

Labour Policy and Programme in the Plan

(From our Labour Correspondent)

Labour has still not received the attention that it deserves. The chapter on labour contains mostly academic discussion and gratuitous advice to employers and workers with, very few proposals for state action.

A socialist society is built, up not solely on monetary incentives, but on ideas of service to society and the willingness on the part of society to recognise, such service. This clearly absolves the state from monetary liabilities, except when the state itself is an employer, in an industrial democracy, matters are to be settled by the employers and the employees and the state remains the third party,

It is this benevolent and paternal state approach which pervades the Second Plan in the various suggestions made in the chapter on labour.

THE chapter on labour policy and programmes in the Second Plan reviews the progress achieved in the First Plan period, draws attention to existing problems in labour affairs and suggests measures to mitigate existing evils. While most of labour's rights have long been neglected, the First Plan had attempted to recognise them by giving certain assurances. Labour's response, it is stated, has been satisfactory on the whole. The success of the First Plan in the labour field is marked by such factors as improvement in industrial relations, working of the joint consultative machinery at various levels, increase in real earnings, extension of social security measures, planning of the Central Labour Institute, productivity studies, addition in housing etc. It is doubtful whether all these activities should really be attributed to the First Plan since most of them could have taken place even under normal circumstances. The review also admits that much remains to be done, especially in matters like covering the distance between the existing wage and a fair wage for labour.

On this inadequate basis, the labour policy of the Second Plan has been framed, though it has to be trimmed to fit in with the socialist pattern of society. A socialist society is built up not solely on monetary incentives, but on ideas of service to society and the willingness on the part of the society to recognise such service. This clearly absolves the state from monetary liabilities, except when the state itself is an employer. In an industrial democracy, matters are to be settled by the employers and the employees and the state remains the third party mainly to give advice, sometimes to provide the background atmosphere by enacting and enforcing legislation, and rarely to incur expenditure by setting up some machinery for some such purpose as settlement of dis-

putes, employment, service or welfare work. It is this benevolent and paternal state approach which pervades the Second Plan in the various suggestions made in the chapter on labour.

Trade Unions

Dealing with the trade unions, the Plan brings out the existing defects in our trade unionism, such as multiplicity of trade unions, political rivalries, lack of resources and disunity in the ranks of workers. The measures suggested to strengthen the trade union movement are reduction in the number of outsiders, recognition of representative unions under certain conditions and improvements in trade union finances.

The state approach to industrial relations can be clearly seen in the statement that industrial peace can best be achieved by the parties themselves and that labour legislation and enforcement machinery set up for its implementation can only provide a suitable framework in which employers and workers can function. The Plan reiterates some of the recent agreements between employers and employees in Ahmedabad, Bombay and Jamshedpur, on issues like bonus and workers' participation in management. These agreements, particularly the one in Jamshedpur, are no doubt healthy developments in labour matters. They are inadequate, however, to influence the large mass of employers and workers, without the active co-operation of the employers' and employees' organisations.

Measures for Industrial Peace

To achieve happy industrial relations, the Plan recommends such measures as undertaking studies in factories which have made for industrial harmony in establishments with a long tradition of peaceful working; avoidance of disputes at all levels, including the last stage of mutual negotiations, namely conciliation; adequate implementation

and enforcement of awards and agreements; proper utilisation of joint consultative machinery (bipartite and tripartite); and increased association of labour with management. These are no doubt important methods. The complex problems of industrial relations arise, however, out of innumerable causes, direct and indirect, and hence all methods, which can eliminate or lessen these causes, can be said to be methods of industrial peace. Improvement of working and living conditions of workers, recognition of their status, welfare work, collective bargaining, legal enactment, profit sharing, and such other factors can also be described as methods of achieving industrial peace. Though the matter is mainly between the employer and his employees, the state can play an important role in the prevention and settlement of industrial disputes.

Recent acts of indiscipline and violence have naturally aroused concern and the Plan recommends that in return for recognition of the workers' claims to improve his economic and social status, he should put in hard and efficient work and avoid indiscipline at any cost. Existing provisions for penalising illegal strikes or lockouts have proved inadequate in practice and there have been instances of 'go-show', 'pen-down' and 'stay-in-strikes'. Making them more stringent may, however, only strengthen the hands of the employers without in any way helping to establish industrial peace. This suggests that methods like enforcement of labour laws are of no use, if the worker is discontented. A contented labour force is a great asset to industrial peace and hence the need to improve the working and living conditions of workers.

The Plan relates wages to productivity. It asserts that improvement in wages, can result mainly from increased productivity. The worker can ask for higher wages,

only if and when he produces more. This is to put it mildly, unfair. Increased income from higher productivity can be distributed in the form of bonus, profit-sharing and dividends. However, the worker's claim for a fair wage need not depend on the quantity produced, for which many other factors besides labour are responsible. The Plan, however, concentrates on increased productivity and suggests for this purpose such measures as better lay-out of plants, improvement in working conditions, training of workers; and introduction of payment by results in areas where at present this principle does not apply.

Two more aspects of wage policy raised by the Plan are Haying down of principles to bring wages into conformity with the expectations of the working class in the future pattern of society; and (ii) the settlement of wage disputes in the interim period. Methods suggested include undertaking of a wage census, appointment, of a wage commission, revision of the present series of cost of living indices at different centres, setting up of a tripartite wage board and study of the principles relating to the settlement of bonus and profit-sharing disputes.

The recommendations of the Plan relating to social security are somewhat vague, in as much as they fail to give a clear picture of the proposed expansion. The possibility of having a unified and comprehensive scheme of social security is alluring, though actual experience of existing schemes in this Held of social welfare creates apprehensions regarding their utility. The problem of rationalisation is of topical value and the Plan desires to have a broad policy on this vexed question.

The Plan suggests that, certain groups of workers, such as the contract labour, agricultural labour and women workers, need special treatment, because of problems peculiar to them. It may be necessary to have intensive surveys in the problems of these categories of labour before suggestions for improving their conditions are made.

Despite the above, the Plan appears to fall short of the requirements of the country. There is, no doubt, however, that if these proposals are Implemented in the proper spirit, much progress can be achieved. Active and willing co-operation of the two parties the employers and the working classes is an essential prerequisite for

the success of the Plan. The maximum possible effort needs to be made to achieve this co-operation, which *in* itself should be an important objective.

The state has to bear an additional responsibility in its role as an employer. The public sector is growing and will grow further in future and the acid test for the state is to follow the advice it has BO far generously given to employers in the spheres of trade unionism, wage policy, industrial relations, treatment of contract labour and women workers, etc. The Plan recommends that managements of public undertakings should not normally seek exemption from labour laws or asic for other concessions not available to the private sector. The existing practice however is different and Government undertakings try their best to get exemptions from the operation of labour laws, mainly on the ground that they are non-competitive and non-commercial in character. Employers in the public sector should serve as models to those in the private sector, by following diligently the various recommendations made by the state in the labour Held.

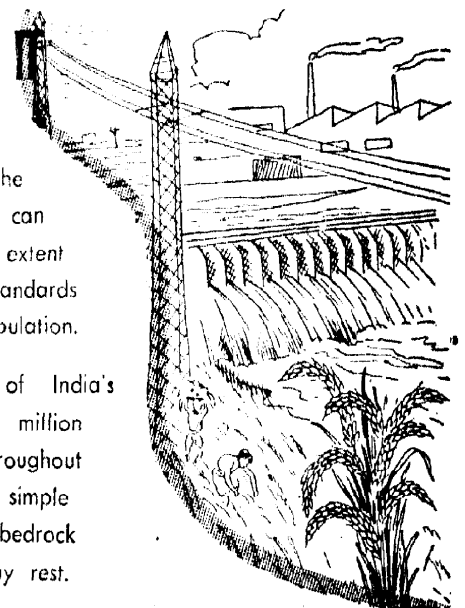
PLANS and the PEOPLE



The success of the current Five Year Plan of the Government of India and all plans to follow can be assessed, in the final analysis, only by the extent to which they serve to raise the living standards of the bulk of the country's vast population.

Perhaps as much as 75% of India's population live in the half a million or so of villages spread throughout the country, and these simple tillers of the soil form the bedrock on which India's life and economy rest.

All of them must be provided with adequate shelter, ample food, suitable clothes and, last but by no means least, *durable and comfortable footwear* to enable them to advance with confidence over the hard and stony path of exertion to a brighter to-morrow.



SHOEMAKERS TO THE NATION