

# How Has the Indian Working Class Fared?

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*The labour policies of a state with socialist aspirations have reduced the pains of industrialisation for the Indian working class.*

*Money-earnings have risen and there has been also some improvement in real earnings. Employment in the organised sector has expanded, though the unemployment problem remains unsolved. Some progress has been achieved in the field of social security, but not much in the field of industrial housing.*

*On the whole, there has been a moderate improvement in the level of living of industrial workers.*

*There has been a decline in spontaneous forms of labour protest. Organised protest in the form of strikes has not shown any pronounced upward trend. There are indications of a growth of positive labour response in the form of tripartite decision-making and collective bargaining.*

THE impact of industrialisation on the labour-force and workers' response to it have been interesting themes for study to which many brilliant minds had been attracted in the past. Marx, Veblen, the Weffs, Commons, Perlman and Schumpeter are some of the great names who tried to study these subjects, each from his own angle of vision. A recent contribution in this field has been made by Kerr, Dunlop, Harbison and Myers, who in their joint work "Industrialism and Industrial man", have tried to present a complete theoretical structure to answer vital questions about the impact of industrialisation on the labour-force and workers' response.

No attempt will be made here to survey these theoretical contributions or to assess their relative merits. We will seek to study the problem in the context of Indian industrialization on a factual basis.

## The Context

The experiment in industrialisation that is being made in India has some novel features which distinguish it from earlier cases of industrialisation in several respects. She has adopted economic planning as the instrument for achieving the "take-off" that was accomplished in the capitalist democracies within the framework of more or less "free" market economies. On the other hand, unlike the planned economies of the Soviet type, the market mechanism has not been completely subordinated to planning. In resource allocation, the market mechanism in India definitely plays a role, which, although basically regulated and modified by economic planning and social controls, is, nevertheless, much more important than in U S S R.

The elite that is guiding the industrialisation process in India also differs much from the elites who dominated the industrialisation pro-

cess in other countries like Britain, U S A, Japan or U S S R. In a mixed economy under planning with a regulated market mechanism and a growing public sector, it is natural that the elite dominating the industrialisation process would be a mixed group coming from leaders of the Government and the ruling party and administrators and technocrats in the Government's economic agencies and public enterprises. Besides, there are the private interests guiding the large controlling groups in the industrial sector, who play very significant, although not always visible, roles in determining the market forces, prices of essential producers' and consumers' goods and also are suspected to influence political forces and even, to some extent, the course of state policy. The industrialising elite in India is thus a mixture of the nationalist-cum-middle class elite with some revolutionary-intellectual traits and the rising industrial magnets. The influence of the socialist forces in the country which tended to grow considerably since the 'thirties lent certain revolutionary-intellectual tendencies to the middle class elite. Adoption of the socialist objective for the country and economic planning as the instrument for economic development, selection of sectoral and industrial priorities and also the growth of the public sector are indications of the existence of this element in the industrialising elite of the country. But side by side with this element, there is a strong middle class element represented by the public administrators, technocrats and the leaders of the controlling groups in the private sector who play significant roles in influencing the implementation of economic policies. This type of heterogeneity in the composition of the industrialising elite was not visible in any of the four countries mentioned above which represent the four typical cases of successful "take-off" upto now.

As regards the pace of economic development and the priorities, Indian aspirations are similar to those of U S S R in her early days of planning. She has adopted rapid industrialisation with primary emphasis on the development of a heavy industry base as a major objective of her economic planning. Naturally this meant considerable pressure on the economy revealed in the form of inflationary price-rise of essential products, growing foreign exchange-crisis as well as shortages and controls of essential products.

Naturally these features have tended to have an impact on Indian developing work-force which *it* substantially different from the impact felt in other countries in the course of industrialisation. The responses also, similarly, show some peculiar traits. India, for these reasons, is a very interesting case study in the impact of industrialisation on the workers.

## Three Criteria

For an empirical study of the impact of industrialisation certain objective indicators have to be selected and studied carefully. For this purpose we propose to select three major indicators, viz, impact, on the level of living, on employment and on labour organisations and industrial relations.

For studying the impact on the level of living, the best procedure should be to study the changes in real wages and expenditures of workers and the benefits of social security and industrial housing received by them from 1951. (The year 1931 has been selected as the beginning of intensive industrial development in India, since it was in March, 1951, that the First Five Year Plan in India was launched. No doubt there was some industrial growth in India before the commencement of planning, but its rate was slow and its basis narrow.

But a higher rate of growth of the modern organised sectors relatively to agriculture and the subsistence sectors actually commenced with the beginning of planning).

As regards changes in employment, we shall mainly concentrate on how employment in the organised economic sectors increased since 1951. To get a full view of the impact of industrialisation it would also be necessary to take into account the unemployment situation. Thus it would be necessary for us to consider whether the economic development in the country has been able to make any dent on the unemployment problem.

### Impact on Trade Unions

As regards the impact of industrialisation on trade union development, a study of the growth of trade union membership since 1951 will be helpful. In this connection the changes in organisation and methods of trade unionism, if any, also should be taken into consideration.

For studying the impact of industrialisation on industrial relations, the basic trends in the institutional set-up—the impact on labour-management co-operation and bargaining—as well as changes in the severity of industrial disputes ought to be the relevant points. Since a study of the severity of industrial disputes is also essential for measuring the extent of workers' response (in the form of protest) to industrialisation, we shall postpone its consideration till we take up the study of labour response.

Changes in the real wages of factory workers since 1951 are indicated in Table 1. The increasing trend of consumer prices, particularly pronounced since 1956, clearly indicates the heavy impact of inflationary pressures on the cost of living of the workers. Because of this persistent pressure, improvements in money-earnings have been considerably eroded away. Thus the gains in real wages have been much less substantial than what is indicated by the increases in money-earnings of workers.

It is interesting to note in this connection that on base: 1939=100, the index of real wages for factory workers in 1953 stood at 99.9.1 (On 1951 base, the corresponding index for 1953 was 106.6). Thus the pre-War real wage-level was reached only in 1953. However, since then real wages have remained in general above the pre-war level, the indices for real wages on 1951 base being almost always higher than 106.6 which was approximately equal to the 1939 level (with the only exception of 1959). Thus, the Indian workers, in the early phase of take-off, have been able to enjoy a real wage level slightly higher than the pre-take-off level. This means that unlike industrialisation carried through purely capitalist ways (e.g. in U.K. or U.S.A.), the Indian workers have been spared the pains of continuous decline in real earnings during the 'take-off phase.

At the same time, however, it should be clearly noted that the improvement in real wages has not been

a continuous process. Thus although from 1953 to 1955 real wages were continuously rising, during 1956-1959 they revealed a consistent downward tendency, the index in each year being lower than the previous years'. Since 1960, however, real wages have again started rising. Moreover, real wages have not kept pace with the rise in the index of industrial production, which has been continuous since 1951, unlike the fluctuating real wages index. The disparity would be evident from the fact that whereas during the period 1951-1960, real wages increased by 10 per cent, the production index rose by 77.8 per cent. In fact, real wages also lagged behind improvements in productivity. B. N. Datar has estimated that the productivity-index of workers belonging to 29 industries covered by the C. M. I. increased by 53 per cent between 1947 and 1958; real earnings during the same period registered a much smaller increase, being just 27 per cent over 1947 in 1958.<sup>2</sup>

### Change in Levels of Living

Coming to another indicator of changes in level of living, i.e. housing conditions, we find a situation which is far from satisfactory. Housing conditions for industrial workers were never satisfactory in the country. Thus R. K. Mukherji reported that in 1940 about 91.24 per cent of the families in the working class areas of Bombay occupied one-room tenements with 26.86 square feet available per person; in Ahmedabad 73.82 per cent, in the coal field areas of Bihar 85 per cent, and in Kanpur industrial area 96 per cent of the working class families lived in one-room tenements.<sup>3</sup> In most of these one-room tenements more than 3 adults—sometimes 6 or 7 adults—shared a small room. Actually most of these tenements had not even the facilities of latrines or kitchens attached to them.

Recognising the importance of reasonable standards of housing for health and efficiency of workers, the Government of India decided to take steps for improving the situation after Independence. In 1949 a scheme of industrial housing was undertaken by the Government, under which about 1,500 houses were constructed during 1951-52. The Planning Commission estimated that at the time of the commencement of the First Plan about 4.5 lakhs out of 17.1 lakhs of workers

Table 1 : Indices of Wages, Consumer Prices, and Industrial Production  
(Base: 1951 = 100)

Year	Real Wages of Factory Workers	Industrial Production	Index of Money Wages of Factory Workers	Index of Working Class Consumer Price
1951	100	100	100	100
1952	109	103.6	107	98
1953	107	105.6	108	101
1954	112	112.9	108	96
1955	124	122.4	113	91
1956	115	132.6	115	100
1957	114	137.3	121	106
1958	108	139.7	119	111
1959	106	160.1	122	115
1960	110	177.8	130	118
1961	115	190.8	138	120
1962	116 <sup>P</sup>	205.5	—	—

Sources: Reserve Bank of India Bulletin, April, 1964 and "Indian Labour Statistics", 1960, 1964. P = Provisional

residing in 37 major industrial centres (i e, about 26.3 per cent) needed accommodation very urgently. It was further realised that with the growth of population, the problem will become more serious. The Government, therefore, adopted in 1952 a more ambitious programme known as the Subsidised Industrial Housing Scheme for liberal grant of long-term loans and subsidies by the Government of India to the State Government and through them to other approved agencies, e.g, housing boards, local bodies, industrial employers, registered cooperative societies, etc. By the end of the First Plan the number of tenements completed under the scheme was about 40,000. By the end of 1961 the figure rose to about 1,13,223 tenements.<sup>4</sup> Although this indicated some progress over the 1955-56 figure of about 40,000, this was far short of the number of sanctioned houses which was 1,46,737 till the end of 1961.

As regards social security benefits, some definite progress has been re-

corded. The Employees' State Insurance Scheme which was started in 1952 only in 2 centres benefiting about 1.5 lakhs workers, covered about 17 lakhs workers in 121 centres by the end of March 1961.<sup>5</sup> By March 1963, it further extended its activities to cover about 23.35 lakhs workers in 151 centres.<sup>6</sup> By March 31, 1963, it arranged for 3,589 beds in hospitals and provided medical benefits to 82.55 lakh beneficiaries through 421 dispensaries and 2,307 panel doctors. In the financial year 1962-63 it disbursed a sum of Rs 409.77 lakhs by way of cash benefits to the insured workers and spent Rs 2.74 lakhs for grant of other benefits.

The Employees' Provident Fund Act, 1952, which was originally applicable to 6 industries only covered 61 industries by the end of 1961.

There are, of course, still many shortcomings of the Indian social security system. But, nonetheless, in view of the facts mentioned above no one can deny the progress that has been achieved since 1951.

From the brief survey of the major indicators of changes in the level of living, we find that the impact of the initial stage of industrialisation on the level of living has been uneven. Although the real wages have slightly improved as compared with pre-war and pre-plan levels, housing conditions are still deplorable. Besides, the inflationary price rise associated with the rising tempo of industrialisation is making continuous inroads into the real wages. Thus although, unlike earlier cases of industrialisation, they

did not suffer allround, the gains derived by industrial workers have not been substantial. In one respect, however, the workers' condition has improved considerably since the beginning of the take-off and that is in the field of social security. Indian industrial workers now are insured against almost all the major risks of industrial society, excepting unemployment. In this respect they are much more fortunate than the agricultural workers or the white collared employees of commercial establishments.

### Changes in Employment

Changes in employment in the organised sectors since the beginning of planning is indicated in Table 2. We find indications of almost continuous rise in employment in the organised sector, excepting in three years, viz, 1951-52, 1953-54 and 1958-59 when there were minor declines. However, there is little room for jubilation. In a developing economy, where large-scale public investments are being made for developmental purposes, increase in employment is natural. On the other hand, what is less expected is the rise in the volume of unemployment which increased from 5.3 million at the end of the First Plan to 9 million at the end of the Second Plan and is expected to rise to about 10 million by 1965-66 even on conservative estimates. Of course the population continued to increase throughout the period and is still increasing. But, even taking note of that, the fact remains that planned industrialisation of the country has failed to satisfactorily tackle one of her most formidable problems, viz, unemployment.

In this connection it is interesting to note that although employment increased in the organised sectors as a whole, the rate of increase has been uneven between the sectors. Table 3 indicates that although employment increased everywhere, the employment effect of development was more pronounced in the industrial sector than in the mines.

Economic development is not only greatly influenced by labour's response to industrialisation, but it is a major factor shaping the nature and course of the organised labour movement.<sup>7</sup> In India also, in the course of the decade of planned industrialisation there has been substantial progress of the trade union movement. The membership of the registered trade unions increased

Table 2 : Index of Employment in Organised Sector

(Base: 1950-51=100)

1951-52	99.3
1952-53	102.0
1953-54	101.0
1954-55	103.5
1955-56	104.0
1956-57	111.2
1957-58	115.9
1958-59	114.9
1959-60	119.0
1960-61	121.0

Source : The Third Five Year Plan.

Table 3 : Changes in Employment in Different Sectors

	Manufacturing Industries		Mines	
	Average Daily Employment (thousands)	Index	Average Daily Employment (thousands)	Index
1951	29,14	100	549	100
1952	30,21	104	559	102
1953	29,70	102	593	108
1954	30,36	104	568	104
1955	31,14	107	590	108
1956	34,01	117	628	115
1957	34,79	122	651	119
1958	34,12	123	649	118
1959	36,35	125	618	113
1960	37,73	129	652	119
1961	39,28 P	135	—	122
1962	41,22	141	—	—

Source; Reserve Bank of India Bulletin, April 1964 and "Indian Labour Statistics, 1964,

P = provisional.

from about 18.8 lakhs in 1950-51 to about 40.13 lakhs in 1960-61. Thus in the course of ten years only trade union membership was more than doubled. However, this increase in membership has not been accompanied by qualitative improvement in all cases. Thus, the size of the individual union, indicated by its average membership, is not expanding. Whereas the average size was 781 members per union in 1951-52, this declined to 641 in 1953-54, 604 in 1958-59 and ultimately came down to 596 in 1960-61. The financial position also is not satisfactory. In 1951-52, the average income of a workers' union was Rs 2158, in 1953-54 that came down to Rs 1846 and then it registered some improvement in 1960-61, reaching the figure of Rs 2278. But in spite of this slight improvement, annual average income definitely remains at a pitiable level. There is, however, some sign of maturity in the labour movement

reflected in the signing of the Code of Conduct for guiding inter-union relationship.

The organisational structure of trade unions as well as their methods have undergone some change in recent years. There is now a more general trend towards industrial workers grouping in the form of trade union federations, the number of federations having increased from 12 in 1947-48 to 64 in 1960-61; although industrial federations are no adequate substitutes for nation-wide industrial unions the federating tendency is welcome in a country full of "one-shop" unions operating at the factory level. Perhaps this federating tendency has been to some extent induced by growing concentration of industry as well as development of different forms of integration in the industries in the course of the industrial development. Another contributing factor has been the necessity of representing workers' interests

in industrial committees, wage-boards, etc, sponsored by the Government as instruments for industrial rule-making.

### Industrial Relations

In the realm of techniques of trade unionism also some improvement has to be noted. Trade Union methods, which in the pre-war period were mainly limited to periodic strikes and demonstrations, have now assumed greater sophistication. Thus there has been some increase in mutual benefit expenditures and educational activities by trade unions. They also make wide use of the methods of external regulation available to them (viz, industrial adjudication, placing of data and arguments in support of the labour point of view before wage-boards and other agencies of similar nature, and also activities for influencing the course of labour legislations). No doubt, this widening of the horizon has been greatly conditioned by the objective situation and circumstances which in turn were greatly conditioned by the industrialisation process.

As regards the impact of economic development on industrial relations, there has been a definitely welcome trend towards a change-over from unilateral decision-making by management towards industrial rule-making through tri-partite decisions. This is reflected in the Code of Industrial Discipline and numerous decisions reached in Indian Labour Conference and industrial committees which have vitally shaped the country's labour relations and conditions of work. There are some indications of growth of collective bargaining, although its pace is still rather slow. Of the total number of disputes in 1961 27.9 per cent and 25 per cent in 1962 were solved through negotiations without Government intervention. This does not indicate that the collective bargaining process has played an important role. But it is interesting to note that out of 487 cases of Government intervention in 1961 and 620 cases in 1962, only 7 and 12 cases, respectively, had to be settled through adjudication, the rest having been settled through conciliation. This decline in importance of adjudication itself indicates the scope for greater development of collective bargaining.

No definite uni-directional trend is obtained with respect to industrial unrest. However, in general, the index for industrial unrest has remained

Table 4 : Trend of Industrial Disputes in the Manufacturing Sector

Year	No of disputes	No of Man-days Lost	Severity Rate per 100,000 Workers	Index of Industrial Unrest (Base: 1951 = 100)
1951	1071	38,18928	424	100
1952	963	33,36961	310	73
1953	772	33,82608	383	90
1954	840	33,72630	400	94
1955	1166	56,97848	563	133
1956	1203	69,92040	597	141
1957	1630	64,29319	400	94
1958	1524	77,97585	418	97
1959	1531	56,33148	421	99
1960	1583	65,36517	533	126
1961	1357	49,18755	421	99
1962	1491	61,20576	—	—
1963 (P)	1394	29,01904	—	—

Source : "Indian Labour Statistics", 1960 and 1964.

P — Provisional-

Table 5 : Absenteeism in Organised Industries in India  
(Percentage of Manshifts Lost to Manshifts Scheduled to be worked)

	1959	1960	1961	1962	1963
<b>Cotton Mill Industry</b>					
(a) Bombay	7.3	10.4	11.9	11.3	11.8
(b) Ahmedabad	6.6	7.3	7.3	8.3	8.0
(c) Sholapur	13.4	16.9	14.7	15.3	18.3
(d) Mysore	19.4	19.2	20.9	27.3	26.4
(e) Kanpur	10.7	14.2	15.1	27.4	15.3
<b>Engineering Industry</b>					
(a) Bombay	14.5	13.7	12.7	13.9	13.4
(b) West Bengal	12.3	11.5	13.3	13.2	12.9
(c) Mysore	11.4	9.3	10.6	15.0	12.4
<b>Coal Mines (All-India)</b>	13.1	13.3	13.5	12.9	12.6
<b>Plantations</b>					
Mysore	19.5	18.8	19.2	21.5	20.4

Source : Indian Labour Journal, Labour Bureau.

below the 1951 level since 1956 (excepting only 1960).

Because of the Government's assumption of leadership of the development process, the necessity was felt for the development of a framework of industrial relations which would tend to avoid major industrial strikes and dislocations and would ensure conscious participation of labour and management in the endeavour for economic progress. This was greatly responsible for the evolution of regular machinery for consultation, negotiation and participation at different levels. It has also created an elaborate state-sponsored machinery for the settlement of industrial disputes in which Government intervention has been given sufficient scope for operation.

### Workers' Response

Workers' responses to industrialisation may assume several forms depending on the degree of workers' commitment and other factors. More important measurable indicators are rates of absenteeism and turnover representing spontaneous or unorganised responses and strikes, demonstrations, etc, representing, organised forms of protest. Organised response, under certain conditions, may also take the form of participative activities in the regular industrial relations system, if and when developed.

Although no all-India figures of absenteeism for the manufacturing industries sector as a whole is available, some details on the basis of available data on individual industries and centres are given in Table 5. From the table it appears that in almost all the centres of cotton-mill industry absenteeism is generally increasing since 1959. For engineering industry the general trend is downward in Bombay and upward in Mysore. For Indian coal-mines as a whole as well as engineering industry in West Bengal, no unidirectional trend is available. However, if we compare the average rate of absenteeism for the five years 1959-63 with the same figures for 1951-55 a better picture about the changes in the rate of absenteeism would emerge. For 1951-55, the average rates of absenteeism were for cotton mills at Bombay 11.4, Ahmedabad 8.4, Sholapur 19.0, Kanpur 12.2: for the engineering industry the rate was 14.3 at Bombay and 11.1 at West Bengal. For the coal-mines the All-India average for the period was 13.5. As compared with these, the 1959-63

average for cotton mills at Bombay was 10.5, for Ahmedabad 7.5 and for Sholapur 15.7. For the engineering industry at Bombay the 1959-63 average was 13.6 and that for West Bengal was 12.6. For coal-mines the average rate of absenteeism per year for the same period was 13.1. Thus, in almost all the important centres of the cotton mill industry and the engineering industry and also in the coal mines for India as a whole, the rate of absenteeism in 1959-1963 was somewhat lower than in the five years 1951-55. Engineering industry in Bengal, however, experienced some increase in the rate of absenteeism.

As regards labour turnover, no All-India picture is available. In fact, statistics on turnover are not regularly published in any State except Maharashtra and Gujarat (formerly Bombay). Thus no judgment can be passed on any changes in trend in recent years. However, from the reports of recent Urban Surveys conducted in different cities it appears that the number of permanently settled workers is increasing in almost all the major industrial centres. This indicates decrease in one aspect of labour turnover, i.e. incessant inflow between towns and villages.

From both these indications it may be inferred that unorganised or spontaneous labour protest reflected in unwarranted absenteeism or excessive turnover is to some extent decreasing in the country. If this observation (which needs verification on a wider scale) is true, this must have been largely due to progress in social security measures as well as to increase in money earnings experienced by workers.

### Organised Protest

With respect to organised forms of protest, however, some sort of a mixed picture emerges. The general trend of industrial disputes in the industrial sector has not been unfavourable. On average during 1957-62, only 1,208 days per year was lost per worker.<sup>1</sup> On a longer span, the severity-rate of industrial disputes in the manufacturing sector (i.e. the rate of man-days lost to man-days available for work) on average was 442.7 per 100,000 workers per year in between 1951 to 1961. These figures cannot be considered as high. The number of man-days lost in the first three years of the Third Plan is also less than the corresponding figure for the last three years of the Second Plan. The average number of

man-days lost per year during 1961-63 was 46,47,078—a figure much lower than the annual average of 66,55,750 during 1958-1960. Besides, as revealed in Table 4, the index for industrial unrest since the beginning of the Second Plan has consistently remained below the 1951 level (excepting only one year, 1960).

Thus, in spite of growing pains, necessarily felt in a developing economy, organised workers' response has not taken the shape of a continuously rising protest line. This is something quite different from what happened in the European countries during the 'take-off' phase. Differences in the pressures for domestic accumulation of capital, the growth in international labour standards, the historical setting as well as the influence of a sympathetic national labour policy appear to have played the main role for this difference.

However, it also cannot be denied that in spite of deliberate attempts at creating a machinery of advanced industrial relations to channelise the organised labour responses, the organised workers have not shown as much enthusiasm or participative spirit as was necessary for their success. Limited appreciation of the significance of work committees, joint productively councils or joint management councils is definitely illustrative of the difficulties in the way of the development of participative responses of workers within a transplanted industrial relations system in an underdeveloped country. Actually only 2,918 works committees were in operation and the number of joint management councils was about 60 in 1962, out of which several were not functioning well. This of course, need not mean that the experiments in the field or industrial relations in India have failed. Actually, the suspicious trends in industrial relations, as reflected in the growth of tripartite decision-making, growing importance of collective bargaining and collective agreements and decline in the emphasis on compulsory adjudication are definitely silver linings. But the horizon is not yet fully clear.

### Conclusions

The most important conclusions of this study can be summarised as follows:

(1) Industrialisation in India has had a definite impact on the industrial workforce of the country. Inflationary

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price-rise, shortages of essential products and living facilities as well as the hastening of the tempo of work have been the main adverts symptoms of this impact.

(2) However, on account of the labour policy of a State with socialist aspirations, the pains of industrialisation have been much softened for the workers. There have been improvements in money-earnings (partly due to the national legislations and awards of tribunals and partly because of pressures from organised labour), and also some improvements in real earnings. Employment in the organised sectors expanded no doubt; but unemployment problem still remains vitally unsolved. Some progress has been achieved in the field of social security, but not much in the field of industrial housing. On the whole, there has been moderate improvement in the level of living of industrial

workers in India, although much more is expected.

(3) There appears to be some decline in spontaneous forms of labour protest. Organised protest in the form of strike did not have any pronounced upward trend on the whole. To some extent, indications of the growth of positive response channelised through the developing framework of industrial relations have been noted because of a few favourable trends associated with the growth of tri-partite decision-making and collective bargaining. But the problems in the way of the development of a full-fledged and sound industrial relations system are also many. Some indications in this respect have been noted in the form of back of proper participation of workers in the consultative and associative machineries developing within the industrial relations framework.

#### Notes

- <sup>1</sup> "India, 1959—A Reference Annual", issued by the Ministry of Information and Broadcasting, Government of India, p 389.
- <sup>2</sup> B N Datar: "Wage Movements Since Independence", *The Economic Weekly*, Special Number, July, 1961.
- <sup>3</sup> R K Mukherji: "Indian Working Class", Bombay, 1948, pp 270-282.
- <sup>4</sup> "India, 1962—A Reference Annual", p 386.
- <sup>5</sup> *Ibid*, p 380,
- <sup>6</sup> *Indian Labour Journal*, September 1963, p 923.
- <sup>7</sup> This point has been elaborated in the present author's work, "Trade Unionism in Underdeveloped Countries", Calcutta 1960.
- <sup>8</sup> Estimated from "Indian Labour Statistics, 1964", pp 151-152.

## National Council's Strategy for Fourth Plan A Reply

I Z Bhatt

*In spite of T N Srinivasan's attempt to mislead readers (The Economic Weekly, January 23, 1965), the fact remains that the National Council's strategy for the Fourth Plan is concerned principally with a new approach to attaining a minimum level of consumption for all. Since the attainment of this objective for all consumer expenditure is not considered feasible within a relatively short time, the Strategy selects food (and particularly cereals), the most essential need of the less fortunate sections of the population, for the Fourth Plan,*

*A mode of operation is then specified within the framework of a plan which provides the mechanism for achieving this end.*

*Immediate concentration on food does not imply that other consumption expenditures stay stationary. These too increase, but the normative minimum is expected to be reached in the subsequent plan or plans depending on the order of priority and on feasibility.*

PERMIT me as one who had some part in the preparation of the National Council's Strategy for the Fourth Plan to answer T N Srinivasan's critique. To start with let me draw attention to two points, academically peripheral, but significant in the light they cast on the tone and quality of the critique. First, the critic has chosen to draw from a preliminary draft to make open comparisons. This draft was strictly confidential (marked so) and was given to the Deputy Chairman of the Planning Commission for a restricted discussion. Whether it was proper on the part of the critic to have used this preliminary and confidential draft for open **discussion in *The Economic Weekly*** I leave to the readers to judge. Second, the critic starts with the sentence: Under the "direct supervision

and guidance" of its Director-General, the National Council has...etc. The phrase "direct supervision and guidance" meant to be quoted from the Strategy occurs neither in the confidential draft nor in the published version. That the author should cite words which do not exist except in his imagination is in keeping with the spirit of the critique.

Srinivasan states that the Council has prepared a "plan" by making "back of the envelope" changes in the "numbers" provided by the P P D in its Notes on Perspective Development — a document which he describes as a "do it yourself planning kit"! I am sure the reader must have been surprised to find that the critique itself is devoted in most part to issues other than "numbers", viz, to the scheme for employment, redistribution and

rationing advocated by the Council as a means for providing the minimum level of cereal consumption to all. Of this there is nothing in the famous kit. How is it that the envelope proved bigger than the kit? Surely not because of the "prejudices, biases and tastes" of the Council.

Let me now turn to the main burden of the critique. The author is peeved that, while the PPD was referred to in the draft version in respect of industrial and mineral targets for 1970-71 this reference was omitted in the final version. The reason of course is simple. There was no need for it.

Allow me to emphasise that the Council is quite capable of determining its own objectives and consistent targets without the help of any "do it yourself planning kit". The targets in the Strategy are based on available