried out to secure competent disposal of cases;
- (iv) there should be no appeal from decisions of an industrial court or tribunal save in exceptional cases; and

- (v) provision of law should be adequate to secure prompt compliance with the term of any award of decision.

The amended Act, therefore, provides for a three-tier system of original tribunals, consisting of Labour Courts, Industrial Tribunals and National Tribunals. The function of the Labour Courts is mainly to adjudicate upon certain minor matters. The jurisdiction of the Industrial Tribunals is wider and extends to more important matters like wages and allowances, hours of work, leave and holidays and bonus. The National Tribunals may be appointed by Central Government to decide disputes which involve questions of national importance and those which affect establishments situated in more than one State. In this process, the Labour Appellate Tribunals, which was brought into existence by an amendment of the Industrial Disputes Act in 1950 to bring about uniformity in Industrial Tribunal decision was abolished. By an amendment made in 1952, the appropriate Government has been empowered to include within the scope of general adjudication even units in which no disputes might actually exist. A provision has also been made in the Industrial Disputes Act for voluntary reference of disputes to arbitration by the parties themselves by written agreement and for the enforcement of voluntary agreements reached between the parties. A special feature of the Act is the provision made for lay-off and retrenchment compensation by an amendment carried out in 1953. This again was to answer the specific need of the hour when lay-off and retrenchment had affected the climate of industrial relations and some effective action was considered necessary against them.

The Second Plan: Apart from the reorganization of the industrial disputes settlement machinery to which a reference has been made earlier, the First Plan also made specific recommendations regarding the need for avoidance of industrial disputes, promotion of internal settlements, mutual consultation through various committees, collective bargaining, conciliation, etc. Much of what was recommended in the First Plan also held good in the Second Plan. The Second Plan recommended, in particular, the following:

- (i) "Greater emphasis should be placed on avoidance of disputes at all levels, including the last stage of mutual negotiations, namely conciliation.
- (ii) "Once dispute arose, recourse should be had to mutual negotiations and voluntary arbitration in the machinery for facilitating these stages should be built up by Central and State Governments. . . However, in intractable cases, where these methods fail recourse to Government intervention would be unavoidable.
- (iii) "While the responsibility for implementation should be mainly on the employer (public or private) an appropriate tribunal

should be constituted for enforcing compliance.

- (iv) "While observance of stricter discipline both on the part of labour and management is a matter which cannot be imposed by legislation — it has to be achieved by organisations of employers and workers by evolving suitable sanctions of their own, some steps legislative or otherwise in case of rank indiscipline to be thought off".

The emphasis was thus on prevention of disputes. But once a dispute arose, it was to be settled by mutual negotiations and recourse to adjudication was thought of only as a last resort. In addition, the Plan recommended the greater association of workers with management and their education to make them better citizens.

Code of Discipline in Industry: Most of the important recommendations made in the Second Plan were given effect to by the decisions taken at the 15th session of the Indian Labour Conference held in July 1957. This marked another important stage in the evolution of labour relations policy in India in a number of vital and far-reaching decisions were taken at that session. The session unanimously adopted a code called the 'Code of Discipline in Industry'. The code aims not only at the prevention of industrial disputes, but also at the creation of a suitable atmosphere for constructive co-operation between employers and workers. The significance of the code lies in its voluntary acceptance of mutual obligations. It places greater reliance on moral sanction than on legislation. The provisions of the code cover the entire field of industrial relations like the prevention and settlement of disputes, discipline at the plea of work, avoidance of work stoppages, implementation of the awards, agreements, settlement and decisions, avoidance of litigation, etc. The code required the framing of a model grievance procedure to minimize delays in the settlement of grievances.* A Central tripartite evaluation and implementation machinery has been set up to implement the code. Similar machinery exists at the State levels also.

On the voluntary side, the 'Code' of Discipline in Industry (1958) and the Industrial Truce Resolution (1962) continued to have their impact on industrial relations in the country. This is reflected in the data given in Table IV.

Worker Participation in Management and Workers' Education: As the objective of social and economic policy, the Second Plan referred to the need for creation of industrial democracy as a pre-requisite for the establishment of a socialistic society. As a first step in this direction, it recommended the increased association of labour with management.

*See Appendix I

It further observed that such a measure would help in "(a) promoting increased productivity for the general benefit of the enterprise, the employees and the community, (b) giving employees a better understanding of their role in the working of the industry, and (c) satisfying the workers' urge for self-expression, thus leading to industrial peace, better relations and increased co-operation." For this purpose, it suggested the setting up of Joint Management Councils consisting of representatives of employers and workers. Such councils are already operating in 80 units.

TABLE IV

	1969	1970	1971
1. Number of complaints received	609	696	306
2. Number of complaints not requiring action	240	186	47
3. Number of complaints requiring action	369	510	259
4. Of these requiring action (percentage of complaints)			
(a) Not substantiated on enquiry	6	3	2
(b) When the breaches were set right or settled otherwise	34	9	13
(c) Under investigation	60	88	85

The scheme of Joint Management Councils is designed to ensure closer and fuller association of workers in management on a voluntary but formally-defined basis. Such councils were functioning in 80 establishments, 31 in the public and 49 in the private sectors. The break-up of the units where Joint Management Councils were functioning during 1971-72 is as follows:

TABLE V

	Public Sector	Private Sector	Total
1. Manufacturing	9	33	42
2. Mining	13	13	26
3. Plantations	..	2	2
4. Service Industries	9	1	10
Total:	31	49	80

The aim of the concurrent scheme of workers' education was to educate the workers in their rights and responsibilities *vis-a-vis* production and for the better performance of their duties as citizens. It was also designed to enable them to participate intelligently in the scheme of worker participation in management. The scheme comprises the training of teacher-administrators and worker-teachers. The latter, on returning to their establishments on the completion of the training, start unit level classes for the rank and file. Substantial progress has been achieved under this scheme.

The Third Plan: The Third Plan did not suggest any major change in policy. It emphasized the economic and social aspects of industrial peace and elaborated the concept that workers and managements were partners in a joint endeavour to achieve common ends. The voluntary arrangements agreed to in the Second Plan were strengthened by the Industrial Truce Resolution, 1962, adopted in the wake of the Chinese Aggression. The Industrial Disputes Act was amended in 1965 with a view to giving an individual worker the right to raise a dispute connected with his discharge, dismissal, retrenchment or termination of service even if the cause of the individual workman was not espoused by any union or group of workmen.

Workers' Organizations: The evolution of the labour relations' policy of a country is conditioned by the existence of strong organizations of employers and workers. A strong trade union movement is necessary to safeguard the interests of labour and to achieve increased production and productivity. Workers in India have been exercising their right of association since the turn of the century but real encouragement to the movement came through the Indian Trade Unions Act, 1926. With some minor modifications, the Act still holds the field. While a number of trade unions were formed between 1926 and 1947, the real organizational effort on behalf of labour was seen only since independence. The number of registered trade unions increased from 2,800 in 1947-48 to 11,677 in 1961-62. The membership of the unions which furnished returns also increased in the same period from 1.7 to 4.0 million in 1960-61. While the number of trade unions and their membership has gone up during the 15 years, the number of members per trade union has declined.

The number of unions claimed and verified by the Indian National Trade Union Congress in 1966 was 2,046 and 1,305 respectively; that for the Hind Mazdoor Sabha was 498 and 258 respectively; and for the United Trade Union Congress 364 and 170 respectively. For details of the membership of the 4 Trade Unions and their membership for the period 1951-67, the following Table may be seen:

TABLE VI
Membership of Trade Union Organization
(1951-1967)

Year	Indian National Trade Union Congress		All India Trade Union Congress		Hind Mazdoor Sabha		United Trade Union Congress	
	Affiliated Unions	Membership	Affiliated Unions	Membership	Affiliated Unions	Membership	Affiliated Unions	Membership
1951	1,232	1,548,568	736	758,314	517	804,337	332	384,962
1956	604	930,968	481	306,963	157	211,315	228	195,242
1961	860	1,053,386	886	508,962	190	286,202	229	110,034
1967	1,305	1,417,553	808	433,564	258	436,977	170	93,454

A feature of the trade union movement in India is its dependence, to some extent, on outsiders for leadership. This has had both beneficial and harmful effects. But for the outside leadership, the movement would not have reached even its present dimensions and strength. At the same time, the association of outsiders has generated unhealthy rivalries. However, of late, a trend towards decrease in the number of outsiders managing trade unions is clearly discernible. It is hoped that Workers' Education Programme will accelerate this progress. The movement is at present affiliated to the four following main organizations of workers: (i) The Indian National Trade Union Congress which has the largest verified membership; (ii) The All-India Trade Union Congress, (iii) The Hind Mazdoor Sabha, and (iv) The United Trade Union Congress. To remedy the evils of a divided Trade Union Movement, a code, called the 'Inter-Union Code of Conduct' was voluntarily accepted in 1958 by all the Trade Union organizations as a complement to the Code of Discipline in Industry. The Code of Conduct aims at the promotion of harmonious inter-union relation and healthy growth of trade union movement.*

Employers' Organizations: The employers are organized industry-wise and also region-wise. There are, for instance, employers' organizations for textiles, tea, coffee, mining, engineering and so on, in centres where their special interest requires protection. Chambers of Commerce or business associations functioning in important cities and trade centres bring together varied interests among the employers' organizations. Those associations, however, form an integral part of the national organizations, such as the All-India Organization of Industrial Employers, the Employers Federation on India and All-India Manufacturers Organization. These organizations, as also the workers' organizations referred to earlier, are recognized by the Government and participate in the discussions at the national level. In addition to these, there are also professional bodies like the Indian Institute of Personnel Management in Calcutta, the National Institute of Labour Management in Bombay which spread ideas concerning the importance of human values in industry and promote healthy labour-management relations.

IV. Wages and Social Security

In countries where the employers' and workers' organizations are well matched, wage agreements are arrived at on the basis of collective bargaining. While this approach is prevalent in India where unions are strong, the dominant pattern for wage settlement is through State intervention which during World War II, secured for workers some

*See Appendix II

wage increases. Even so in real terms, the situation had deteriorated as compared to the pre-war because of the rise in prices. In the absence of guiding principles, the wage awards of those days were based on the individual judgement of adjudicators and the conditions prevalent in individual units. In consequence, a number of anomalies crept in the wage structure. The task in the post-war period, therefore, was to secure the 1959 level of real earnings and simultaneously proceed in the direction of evolving a scientific wage pattern.

Wage Policy: Since 1948, wage standardization has been secured in almost all important organized industries mainly through the efforts of Industrial Tribunals, — except in recent years when wage boards have become more common. A vital component in addition to the basic wage since World War II has been the dearness or cost of living allowance. The system of paying a bonus to workers, which also started during the World War II in certain industries, has now become an accepted annual addition to the pay packet.

The First Plan: Subject to reasonable restraints on wages and profits, the main aim of wage policy was to “restore the pre-war real wages, as a first step towards the living wage, through increased productivity resulting from rationalization and renewal or modernization of plant.” Wage increase to remove anomalies or where the existing rates were abnormally low was also not ruled out. In settling wage claims, it was recommended in particular that:—

- (i) wage adjustments should conform to the broad principles of social policy and disparities of income have to be reduced to the utmost extent;
- (ii) the claims of labour should be dealt with liberally in proportion to the distance which the wages of differed categories of workers have to cover to attain the living wage standard; and
- (iii) the process of standardization of wages should be accelerated and extended to as large a field as possible.

The working of the wage policy in the First Plan resulted in substantial gains to the industrial workers. For the first time, the wages of workers reached the pre-war level in 1953 and even went beyond significantly by 1955. The improvement in real wages was due partly to the increase in money earnings which went up by about 20 per cent over the period and partly to the fall in the price level.

The Second Plan: It was framed in the atmosphere of increasing unemployment and which emphasized the need for developing basic industries, recommended a cautious wage policy directed towards avoiding inflationary pressures. It admitted that much remained to be done

especially in matters like covering the distance between the existing wage and 'fair wage', but progress in this regard would only be gradual. It said the evolution of a wage policy which aimed at a structure with rising real wages required to be evolved. The drag exercised by the marginal units in drawing a suitable wage structure based on the principle of fair wage, was recognized and steps to make these units more viable were recommended. Several recommendations to improve productivity, like introduction of incentive payments, payment by results, rationalization etc., were also made. The Plan further stated that "a more acceptable machinery for settling wage disputes will be one which gives the parties themselves a more responsible role in reaching decision. An authority like a Tripartite Wage Board, consisting of equal representatives of employers and workers and an independent Chairman will probably ensure more acceptable decision. Such Wage Boards should be instituted for individual industries in different areas."

In pursuance of the recommendation made in the Plan, a number of Wage Boards were set up during the Second Plan. These covered major industries like cotton textiles, cement, sugar, jute and tea plantations. The final recommendation of the first three were received before the expiry of the Second Plan period and their implementation started from 1960. Almost all the units in those industries have by now implemented these recommendations. The other Wage Boards and those constituted since have completed their work. The impact of the policy pursued in the Second Plan resulted in an increase in money wages by about 19 per cent during the period. However, in real terms, the workers suffered as compared to the First Plan due to increase in the price level.

The Third Plan: The policy in regard to wages in the Third Plan was more or less an extension of the policies pursued in the two previous Plans. Recognizing the need for rapid economic progress, the Plan suggested that the fruits of economic progress should be shared equitably and that economic and social organizations should be oriented towards achieving the objectives of a socialist society. In particular, it was stated that the surpluses generated in industry were a social product to which neither employers nor workers could lay an exclusive claim, their distribution must be according to the worth of the contribution of each, subject to the needs of development and the well-being of all sections of the community, especially the satisfaction of the basic needs of all. The need for improving productivity both in the context of larger economic programme and the improvement of the standard of living of the working class was highlighted in these words: "Neither the exercise of their organized strength in industrial conflicts nor laws and the intervention of State can help the workers much in realizing their aspirations. Their gains can arise only out of the strength and dynamism of the econo-

my, the only enduring basis of which is a rising level of productivity. No increase in profits which does not come out of improvements in productivity but has its origin in current scarcity and the stresses of development, can be regarded as a sign of prosperity. For the workers no real advance in their standard of living is possible without a steady increase in productivity, because any increase in wages generally, beyond certain narrow limits, would otherwise be nullified by rise in prices."

The First Plan recommended that wage increase should be granted mainly to remove anomalies or where the existing rates were very low. It also recommended restoration of the pre-war levels of real wages as a first step towards a 'living wage'. These features were reasserted in the Second Plan, but a shift in emphasis was introduced: it required that improvement in wages should result mainly from increased productivity. Two developments during this period are worthy of note: (i) the recommendation of the 15th Indian Labour Conference in regard to the need-based minimum wage, and (ii) the Report of the Second Pay Commission in respect of Central Government employees, whose recommendations about the need-based minimum wage created public controversy. The Third Plan generally endorsed the recommendations of the earlier Plans in regard to the minimum wage with the proviso quoted above.

By 1970, all the Wage Boards which had been set up in the previous years had submitted their reports, and Government decisions on these reports have been announced. This completed the process of wage fixation in all the major industries for which Wage Boards were set up since the inception of the system in 1957.

Bonus Commission: Apart from the setting up of new Wage Boards already referred to a significant step taken during the Third Plan was the setting up of the Tripartite Bonus Commission to study the problems connected with bonus claim and to evolve guiding principles for bonus payment. The commission which submitted its report in 1964 has recommended in particular:—

- (i) That the surplus available for payment of bonus should be determined after providing for depreciation, income tax, super tax and returns on paid up capital at 7 per cent and on reserves at 4 per cent.
- (ii) That an employee should be entitled to a minimum of 4 per cent of his annual earnings made up of basic wages and dearness allowance as bonus or Rs. 40.00 whichever was higher.
- (iii) That 60 per cent of the available surplus should be earmarked for the payment of bonus.
- (iv) That the maximum limit for the payment of bonus should be 20 per cent of the earnings by way of basic wage and dearness

allowance.

The commission has also made detailed recommendations in regard to the employees to whom their recommendations should apply, the maximum bonus payable to certain categories of employees, the manner of providing for set off and set on, etc.

The Payment of Bonus Act, 1965, was enacted very recently. It must be given a longer period of trial. Some workers' organizations have objected to the coverage and quantum of the available surplus. Bonus payment already covers a large number of workers coming under the Industrial Disputes Act of 1947 who formerly did not have this benefit. Also, the available surplus for bonus payment has already been enlarged by the recent amendment to the Payment of Bonus Act, 1965. Calculations made at the official level indicate that the additional amount disbursed in bonus as a result of the implementation of the Payment of Bonus Act is about Rs. 16 crores and the tax loss about Rs. 8 crores annually.

One of the significant achievements during 1971 was an agreement brought about between the workers and employers on the question of bonus for the year 1970. The agreement *inter-alia* provided for the payment, in addition to the statutory minimum bonus, a graded advance ranging from 1 to 4½ per cent based on the gross profits earned. The advance was to be adjusted against future payments of bonus payable subject to decisions on the recommendations of the 'Committee on Bonus' to be set up for the purpose. The setting up of a Tripartite Committee to go into the whole question of bonus was endorsed at the 27th Session of the Indian Labour Conference held in October 1971. The composition and terms of reference of the committee are expected to be announced soon.

It will now be useful to study the changes in money and real earnings in recent years for certain categories of workers. The Table VII gives the indices of money and real earnings of industrial workers since 1947. Although a strict year-to-year comparison is vitiated to some extent by changes in scope, coverage etc., these figures give a fairly accurate picture of the gains accruing to labour since independence. The indices relate to average annual earnings of employees earning less than Rs. 200 per month in factories covered under the Payment of Wages Act, 1936.

The money earnings of workers in the manufacturing sectors have gone up by 71 per cent in 1970 as compared to 1961. The real earnings rose only by 1 per cent during the same period. The latest available data for 1970 shows that in 1970, the real as well as money earnings of those workers had increased by 6.9 per cent and 7.4 per cent respectively as compared to the level in the previous year.

Coal Miners: A long history of wage disputes in coal mining came to

an end with the enforcement of the award of the All-India Industrial Tribunals (Collieries). The Coal Tribunals' award which came into effect from about the middle of 1956, recommended increase in the wages of different categories of workers. Since then, employers and workers have shown considerable wareness of their responsibilities and the industry has been working with an improved level of efficiency. A Tripartite Wage Board was set up in 1963 to analyse the wage structure etc., in coal mining. An interim increase in wages was recommended by the Wage Board. An indication of the gain made by the coal mine workers since independence can be had from the Table VIII which gives the indices of money earnings of workers employed in mines.

TABLE VII
Indices of Money Earnings and Real Earnings of Employees Earnings Rs. 200
Per Month in Factories Covered by the Payment of Wages Act, 1956 (1947=100)

Year	Money earnings	All-India average consumer price index	Real earnings
1948	120.0	111.7	107.4
1949	134.4	115.0	116.9
1950	132.0	115.8	114.0
1951	140.9	120.8	116.6
1952	150.9	118.3	127.6
1953	151.0	121.7	124.7
1954	151.8	115.8	131.1
1956	159.4	110.0	144.9
1956	162.6	120.8	134.6
1957	170.2	127.5	133.5
1958	172.3	133.3	129.3
1959	178.1	139.2	127.9
1960	189.4	142.5	132.9
1961	193.7	145.0	138.9
1962	204.3	149.6	135.6
1963	206.0	154.1	132.7
1964	214.7	144.8	148.3

TABLE VIII
Indices of Money Earnings of Workers Employed in Mines during
December Each Year on Base: 1947=100

1947	100.0	1955	132.4
1948	105.5	1956	173.0
1949	109.7	1957	192.6
1950	114.3	1958	105.6
1951	120.5	1959	220.6
1952	127.4	1960	228.5
1953	127.2	1961	238.6
1954	129.9	1962	246.9

In the mining sector also, the money earnings and real earnings of workers had increased by 96 per cent and 16 per cent respectively in 1969 as compared to 1961.

Central Government Employees: The pay and service conditions of Central Government employees come up for review by the First Pay Commission in 1946-47. Prior to this, for about 30 years the basic

structure of salaries of Government servants continued to conform to the pattern recommended by the Royal Commission on the Public Services in India (1912-15). The Royal Commission on the Superior Civil Service in India (1923-24) expressed full agreement with the principles adopted by the earlier commission. With the passage of time, a necessity arose to review the pay and service conditions of Central Government employees and accordingly a Second Pay Commission was set up in 1957 to:—

- (i) "Examine the principles which should govern the structure of emoluments and conditions of service of Central Government employees" and
- (ii) "Consider and recommend what changes in the structure of emoluments and conditions of service of different classes of Central Government employees are desirable and feasible."

In making their recommendations, the Commission was to take into account the historical background, the economic conditions in the country and the implications and requirements of developmental planning, and also the disparities in the standard of remuneration and conditions of service of the Central Government employees, on the one hand, and of the employees of State Governments, local bodies and aided institutions, on the other, and all other relevant factors.

The Commission made detailed recommendations in 1959 in regard to the various matters referred to it and those come into effect on July 1, 1959. The present wage structure and service conditions of Central Government employees are the outcome of those recommendations. Some State Governments have also followed the Central Government and had the wage structure etc. of their employees examined by competent bodies.

The Government announced on April 30, 1970, a 5-member Third Pay Commission for Central Government employees. This Commission was asked to enquire into and make recommendations regarding—

- (i) the principles which should govern the structure of emoluments and conditions of services of Central Government employees;
- (ii) what changes in the structure of emoluments and conditions of service of different classes of Central Government employees were desirable and feasible;
- (iii) death-cum-retirement benefits of Central Government employees;
- (iv), (v) & (vi) the same for all-India services; personnel belonging to armed forces; and employees of Union Territories;
- (vii) while inquiring into the level of minimum remuneration, the Commission may examine the Central Government employees' demand for a need-based minimum wage, having regard to all relevant factors.

In case the need for consideration of relief of interim character arises during the course of the deliberations of the commission, the

commission could consider the demand for relief of an interim character and send reports.

Under this provision, the Commission did recommend two Interim Reliefs till the end of 1972, and the Government accepted the recommendations.

Banks: The award of the First Pay Commission had its impact on the pay and service conditions of bank employees who were placed more or less in a similar position as the Central Government servants. In particular, in the year following independence, the white collar group in different industrial and commercial employments started building up its own organizations and a number of wage disputes in banks, insurance companies and important commercial houses were settled directly or through the machinery of conciliation and adjudication provided by the Government but by themselves these did not help in a uniform determination of wage levels in the banking industry. Starting with the Sen Tribunal in 1949, the demands of the bank employees were examined by several agencies like the Sastry Tribunal in 1952, the Labour Appellate Tribunal in 1954 and the Bank Award Commission in 1955. The recommendations of the Commission were embodied by the Government in the Industrial Disputes (Banking Companies Decision) Act, 1955, which remained in force till March 31, 1959. The Government, thereafter, constituted the National Industrial Tribunal (Bank Disputes) in 1960 to adjudicate on the dispute between the banks and their employees. The Tribunal by its award in June 1962 divided the banks into three categories and the country into three areas and recommended pay scales for various categories of staff separately for each class of bank and the area in which it was located. To compensate for a rise in prices, it recommended a system of dearness allowance linked with cost of living index with a 100 per cent neutralization for subordinate employees and smaller for others. Recommendations were also made about provident fund, gratuity, pension, retirement age and special allowance for some categories of workmen. The award was accepted in full by the Government.

Working Journalists: The lack of a standardized wage structure and the consequent discontent for working journalists led to the appointment of Wage Board for them in 1957. The recommendations of the board were set aside by the Supreme Court on the ground that they did not take into account the paying capacity of the industry. As a result, a committee was set up in 1958 to examine the wage scales. The committee's report was implemented in 1959 with some modifications. A Wage Board was appointed in 1963 to examine afresh the structure of wages in this industry.

Agricultural Workers: The difficulties in securing minimum wages in agricultural occupations is well recognized. It has, therefore, been considered that a selective approach might help in achieving enforcement of wage standards. To permit such selection, the Minimum Wages Act was amended to enable the State Governments to fix wages for certain categories of agricultural workers and in selected areas of each State, where the wage level was considered to be abnormally low. Several State Governments had already fixed minimum wages in agriculture on this pattern. The wage rates for persons employed in agricultural occupations vary from place to place. To obtain useful information regarding the wages, employment, etc. of agriculture workers, two enquiries were conducted, the first in 1950-51 and the other in 1956-57. A close scrutiny of the data thrown up by those enquiries revealed that there was no marked deterioration or improvement in the economic conditions of agricultural labour households in 1956-57 as compared to 1950-51. It would thus appear that the Plan objective of improving the conditions of the lowest stratum of the community has not been achieved during the period covered by the two enquiries.

Among the unorganized groups, agricultural labour is the most important. The benefits of general economic development have not reached this group of workers to any appreciable extent. The draft Fourth Plan provides for various programmes for improving the lot of agricultural workers. The Department of Labour and Employment have proposed action programmes for promoting welfare of agricultural workers through Model Welfare Centres, Mobile Health Units, Shopcum-Cinema Vans, etc., and for setting up an advisory service on the lines of the Factory Advice Service, to undertake work study in the field of agriculture to afford facilities of training and assistance to agricultural labour to attend to the problems of safety, hygiene, etc. A beginning will be made with work on these lines consistent with the funds that could be made available for this purpose.

Wage Census: On the recommendation of the Second Plan, an occupational wage survey was conducted during 1958-59. The survey throws light on the numerical aspect of employment according to the representative occupational groups and their employment status, wages and earnings, concentration and dispersion according to sex groups, time and piece work, job description, wage differentials, etc. It is expected that the information thus collected would be of immense use to the wage fixing authorities and may provide the basic material for defining and establishing suitable relationships between workers, jobs and groups of jobs. The census covered 37 factory industries, three plantations and four mining industries. These together represent approximately 76 per cent of employment in factories, nearly the whole of plantations

and 85 per cent in mining. The General Survey Report has been published along with reports covering all the 44 industries.

The second Occupational Wage Survey was conducted during September 1964 and February 1965 and the data collected by it were scrutinized, coded and preliminary tabulations completed. In August 1968, it was decided that tabulation of the data in respect of the Survey should be done by the Machine Tabulation Unit of the Bureau. Accordingly, preparation of the detailed instructions for estimation procedure to be adopted for different items of information was started and the major portion of this work had been completed by 1970.

Social Security: The successful working of the social security schemes in other countries provided the necessary impetus and guidance for the introduction of social security schemes in India. The earlier measures for ensuring social security to workers include legislation providing for workmen's compensation for all workers and maternity benefits for women workers. The employer was held responsible for the payment of compensation to workers, according to a fixed schedule in cases of incapacity, permanent disability and death. The payment of maternity benefits to women workers is governed by State enactments. In order to bring about uniformity in maternity benefits available under different enactments, the Central Government passed the Maternity Benefit Act, 1961. The Act is applicable, in the first instance, to mines, plantations and factories covered by the Employees' State Insurance Act. It incorporates the important progressive measures included in all the then existing acts on this subject.

Employees' State Insurance: The passing of the Employees' State Insurance Act, 1948, was another significant step taken towards provision of social security measures. The Act enabled the factory worker to obtain sickness, maternity, disablement, medical and dependent benefits. Provision also exists for availing himself of free consultation, medicines, specialist treatment, artificial limbs, dentures, spectacles, etc. The scheme, which originally covered workers in some important industrial centres like Bombay, Calcutta and Kanpur, has been gradually extended as indicated at the end of this Section.

Under the Employees' State Insurance Scheme, the total number of employees covered was 38.61 lakhs in 333 centres as on December 31, 1971. There are so far 44 full-fledged Employees' State Insurance Hospitals with 6,666 beds, 20 annexes with 461 beds, and 137 State Insurance Dispensaries functioning in the E.S.I. Corporation buildings. Besides, 15 Employees' State Insurance Dispensaries with 2,463 beds, 2 annexes with 42 beds, and 18 State Insurance Dispensaries were under different stages of construction. In all, 10,147 beds are now available for

the use of insured persons and their families. The total number of beneficiaries of medical benefit, as on December 31, 1971, was 163.70 lakhs.

Provident Fund: The introduction of the scheme of Contributory Provident Fund in 1952 was another important step towards the provision of adequate social security to industrial workers. The scheme was initiated in the coal mines in 1947. Since the enactment of the Employees' Provident Fund Act, 1952, the Provident Fund Scheme has been introduced in the industrial establishment employing 50 or more persons in the initial stage. It provided for a contribution on the part of both of employers and workers at the rate of 6½ per cent of wages and dearness allowance. In 1958, the distinction between public and private undertakings was abolished, while in 1960 the employment limit was reduced to 20. Originally the scheme was applicable to six industries, but it was gradually extended to 84 industries covering 2.51 million workers by the end of 1963. The Employees' Provident Fund Act, 1952, was amended in 1971 to provide for the benefit of family pension to its members. The Act, in the amended form, is now called the Employees' Provident Fund and Family Pension Act, 1952. It has been extended to 126 classes of establishments/industries by the end of 1971. The number of subscribers as on September 3, 1971, was 60.51 lakhs against 57.40 lakhs on September 30, 1970. The enhanced rate of contribution of 8 per cent was applicable to 92 industries/classes of establishments. The total contribution to the Fund collected in both exempted and unexempted establishments (including interest and other receipts) was Rs. 2,091.42 crores as on September 30, 1971. The amount refunded by the same date was Rs. 770.96 crores (progression). The rate of interest to be credited on the contributions to the Fund by the members was raised from 5.7 per cent for 1970-71 to 5.8 per cent for 1971-72.

The Family Pension Scheme framed under the Employees' Provident Fund and Family Pension Fund Act, 1952, and introduced from March 1, 1971, is financed by diversion of a portion of employers' and employees' contributions to the Fund amounting to 1.1/6 per cent of worker's total emoluments, with a matching contribution by the Central Government. In the event of premature death while in service, the worker's family is entitled to pension and life assurance benefits. In the event of retirement, the member is entitled to a lump sum payment. From January 1, 1964, a scheme of Death Relief Fund was introduced with the object that the widow and children of the worker, in the event of his sudden death, should get a minimum of Rs. 500/- even if the contributions of the worker and the employer concerned fell short of Rs. 500. The limit was raised to Rs. 750 on August 1, 1969, and the benefit is now given to the nominees/heirs of such persons whose pay

does not exceed Rs. 500 per month at the time of death. Under the Provident Fund Scheme non-refundable advances are permitted for the life insurance premia, house building, relief during lock-outs or closures, purchasing share of consumers co-operative societies, etc. Apart from these, the Provident Fund serves the purpose of channelizing the savings of the working class for developmental purposes under the Plan and helps to check consumption.

Gratuity: Gratuity is another measure of social security. At present, however, it is left either to the parties to negotiate the quantum of gratuity or for industrial tribunals to award it when specific disputes are referred to them. The practice, however, is not widespread, but in cases where gratuity was awarded, was linked with the years of service put in by a worker with an employer, subject to a certain maximum.

Lay-off and Retrenchment Benefits: As referred to earlier, there is also a statutory obligation on an employer to compensate workers in case of lay-off and retrenchment. These provisions require that an industrial establishment employing more than 50 workers should pay compensation equal to 50 per cent of the total wage for a maximum period of 45 days in a year provided they have continuous service of 240 days. The Act also lays down that when a worker has put in a year's continuous service or more, he should be entitled to a month's notice before retrenchment, or payment in lieu of such notice in addition to gratuity.

Integrated Social Security: From the foregoing account, it will be clear that Government has taken steps to provide a measure of social security for different sections of the working class. If the work of these agencies could be combined under one unified administration, it might be possible to provide better benefits to workers without any extra cost either to employers or workers. Recommendations of the working group specially constituted for the purpose are under examination by Government. A Special Officer was appointed in January 1971 to examine the legal, administrative and organizational matters connected with the integration of social security schemes and to prepare a detailed blueprint of integration. The report of the Special Officer has since been received and is under consideration of the Government.

V. Working and Living Conditions

Congenial working and living conditions play a vital role in promoting labour efficiency, they are a part of improving the conditions of workers, to which the Government's attention is drawn from time to time. The discussion so far covers mainly protection against exploitation and pro-

vision of remuneration as may have a salutary effect on the productive efficiency of the worker. But simultaneously the upkeep of the place of work and machines with which a worker has to operate have to receive attention and so also housing, which forms an important part in the worker's life.

The Government has taken certain legislative measures from time to time to indicate the minimum welfare measures to be provided at the place of work. The Factories Act of 1948, which came into force more or less at the same time as employment in factories came to be recognized as a way of life, seeks to regulate the working conditions at the factory premises. Strangely, the pressure for such legislation came from employers in the U.K., whose competitive capacity was affected by the sub-normal working conditions under which manufacturing was possible in India. With the passage of time, this legislation was revised. A major revision was undertaken in 1954, after the Royal Commission on labour made its recommendations. A complete overhaul of the earlier legislation in factories, mines, and new legislation for plantations covering the same ground was undertaken in the early years of independence. The salient features of the important pieces of legislation on the subject and a brief account of what has been achieved in the field of industrial housing and welfare activities are given in the following paragraphs.

Protective Legislation: The Factories Act, 1948 prescribes certain minimum standards of lighting, ventilation, safety, health and guarding machinery to avoid accidents in the course of work. It prohibits the employment of women between certain hours, etc. The Act covers all establishments which use power and employ ten or more persons. It also applies to establishments employing 20 or more persons and not using power. The State Governments have been given power to extend the application of the Act to factories which do not fulfil the above minimum conditions. There is a system of licensing under the Act which requires every factory to register with the State Inspectorate. The Plantation Labour Act, 1951, is another protective legislation brought in for the first time to regulate conditions of work in tea, coffee, rubber and cinchona plantations. There is the usual prohibition of work for children. There are elaborate provisions for laying down standards of welfare, housing, medical facilities and the like. The Mines Act of 1952 regulates the working and safety conditions in mines and provides for the regulation of working hours, over-time payment and holidays with pay. By a separate legislation a labour welfare fund is created for workers in coal and mica mines with appropriate executive agencies to administer the fund.

The Dock Workers (Regulation of Employment) Act 1948 deals with the special problems of dock workers and provides adequate health and safety measures.

There is no central legislation regarding shops and commercial establishments, but most State Governments have legislation in this regard. The implementation of this act is left to local bodies within the State.

Standing Orders: A related enactment is the one that deals with the standing orders which are required to be framed by employers and certified by the authorities after consulting workers. These orders lay down classification of workers, manner of intimating to workmen the period and hours of work, shift working, closing and opening of establishments after temporary stoppage, termination of employment, the definition and procedure to deal with misconduct, means of redress to workers against unfair treatment and so on.

It is useful to bring together the common provisions under all these Acts in an attempt to compare working conditions in different kinds of employments.

Hours of Work: A uniform 48 hour-week has been prescribed for all categories of adult workers employed in seasonal and perennial factories, daily employment not to exceed 9 hours. In the case of children, the working day is only $4\frac{1}{2}$ hours. The provision under the Mines Act is the same as under the Factories Act, except that for persons who work underground, the working hours in a day cannot exceed 8. In plantations, the working week is 54 hours for adults and 40 hours for adolescents. The shops and commercial establishments are required to see that their employees do not work for more than 8-10 hours a day. State Governments are empowered under the Minimum Wages Act to fix hours of work in scheduled employments and have laid down provisions similar to the Factories Act in such employments. Night work has been prohibited in all these acts for women and children. A minimum rest interval has also been uniformly provided.

Leave and Holidays: The system of paid holiday for workers was introduced in perennial factories in 1945. This privilege was extended to all factories in 1948, to plantations in 1951 and to mine workers a year later. The factory and plantation workers are at present entitled to paid annual holidays at the rate of one day for every 20 days of work for adults and one day for every 15 days of work for children. The Mines Act provides for the grant of 14 days' leave with pay to monthly paid employees and 7 days to others. In most States, employees in shops and commercial establishments are statutorily entitled to weekly holidays, privilege leave and casual leave with pay. In addition to leave with pay, the Standing Orders permit absence on leave without pay to the extent of 30 days. There are also some paid festival holidays in different

States, but the number of these holidays varies from region to region.

Safety, Health and Welfare: Under the Mines Creche Rules 1959 (as amended in January 1966) it is obligatory for the mines managements to provide creches in every mine where women are employed or were employed in any of the preceding 12 months. At the end of December 1969, creches were provided at 384 non-coal mines.

Special care has been taken to ensure better standards of health, safety and welfare of workers during working hours. The Factories Act stipulates the minimum requirements of cleanliness, lighting and ventilation and provides for the disposal of wastes and effluents, the elimination of dust and fumes and the control of temperature in factories. It seeks to eliminate overcrowding by prescribing minimum cubic feet of space for each worker and lays down in detail the precautions to be taken for ensuring safety. Elaborate provisions have also been made in the Mines Act for safeguarding the health and safety of miners. There is a provision for regulating standards of lighting, ventilation etc., in mines. Adequate sanitary arrangements have to be provided for workers in factories, mines and plantations. Wholesome drinking water requires to be provided in every establishment. Because of the nature of their work, plantation workers have to be adequately protected against rain and cold, and this has also been provided under the Act.

Under the Plantation Act, State Governments are authorized to prescribe the standards of medical facilities which the employer must provide. They are also empowered to make rules requiring the provision of recreational facilities for workers. The standards for canteens, recreational and educational facilities which the employers are required to provide have to be prescribed by rules framed by the State Governments.

Apart from these statutory requirements, certain facilities are left for voluntary action, either by Government, employers' or workers' organization or through special agencies like welfare funds financed by special levies. These relate mainly to facilities outside the undertakings, and cover a wide field like programmes for physical fitness and efficiency of workers, health services, social education, community recreation and cultural activities, holiday homes, workers' co-operatives, etc.

The facilities presently being offered to workers by many progressive private sector employers and in places like Chittaranjan in West Bengal, Sindri in Bihar and Perambur in Madras and many similar public sector undertakings maintain the high standards expected of good employers. The old and established railway system has a wide network of hospitals, dispensaries, schools and recreation centres for employees belonging to different cadres.

Some of the well organized trade unions also provide welfare facilities

to workers. Holiday Homes have been opened at some places. The Posts and Telegraph Department has organized clubs, resthouses, canteens, and tiffin rooms for their employees. Night schools have been provided for the benefit of such of the staff as want to take advantage of them. Where it is not possible to construct hospitals, medical aid is provided through dispensaries and by reserving beds in existing hospitals. The working of welfare schemes in the companies and corporations owned or controlled by the Central Government are supervised by Labour Officers drawn from Central Labour Officers Pool constituted by the Ministry of Labour and Employment.

Apart from the provision of welfare facilities, labour has to be protected from environmental hazards. A number of relevant studies have been undertaken recently to assess systematically the health hazards in selected industries which include textiles, tanneries, shellac, chemicals, mica mining and processing, storage battery manufacture, pottery ceramics, etc. These studies and investigations on occupational diseases have considerable educative value for all concerned. An expansion of such activities on the basis that the effort requires the co-operation of various connected disciplines, has taken place with the establishment of the Central Labour Institute, Bombay, and the three regional institutes at Calcutta, Coimbatore and Kanpur.

In addition to the Central Government, most State Governments also run labour welfare centres in places where there is a concentration of industrial and other workers. The field of activity of the different centres varies. But they generally provide facilities for recreation for men, women and children, reading-rooms and libraries, literary classes for workers, educational facilities for workers' children, handicrafts for workers' families, social and cultural activities, etc. Apart from running welfare centres themselves, some State Governments give financial assistance to centres run by trade unions.

Special organizations exist to promote the health and welfare of workers in coal and mica mines. They are financed through a cess levied on the production of these minerals. The Coal Mines Labour Welfare Fund maintains two hospitals, one at Dhanbad and the other at Asansol, and a chain of regional hospitals and dispensaries, maternity and child welfare centres in important coal-fields. Grants-in-aid from the Fund are permissible to dispensaries maintained by employer and public bodies. Anti-malaria operations conducted by the organization have reduced the incidence of malaria.

The Coal Mines Labour Welfare Fund continued to play its part in improving the living and social conditions of coal miners and their dependents. Three Central Hospitals, one each at Dhanbad, Asansol and Mahendragarh with 300, 350 and 50 beds respectively, continued to provide facilities to workers. In addition, 12 Regional Hospitals have

also been functioning in the various coal-fields. The total number of indoor and outdoor patients treated in the hospitals during the year were 42,983 and 238,336 respectively.

Similar organization for mica miners maintains a number of static and mobile dispensaries in mica mining centres. The other activities of these organizations are, first, to run multi-purpose miners' institutes at mica and coal-fields; secondly, to open welfare centres for women and children of miners, and thirdly, to finance adult education activities and to run primary and middle schools for the benefit of the miners' children.

Housing: Apart from the efforts of a few enlightened employers and fewer workers' organizations and certain attempts of Government and local bodies, no co-ordinated action in regard to industrial housing was taken until after 1947. Housing figured prominently in the Industrial Truce Resolution adopted in December 1947, and in 1948 the Government of India announced, as a part of their policy, a scheme for substantial improvement in industrial housing. In 1952, the scheme was revised and a subsidized industrial housing scheme was introduced. Under this scheme, loans were given by the Centre to meet a part of the cost of construction. State Governments, employers, statutory housing boards and co-operative house building societies of industrial workers were eligible for such assistance. By the end of the Second Plan, the construction of about 140,000 tenements costing Rs. 45 crores was approved. About one hundred thousand houses were completed and the rest were at different stages of construction. A further provision of Rs. 32.86 crores was made in the Third Plan with a target of another 80,000 houses.

Under the Annual Plan for 1966-67, an outlay of Rs. 24.06 crores for housing was proposed. The reduced outlay was due to the general directive that housing programmes should be slowed down during the Emergency so as not to draw heavily on the financial resources as well as on building materials required for other emergency needs. During 1966-67, the main effort would be to complete schemes in hand for which commitments have been made. Practically, no new schemes of construction would be undertaken during 1966-67.

Apart from the subsidized industrial housing scheme, the Government of India have other housing projects like the Low Income Group Housing, Village Housing, Plantation Labour Housing, Dock Labour Housing, etc. So far as industries in the public sectors are concerned, whenever a decision to set up a unit is taken, financial provision is made for adequate housing. The housing of plantation workers received considerable attention in 1950. A phased programme of providing houses of reasonable standard by the end of 1960 was accepted by em-

ployers and carried out in larger measure. The Coal and Mica Mines Welfare Funds set apart large sums specifically for housing for miners. Subject to the availability of building materials, fair progress has been achieved in this field since independence.

The up-to-date position regarding the housing facilities for coal-field workers is given below:—

TABLE IX

	<i>Number of houses constructed upto 31.12.69</i>	<i>Number of houses constructed upto 21.12.70</i>	<i>Number of houses constructed upto 31.8.71</i>
1. New Housing Scheme	37,149	40,289	41,627
2. Low Cost Housing Scheme	16,424 houses 117 barracks	17,375 houses 142 barracks	17,964 houses 146 barracks

A few States also provide housing facilities for agricultural workers. In Madhya Pradesh, for instance, free house sites are given to agricultural workers. In Tamil Nadu and Andhra, agricultural workers are being provided with similar facilities. The Government of Bihar have a scheme for the construction of houses for landless workers. Improvement in rural housing standards was also a part of the comprehensive rural development programme of the Ministry of Community Development. To provide the necessary technical assistance, a rural housing cell was established by the Central Government in the appropriate Ministry. Similar cells were also set up at the State level.

Housing Co-operatives: To encourage self-help in housing, the Government provides developed plots at a small charge, arranges for advice on techniques of house construction to workers or groups of workers and permits small loans for the purchase of materials. This scheme has proved popular in some States and has been a help in the programme of slum clearance.

The Industrial Housing Scheme: Achievements under the Industrial Housing Scheme in the First, Second and Third Plans were 57 per cent, 97 per cent and 71 per cent respectively. The main factors that impeded progress were reported to be (i) low priority given by the State Governments to housing projects *vis-a-vis* other development schemes, (ii) non-utilization of even the small allocations made, (iii) diversion on funds to meet other urgent needs, (iv) scarcity of developed land in urban areas, (v) high cost of building material, and (vi) lack of capacity of workers to pay even the subsidized rents.

Out of the total of 159,871 houses built under the scheme till the end of 1967, only 30,498 (19 per cent) had been built by the employers. This explains in part the tardy progress of the scheme. Some of the employers' difficulties were genuine but the response from them has conti-

nued to be discouraging. The original Subsidized Industrial Housing Scheme has been integrated with the housing programme for the economically weaker section of the community since April 1966 and is now known as the Subsidized Housing Scheme for Industrial Workers and Weaker Sections of the Community.

To sum up, labour relations continued to be regulated by the protective legislative measures introduced in earlier Plan periods and the tripartite arrangements. Special mention should be made of the Payment of Bonus Act of 1965, Shops and Commercial Establishments and Labour Welfare Fund Acts in States. A National Safety Council was set up in 1966. Out of the 22 Wage Boards set up covering almost all major industries, 17 have put in reports. Under the Minimum Wages Act of 1948, minimum wages are fixed and periodically revised by State Governments in respect of various agricultural and other trades. A National Commission on Labour was set up in December 1966, to study and make recommendations on various aspects of labour including wages, working conditions, welfare, trade union development and labour management relations.

The National Commission on labour submitted its report to Government on August 28, 1969, and made 300 recommendations/observations covering practically the whole gamut of labour policy and administration. The recommendations of the National Commission on labour were examined and decisions have been taken by Government in respect of 193 out of 300 recommendations of the Commission. With a view to arriving at some broad agreement between the employers and the workers on some of the principal recommendations, the Government organized two separate conferences, one with the employers and the other with the workers in May 1971. Although no specific conclusions could be reached at these conferences, the views expressed therein formed a basis for further discussion at the 27th Session of the Indian Labour Conference which was held in October 1971.

VI. Labour Administration

With a view to implementing the legislative measures passed on such matters, administrative machinery exists both at the Centre and at State level. The functions of each are discussed separately in the following paragraphs.

Central Machinery: The responsibility of the Ministry of Labour and Employment, in respect of the Union list in the Constitution, is full and direct. The activities of the Ministry of Labour and Employment in regard to 'Concurrent' subjects cover laying down policy and co-ordination, control and direction.

The Ministry of Labour and Employment, as at present constituted, consists of the main Ministry (Secretariat) and the following attached and subordinate offices—(i) Directorate-General of Employment and Training, New Delhi, (ii) Labour Bureau, Simla, (iii) Office of the Chief Labour Commissioner, New Delhi, (iv) Office of the Coal Mines Welfare Commissioner, Dhanbad, (v) Office of the Coal Mines Provident Fund Commissioner, Dhanbad, (vi) Office of the Welfare Commissioner, Mica Mines Labour Welfare Fund, Dhanbad, (vii) Office of the Chairman, Mica Mines Labour Welfare Fund Advisory Committee for Andhra, Nellore, Bhilwara and Rajasthan, (viii) Office of the Chief Inspector of Mines, Dhanbad, (ix) Office of the Chief Adviser Factories, New Delhi; (x) Office of the Controller of Emigrant Labour, Shillong, (xi) Office of the Director General Employee's State Insurance Corporation, New Delhi (Autonomous Body), (xii) Office of the Central Provident Fund Commissioner, New Delhi, (xiii) Gorakhpur Labour Organisation, Gorakhpur. and (xiv) Central Board for Worker's Education (Semi Autonomous). The functions of some of the offices/organizations are described below*

Ministry of Labour and Employment (Secretariat): The Secretariat of the Ministry of Labour and Employment considers all questions concerning labour as far as the Government of India is concerned. It is the Central machinery for the formulation of labour policy, for enforcement of labour laws and for promotion of labour welfare. The policy-making activity covers subjects like closer co-operation between labour and management, better industrial relations and increasing production. It co-ordinates the activities of the State Governments in the sphere of labour. It also forms the Secretariat for the Tripartite Labour Conferences and the Industrial Committees, convened by the Government of India and is the channel for India's participation in the activities of the International Labour Organization (I.L.O.). But apart from these activities, the Ministry has recently accepted direct responsibility for evaluation and implementation of labour laws, awards, agreements, settlements, Code of Discipline in Industry, etc., and for evaluating the results achieved by these measures with suitable agencies set up by the State Governments.

Directorate-General of Resettlement and Employment: The Directorate was set up in 1945 with a view to resettling demobilized ex-servicemen in civilian occupations. Very soon it had to take upon itself the task of resettling displaced persons and has now developed into an agency for employment assistance and training. The organization has built up a

*Where the name of the office clearly defines its functions and no other functions are entrusted to it, the details of the organization and its functions are not described.

network of employment exchanges and training centres throughout the country. In 1956-57, the administration of these exchanges and training centres was transferred to the State Governments, though the laying down of standards and all policy matters relating to the functioning of the exchanges, collection of employment market information and training institutes continue to be the responsibility of the Directorate. The Directorate provides the Secretariat for the National Council for Training in Vocational Trades, which examines training policies and the implementation of training programmes. It also deals with the Central Committee on Employment which examines the working of employment policies.

Labour Bureau: This organization was set up in October 1946. It is responsible for (i) collection, compilation and publication of labour statistics; (ii) maintenance of consumer price index numbers for industrial and agricultural workers; (iii) conducting of *ad-hoc* enquiries and preparation of reports thereon; (iv) compilation and publication of reports on the working of Factories Act, 1946, Minimum Wages Act, 1948, and Indian Trade Union Act, 1926; and (v) publication of *Indian Labour Journal* (monthly), *Indian Labour Year Book* (annual), etc.

Office of the Chief Labour Commissioner: The Government of India appointed a Chief Labour Commissioner in 1945 to look after the welfare of employees and conciliation of industrial disputes in Central sphere undertakings. Its main functions are: (i) settlement of labour disputes; (ii) supervision of labour welfare; (iii) watching the implementation awards of Industrial Tribunals and Settlements arrived at in conciliation and submission of periodical reports regarding their implementation; (vi) verification of membership figures of Central Trade Union Organizations and such other related functions which may be entrusted to it by the Ministry.

Office of the Chief Inspector of Mines: The functions of this office are: (i) enforcement of the Mines Act, 1952, and the Rules and Regulations made thereunder; (ii) inspection of mines; (iii) investigation of accidents; (iv) inspection of electrical installation and machinery; (v) technical advice to mine owners; (vi) prosecution in cases of violation of statutory provision; (vii) collection of statistics under the Mines Act; and (viii) enforcement of the Maternity Benefit Act, 1951, and the rules framed under it in mines other than coal-mines. The Inspectorate of Mines published periodical reports about matters of interest to mining industry.

Office of the Chief Adviser, Factories: The organization was set up

in 1945 to function as a service capable of advising all concerned on matters relating to the health, welfare and safety of workers. It deals with all questions relating to the administration of the Factories Act and the rules framed under it; training of Factory Inspectors and Safety Officers; industrial health; surveys of toxic hazards; environmental problems in factories; studies relating to productivity and work and method studies; housing of industrial labour and administration of safety; health and welfare schemes and the Dock Workers (Regulation of Employment) Act, 1961. The organization also offers (i) Technical Service; and (ii) Information Service. It administers the Indian Dock Labourers Act, 1934, and the Indian Dock Labourers Regulations, 1948, through the Inspectors of Dock Safety, at Calcutta, Bombay and Madras.

The organization is responsible for the setting up of the (a) Central Labour Institute at Bombay comprising: (i) A Museum of Industrial Safety, Health and Welfare; (ii) an Industrial Hygiene Laboratory (iii) a training centre; (iv) a Library-cum-Information Centre; (v) a Productivity Centre; (vi) a Training-within-Industry Centre; (vii) an Industrial psychology Section; (viii) an occupational Physiology Section; and (b) Three Regional Museums of Industrial Safety, Health and Welfare at Calcutta, Coimbatore and Kanpur.

Office of The Director-General, Employees' State Insurance Corporation: This is a statutory corporation set up to administer the Employees' State Insurance Act, 1948, which provides for sickness, maternity, disablement and dependents benefits as well as medical benefit to workers employed in factories. Medical care is also provided for families of workers in certain places. The Corporation directly renders all the services except medical benefit where such services are organized by the State Governments.

Office of the Central Provident Fund Commissioner: This organization was set up in April 1953, for the administration of the Employees' Provident Fund Act, 1952, and the scheme framed under it. The Central Government constituted a Tripartite Board of Trustees to administer the Employees' Provident Fund. The fund vests in and is administered by the Board, a body corporate, consisting of a Government-nominated administered Chairman, nominees of the Central Government and State Governments and representatives of the All-India Employers' and Employees' Organizations. The Central Provident Fund Commissioner is subject to the general control of the Central Board of Trustees constituted under the scheme. He is assisted by 20 Regional Provident Fund Commissioners who have their offices for the most part in the capitals of various States.

Central Board for Workers' Education: The Board was set up as a semi-antonomous body in September 1958 and was registered under the Societies Registration Act of 1860 to administer the Workers' Education Scheme. The programme of the Central Board of Workers' Education operates in three tiers. First, education officers are selected in open competition and are given training. Next, selected workers are prepared as teachers. Finally, worker-teachers, on completion of their training, return to the establishments and conduct a programme for the rank and file of workers in their respective units, work-places or localities. By 1969, there were 30 Regional and Sub-Regional Centres for training; 18,251 worker-teachers had been trained; a total of 10 lakhs of workers had been trained.

During 1971, 2,845 worker-teachers and 168,943 workers were trained. Grants-in-aid amounting to Rs. 1.68 lakhs were also given to 132 unions/institutions, to organize their own workers' education programme. The Indian Institute of Workers' Education which was set up in 1970 in Bombay to serve as a demonstration and information centre, conducted refresher courses for education officers and organized training programmes in various docks and ports.

States Machinery: As labour is a concurrent subject, all the States have set up organizations for the administration and enforcement of the labour laws in force in their territories and for the collection, compilation and dissemination of statistical and other information relating to labour. All the States have appointed Labour Commissioners for purposes of administration of labour laws and welfare activities in their respective areas. In the discharge of their functions, the commissioners are generally assisted by Deputy Labour Commissioner and/or Assistant Labour Commissioners. In West Bengal, labour laws are administered by three Directorates under the labour department, viz., the Labour Directorate, the Shops and Establishments Directorate, and the Factory Directorate. Most States have appointed Chief Inspectors of Factories and Chief Inspectors of Boilers to administer the Factories Act, 1948, and the Indian Boilers Act, 1923, respectively. Commissioners for workmen's compensation under the Workmen's Compensation Act, 1923, and Registrars of Trade Unions under the Indian Trade Union's Act, 1926, have been appointed in most States. The Labour Commissioner often supervises the functions of various officers enumerated above. For example, in Bihar, the Commissioner of Labour discharges the functions of the Commissioner for Workmen's Compensation, the Registrar of Trade Union, the Certifying Officer under the Industrial Employment (Standing Orders) Act, 1946, and the Regional Provident Fund Commissioner. The Chief Inspector of Factories and the Chief

Inspector of Boilers are also under his administrative control. In Maharashtra, the Commissioner of Labour is also the Certifying Officer under the Industrial Employment (Standing Orders) Act, 1946, and the Chief Conciliator under the Bombay Industrial Relations Act, 1946. In Rajasthan, the Labour Commissioner is also discharging the functions of Conciliation Officer for the State.

In certain States, special machinery has been set up for the collection of labour statistics, while in others the authorities listed above perform these duties as well. In Tamil Nadu, labour statistics are collected by the Chief Inspector of Factories, while in the Delhi territory, such statistics are collected by the Bureau of Economics and Statistics. In Assam labour statistics are collected by the Directorate of Economics and Statistics and also by the officers of the Labour Commissioner and the Chief Inspector of Factories. In Bihar, Madhya Pradesh and Maharashtra, labour statistics are compiled under the guidance of statistical authorities. Such authorities collect statistics regarding employment, hours of work, attendance and wages and earnings under the Industrial Statistics Act, 1942, (now replaced by the Collection of Statistics Act, 1953). In other States, according to information available in the Labour Bureau, labour statistics are collected through officers appointed for the administration of labour laws or by the Labour Department directly. For instance, statistics of employment, accidents, etc., under the Factories Act, 1948, and of wage bills and earnings under the Payment of Wages Act, 1936, are collected by the Chief Inspectors of Factories. The Registrars of Trade Unions collect statistics relating to trade unions, their membership, funds, etc. The Commissioners for Workmen's Compensation are in charge of the collection of statistics relating to accidents, compensation paid, etc., under the Workmen's Compensation Act, 1923.

Competent authorities have been appointed by the various State Governments under the Minimum Wages Act, 1948, to ascertain from time to time the Consumer Price Index Number applicable to persons covered by the scheduled employment.

While these are directly the functions for which administrative arrangements have to be made by the Ministry in charge of Labour at the Centre and in the States, there are certain judicial/semi-judicial offices which have to be constituted by the Ministry as circumstances require. In some cases, Standing Industrial Tribunals have been constituted by the Governments concerned while in others Wage Boards have been set up or enquiry Committees/Commissions appointed. Arrangements to serve such standing or *ad-hoc* bodies is also the responsibility of the concerned Ministry.

VII. India and the International Labour Organization

No account of labour in India is complete without a reference to India's connection with the International Labour Organization and the benefits that have flowed from it. As an original signatory to the Treaty of Versailles, India was a party to Article XIII of the Treaty which created the I.L.O. and thus became a member of the Organization since its foundation in 1919. The association has continued uninterrupted and India is one of the twelve permanent members of the Governing Body of the I.L.O. India is also a member of each of the Industrial Committees so far set up by the I.L.O. to examine the special problems relating to particular industries.

The International Labour Organization operates through the International Labour Conferences consisting of delegates from all the Member States, the Governing Body and the International Labour Office. The work of the Conference and Governing Body is supplemented by Regional Conferences, Industrial Committees and Analogous Bodies, Committees of Experts, Panels of Consultants and Special *ad-hoc* Conferences and Meetings. Most of these bodies are tripartite in character and consist of representatives of Governments, employers and workers. The regional conferences which were convened largely owing to India's efforts, aimed at tackling special problems relating to different regions, keeping in view the special needs and difficulties of the countries at different stages of economic and social development. Regional conferences are now convened for Africa, Asia, America, Europe and the Near and Middle East. The Asian Regional Conference has met five times so far. The first session called the 'Preparatory Session' was held in India in 1947. Another session of the Conference was held in India in 1957. The International Labour Office, whose headquarters are in Geneva, is assisted by 12 Branch Offices in addition to a number of Field Offices and National Correspondents. A Branch Office of the I.L.O., was established in India in 1928, and has functioned since. Besides acting as a major link in the world wide network of the I.L.O., the Branch Office has acted as a clearing house of information and maintains business contacts with Government authorities and employers' and workers' organizations. The office has brought out a number of publications covering various aspects of the labour problems in India.

The impact of the I.L.O. and its other agencies on the development of social and labour policies in India has been considerable. The holding of the International Labour Conference annually and the selection by the Government of India of the non-government delegates and advisers has acted as a catalytic agent in promoting organizations of workers and employers and their national federations. This process has been stimulated further by the establishment of other tripartite committees of the

I.L.O. and particularly Industrial Committees. In determining the place of 'Labour' in the constitutional structure, there is evidence to show that one of the reasons for deciding to have current jurisdiction on labour matters by Central and State Governments was the ratification of Conventions adopted by the I.L.O. Another instance of the impact of the I.L.O. is the setting up in India of the Tripartite Indian Labour Conference and the Industrial Committee with more or less similar functions as those of the I.L.O. Organization and Industrial Committees.

International Labour Code: The main impact of the I.L.O. has been through its conventions and recommendations on social and labour matters. The Conventions and Recommendations adopted by the International Labour Conference since 1919, with other decisions of the Conference, the various Industrial Committees and similar committees and commissions together form what is now known as "The International Labour Code." The Conference has so far adopted 119 Conventions and 119 Recommendations and about 2,750 ratifications have been registered at the I.L.O. headquarters. India has so far ratified the 29 Conventions that are listed in Appendix IV.

It would not, however, be fair to judge the influence of the I.L.O. on India through the ratified conventions alone, because some of the conventions have no applicability to India. Similarly, there are others which have not been ratified for technical rather than substantial reasons. Also, where immediate ratification is not possible, measures are taken constantly to make ratification possible at a future date. A committee called the Committee on Conventions exists for examining on a continuing basis the International Labour Conventions and Recommendation with a view to accelerating the process of their implementation.

The benefit of association with the I.L.O. has reached India also through the various technical assistance programmes administered by the I.L.O. She has received technical assistance from the I.L.O. since 1951 in various fields like social security, training within industry, vocational training, employment service, productivity, etc. This has not, however, been one-way traffic so far as India is concerned. Indian experts in various fields like co-operation, cottage industries, labour statistics, personnel administration, employment services, manpower problems etc., have been selected by the I.L.O. for work in other countries like Afghanistan, Burma, Sri Lanka, the Philippines, Indonesia, etc., and many African countries. India has offered training facilities to people from other countries selected under the I.L.O. Fellowship Programme, as she has sent and is sending her own nationals abroad for training under the auspices of the I.L.O.

Appendix I**Code of Discipline in Industry Towards Industrial Progress**

I. To Maintain Discipline In Industry (both in public and private sectors) there has to be (i) a just recognition by employers and workers of the rights and responsibilities of either party, as defined by the laws and agreements (including bipartite and tripartite agreements arrived at all levels from time to time) and (ii) a proper and willing discharge by either party of its obligation consequent on such recognition.

The Central and State Governments, on their part, will arrange to examine and set right any shortcomings in the machinery they constitute for the administration of labour laws.

II. To Ensure Better Discipline In Industry:

A. Management and Union(s) Agree (i) that no unilateral action should be taken in connection with any industrial matter and that disputes should be settled at appropriate level; (ii) that the existing machinery for settlement of disputes should be utilized with the utmost expedition; (iii) that there should be no strike or lock out without notice; (iv) that affirming their faith in democratic principles, they bind themselves to settle all future differences, disputes and grievances by mutual negotiation, conciliation and voluntary arbitration; (v) that neither party will have recourse to (a) coercion, (b) intimidation, (c) victimization, or (d) go-slow; (vi) that they will avoid, (a) litigation, (b) sit-down and stay-in strikes, and (c) lock outs; (vii) that they will promote constructive co-operation between their representatives at all levels and as between workers themselves and abide by the spirit of agreements mutually entered into; (viii) that they will establish upon a mutually agreed basis, a grievance procedure which will ensure a speedy and full investigation leading to settlement; (ix) that they will abide by various stages in the grievance procedure and take no arbitrary action which would by-pass this procedure; and (x) that they will educate the management personnel and workers regarding their obligations to each other.

B. Management Agrees (i) not to increase work loads unless agreed upon or settled otherwise; (ii) not to support or encourage any unfair labour practice such as (a) interference with the right of employees to enrol or continue as union members, (b) discrimination, restraint or coercion against, any employee because of recognized activity of trade unions, and (c) victimization of any employee and abuse of authority in any form; (iii) to take prompt action for (a) settlement of grievances, and (b) implementation of settlements, awards, decisions and orders;

(iv) to display in conspicuous places in the undertaking the provisions of this Code in local language (s); (v) to distinguish between actions justifying immediate discharge and those where discharge must be preceded by a warning, reprimand, suspension or some other form of disciplinary action and to arrange that all such disciplinary action should be subject to an appeal through normal grievance procedure; (vi) to take appropriate disciplinary action against its officers and members in cases where enquiries reveal that they were responsible for precipitate action by workers leading to indiscipline; and (vii) to recognize the union in accordance with the criteria (Annexure I) evolved at the 16th session of the Indian Labour Conference held in May 1958.

C. Union(s) Agree (i) not to engage in any form of physical duress; (ii) not to permit demonstrations which are not peaceful and not to permit rowdyism in demonstration; (iii) that their members will not engage or cause other employees to engage in any union activity during working hours, unless as provided for by law, agreement or practice; (iv) to discourage unfair labour practices such as (a) negligence of duty, (b) careless operation, (c) damage to property, (d) interference with or disturbance to normal work, and (c) insubordination; (v) to take prompt action to implement awards, agreements, settlements and decisions; (vi) to display in conspicuous places in the union offices, the provisions of this Code in the local language(s); and (vii) to express disapproval and to take appropriate action against office-bearers and members for indulging in action against the spirit of this Code.

ANNEXURE I

Criteria for Recognition of Unions

1. Where there is more than one union, the unions claiming recognition should have been functioning for at least one year after registration. Where there is only one union, this condition would not apply.
2. The membership of the union should cover at least 15% of the workers in the establishment concerned. Membership would be counted only for those who had paid their subscriptions for at least three months during the period of six months immediately preceding the reckoning.
3. A union may claim to be recognized as a representative union for an industry in a local area if it has a membership of at least 25% of the workers of that industry in that area.
4. When a union has been recognized, there should be no change in its position for a period of two years.
5. Where there are several unions in an industry or establishment the one with the largest membership should be recognized.

6. A representative union for an industry in an area should have the right to represent the workers in all the establishments in the industry, but if a union of workers in a particular establishment has a membership of 50% or more of the workers of that establishment it should have the right to deal with matters of purely local interest, such as, the handling of grievances pertaining to its own members. All other workers who are not members of that union might either operate through the representative union for the industry or seek redress directly.
7. In the case of trade union federations which are not affiliated to any of the four central organizations of labour, the question of recognition would have to be dealt with separately.
8. Only unions which observed the Code of Discipline would be entitled to recognition.

Appendix II

Inter-Union Code of Conduct*

We, the representatives of four Central Labour Organizations, namely, I.N.T.U.C., A.I.T.U.C., H.M.S. and U.T.U.C. agree to observe the following basic principles for maintaining harmonious inter-union relations:

- (1) Every employee in an industry or unit shall have the freedom and right to join a union of his choice. No coercion shall be exercised in this matter.
- (2) There shall be no dual membership of unions. (In the case of Representative Unions, this principle needs further examination).
- (3) There shall be unreserved acceptance of, and respect for, democratic functioning of trade unions.
- (4) There shall be regular and democratic elections of executive bodies and office-bearers of trade unions.
- (5) Ignorance and/or backwardness of workers shall not be exploited by any organization. No organization shall make excessive or extravagant demands.
- (6) Casteism, communication and provincialism shall be eschewed by all unions.
- (7) There shall be no violence, coercion, intimidation, or personal vilification in inter-union dealings.
- (8) All Central Labour Organizations shall combat the formation or continuance of Company Unions.

* Adopted on May 21, 1958.

Appendix III**Industrial Truce Resolution***

Realizing that a grave emergency has overtaken the nation on account of the Chinese aggression and the need has arisen for taking urgent steps in every direction, to prepare adequately for the defence of the country, and repelling the invasion of its territory, the Joint Meeting of all Central Employers' and Workers' Organizations, held today, November, 3, 1962 resolves that no effort shall be spared to achieve maximum production, and managements and workmen will strive in collaboration in all possible ways, to promote the defence effort of the country and re-affirms their pledge of unstinted loyalty and devotion to the country. Towards these ends, the following steps shall be taken:—

I. Climate

It is important that a suitable climate should be created and preserved for ensuring sustained effort and resolute action in pursuance of the aforesaid aim. Both sides should exercise restraint and forbearance, so that nothing is allowed to come in the way of their single minded and concerted endeavour in support of the defence of the country. Positive steps should be taken to promote constructive co-operation between management and workers in all possible ways.

II. Industrial Peace

- (i) Under no circumstances shall there be any interruption in/or slowing down of production of goods and services.
- (ii) In respect of their economic interests both workers and employers will exercise voluntary restraint and accept the utmost sacrifice, in an equitable manner, in the interest of the nation and its defence efforts.
- (iii) There should be maximum recourse to voluntary arbitration and adequate arrangements should be made for the purpose. If necessity for a reference to adjudication arises, the processes connected with it should be completed with the utmost promptness.
- (iv) The industries mentioned in the First Schedule to the Industrial Disputes Act, 1947, and such other industries as may be considered necessary, *e.g.*, petroleum and its products, chemicals, etc., may be declared as public utility services under sub-clause (vi) of clause (s) of Section 2 of the Act.
- (v) All complaints pertaining to dismissal, discharge, victimization

* Adopted at the Joint Meeting of Central Organizations of Employers and Workers held in New Delhi on November 3, 1962.

and retrenchment of individual workmen, not settled mutually should be settled through arbitration. For this purpose, the officers of the conciliation machinery may, if the parties agree, serve as arbitrators. Dismissals and discharges of workmen should, however, be avoided as far as possible.

- (vi) The labour administration at the Centre and States should be stream-lined so that grievances and disputes are settled promptly and cordial industrial relations are maintained.

III. Production

- (i) All impediments in the way of better and fuller utilization of men, machinery and materials should be removed. There should be no idle plant capacity or waste. Managements should exercise the maximum economy in their operations.
- (ii) To maximize production, establishments should work, wherever possible, extra shifts, extra hours or on Sundays and holidays by mutual agreement. Full co-operation should be extended by all in this respect. All advantages accruing to industry out of the extra effort of the workers should go to the consumer and/or be made available for defence efforts.
- (iii) Absenteeism and turnover should be discouraged and reduced to the minimum. Negligence of duty, careless operation, damage to property and interference with or disturbance to normal work should be denounced by the unions. Similarly, any lapse on the part of the management that contravenes the spirit of the defence effort should be condemned and put right forthwith.
- (iv) Technical and skilled personnel in short supply should be switched over to emergent work having a bearing on defence. Simultaneously, steps should be taken to increase the supply of technical and skilled personnel through apprenticeship and other training programmes.
- (v) In the production drive the well-being and health of the working class should not be ignored.

IV. Price Stability

- (i) Every effort should be made to ensure that prices of industrial goods and essential commodities are not allowed to increase.
- (ii) To ensure supply of essential commodities at fair prices to the working class steps should be taken, whenever necessary, to organize Consumers' Co-operatives in each unit and in industrial areas.

V. Savings

- (i) The imperative necessity of increasing savings in the larger interest

of the country should be brought home to workers and managements and arrangements to facilitate greater savings should be provided forthwith.

- (ii) Workers may be persuaded to contribute to the National Defence Fund and/or invest in Defence Bonds every month an amount equivalent to at least one day's earnings. Managements also agree to contribute liberally towards National Defence Fund and/or invest in Defence Bonds; the basis of their contribution will be settled in consultation with Government.

Appendix IV

The following are the 29 Conventions of the International Labour Organization that India has so far ratified:

1. No. 1, Hours of Work (Industry) Convention, 1919.
2. No. 2, Unemployment Convention, 1919.
3. No. 4, Night Work (Women) Convention, 1919.
4. No. 5 Minimum Age (Industry) Convention, 1919.
5. No. 6 Night Work of Young Persons (Industry) Convention, 1919.
6. No. 11 Right of Association (Agriculture) Convention, 1921.
7. No. 14 Weekly Rest (Industry) Convention, 1921.
8. No. 15 Minimum Age (Trimmers and Stockers) Convention, 1921.
9. No. 16 Medical Examination of Young Persons (Sea) Convention, 1921.
10. No. 18 Workmen's Compensation (Occupational Diseases) Convention, 1925.
11. No. 19 Equality of Treatment (Accident Compensation) Convention, 1925.
12. No. 21 Inspection of Emigrants Convention, 1926.
13. No. 22 Seamen's Articles of Agreement Convention, 1926.
14. No. 26 Minimum Wage-Fixing Machinery Convention, 1928.
15. No. 27 Marking of Weight (Packages transported by Vessels) Convention, 1929.
16. No. 29 Forced Labour Convention, 1930.
17. No. 32 Protection Against Accident (Dockers) Convention, (Revised), 1932.
18. No. 41 Night Work (Women) Convention, (Revised), 1934.
19. No. 42 Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934.
20. No. 45 Underground Work (Women) Convention, 1935.
21. No. 80 Final Articles Revision Convention, 1946.
22. No. 81 Labour Inspection Convention, 1948.
23. No. 88 Employment Service Convention, 1948.
24. No. 89 Night Work (Women) Convention, (Revised), 1946.
25. No. 90 Night Work of Young Persons (Industry) Convention,

(Revised) 1948.

26. No. 100 Equal Remuneration Convention, 1951.
27. No. 107 Indigenous and Tribal Regulations Convention, 1957.
28. No. 111 Discrimination (Employment and Occupation) Convention, 1958.
29. No. 116 Final Articles Revision Convention, 1961.