

**REPORT  
OF THE  
WORKING GROUP  
ON  
LABOUR ADMINISTRATION  
(Western Region)**



**NATIONAL COMMISSION ON LABOUR**

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## FOR

The National Commission<sup>13</sup> constituted the Regional Working Group on Labour Administration for Western Region consisting of the States of Maharashtra, Gujarat and Madhya Pradesh in its attempt to understand the changes in Labour Administration in this region since Independence. This was one of the five Groups set up for the study of Labour Administration. The group was required to analyse available information and project its thinking on Labour Administration for the years to come taking into account the possible changes in the economy of the country.

The views expressed in the report are the views of the Working Group. In examining them for framing its final recommendations, the Commission will attach due importance to these views coming as they do from knowledgeable persons connected with the Labour Administration. In the meanwhile, the report is being published by the Commission with a view to seeking comments on it from persons/institutions interested in the subject.

The Commission is grateful to the Chairmen and Members of the Working Group individually for completing their work within the time limit fixed for them. The Commission is also grateful to all persons/institutions who may have helped the Working Group in reaching conclusions.

**P. B. Gajendragadkar.**  
*Chairman*

National Commission on Labour,  
D-27, South Extension, Part II,  
New Delhi-16.

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**Director of Employment,**  
**Maharashtra State,**  
**Bombay.**
2. **Shri S.J. Shah, I.A.S.,**  
**Commissioner of Labour,**  
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**Ahmedabad.**
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## PREFACE

### 1. Introductory :

The National Commission on Labour is, at present, engaged in the task of putting together material on Labour Administration in the country. This work includes the reviews of the present administrative set-up in the country for the implementation of the different labour laws, its effectiveness and related problems. The Commission felt that it would be useful if four Working Groups—one each for the Northern, Southern, Eastern and Western Regions of the country—could be set up, for examining the Paper on Labour Administration prepared by it,\* in the light of the experience gained in the respective regions.

Accordingly, the National Commission on Labour—vide its Memorandum No. 3 (49)/3/68-NCL, dated 19th July 1968 (Annexure “X”)—appointed a Regional Working Group on Labour Administration (Western Region), for the areas covered by the States of Maharashtra, Gujarat and Madhya Pradesh.

### 2. Composition of the Regional Working Group :

The personnel of the Regional Working Group was as under :

1. Shri D.G. Kale,  
Commissioner of Labour and  
Director of Employment,  
Maharashtra State, Bombay. Member.
2. Shri S J. Shah, I.A.S.,  
Commissioner of Labour,  
Gujarat State,  
Ahmedabad. Member.
3. Shri M.M. Khar, I.A.S.,  
Commissioner of Labour,  
Madhya Pradesh State,  
Indore. Member.

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\* See pp. 133 of this Report for text of the Note.

4. Shri L.N. Shandilya,  
Deputy Commissioner of  
Labour, Madhya Pradesh  
State, Indore. Member-Secretary
5. Shri P.J. Ovid,  
Deputy Commissioner of  
Labour, Maharashtra State,  
Bombay. Member-Secretary.

### 3. Terms of Reference of the Regional Working Group :

As per paragraph 3 of the National Commission on Labour Memorandum dated the 19th July 1968, the Regional Working Group (Western Region) was required to examine the Paper prepared by the National Commission on Labour on the subject of Labour Administration. The said Paper, *inter alia*, covers generally the present administrative set-up for the implementation of the various labour laws, its effectiveness and related problems, in the respective States and at the Centre. The Regional Working Group was required to add/amend/modify/reject the conclusions reached in the said Paper of the National Commission on Labour, having regard to the experience obtained in the three States in the Western Region, viz., the States of Maharashtra, Gujarat and Madhya Pradesh. The Regional Working Group was also required to fill in such of the gaps in the Paper prepared by the National Commission on Labour, where the information may not be complete, particularly in respect of points concerning present administrative set-up in each of the three States in question.

The Regional Working Group was informed by the Member-Secretary of the National Commission on Labour that, though the Paper forwarded by the Commission to the Working Group for its examination had been drawn up in the Commission, the views expressed in the said Paper should not be taken to be the views of the Commission. The Regional Working Group was also informed by the Member-Secretary of the National Commission on Labour that the Paper, which had been circulated by the Commission to the Working Group was only indicative of the evidence on the subject of Labour Administration that was coming up before the Commission. As such, the Regional Working Group was advised by the Member-Secretary of the National Commission

on Labour, not to consider the Group to be bound by the views expressed in the Commission's Paper and that the Commission, on its part, would consider the Report of the Regional Working Group as a Report from Experts.

#### 4. Meetings of the Regional Working Group :

As required by paragraph 2 of the aforesaid Memorandum dated the 19th July 1968 of the National Commission on Labour, the Regional Working Group had to hold one meeting at each of the Headquarters of the States of Maharashtra, Gujarat and Madhya Pradesh, at which the Labour Secretary of the State where the meeting was to be held was to preside. Accordingly, the Regional Working Group (Western Region) held one meeting each at the Headquarters of the three States in question, viz., Maharashtra, Gujarat and Madhya Pradesh. The table given below summarises the information regarding the dates, places and persons including the Members of the Working Group, who attended these meetings :

TABLE

Date & Place	Persons, including Members, who attended.
16.11.68 Bombay	(1) Shri S.V. Bhave, I.A.S., Secretary to the Govt. of Maharashtra, Industries and Labour Department, Bombay.  (2) Shri B.V. Laud, Deputy Secretary to the Govt. of Maharashtra, Industries and Labour Department, Bombay.  (3) Shri S.J. Shah, I.A.S., Commissioner of Labour, Gujarat State, Ahmedabad. Member.  (4) Shri M.M. Khar I.A.S., Commissioner of Labour, Madhya Pradesh State, Indore. Member.  (5) Shri V.V. Joshi, (then) Commissioner of Labour & Director of Employment, Maharashtra State, Bombay. (On behalf of Shri D.G. Kale). Member.

Date & Place	Persons, including Members, who attended
3.12.68. Ahmedabad	(6) Shri L.N. Shandilya, Deputy Commissioner of Labour, Madhya Pradesh State, Indore. Member- Secretary.
	(7) Shri P.J. Ovid, Deputy Commissioner of Labour, Maharashtra State, Bombay. Member- Secretary.
	(1) Shri V.R. Mehta, I.A.S. Secretary to the Govt. of Gujarat, Education & Labour Department, Ahmedabad.
	(2) Shri B.B. Brahmbhatt, Deputy Secretary to the Govt. of Gujarat, Education & Labour Department, Ahmedabad.
	(3) Shri S.J. Shah, I.A.S., Commissioner of Labour, Gujarat State, Ahmedabad. Member.
	(4) Shri M.M. Khar, I.A.S., Commissioner of Labour, Madhya Pradesh State, Indore. Member.
	(5) Shri L.N. Shandilya, Deputy Commissioner of Labour, Madhya Pradesh State, Indore. Member- Secretary.
20-12-68 Indore	(6) Shri P.J. Ovid, Deputy Commissioner of Labour, Maharashtra State, Bombay. Member- Secretary.
	(7) Shri K.A. Sheth, Deputy Commissioner of Labour, Gujarat State, Ahmedabad.
	(1) Shri R.P. Mishra, I.A.S., Secretary to the Govt. of Madhya Pradesh, Health and Labour Department, Bhopal.
(2) Shri S.J. Shah I.A.S. Commissioner of Labour, Gujarat State, Ahmedabad. Member.	



Date & Place	Persons, including Members, who attended
(3)	Shri M.M. Khar, I.A.S., Commissioner of Labour, Madhya Pradesh State, Indore. <span style="float: right;">Member.</span>
(4)	Shri V.V. Joshi, (then) Commissioner of Labour & Director of Employment, Maharashtra State, Bombay. (On behalf of Shri D.G. Kale). <span style="float: right;">Member-</span>
(5)	Shri L.N. Shandilya, Personnel & Industrial Relations Manager, National Newsprint & Paper Mills Ltd., Neapanagar, (formerly Deputy Commissioner of Labour, Madhya Pradesh State, <span style="float: right;">Member</span> Indore). <span style="float: right;">Secretary.</span>
<i>Other Officials</i>	
(1)	Shri C.P. Tyagi, Chief Inspector of Factories, Madhya Pradesh State, Indore.
(2)	Shri I.N. Puranik, Deputy Commissioner of Labour, Madhya Pradesh State, Indore.
(3)	Shri N.D. Mishra, Deputy Labour Commissioner, Madhya Pradesh State, Indore.

At these meetings, the Regional Working Group considered in detail the Paper prepared by the National Commission on Labour. The Working Group noted that the Paper prepared by the National Commission on Labour contained a fairly elaborate account of the background of labour legislation in the country, voluntary and institutional arrangements of Labour Administration, the present administrative set-up, both at the Centre and the States, for the implementation of labour laws, followed by a broad discussion of the special problems facing Labour Administration, and the effectiveness with which they were tackled. The Working Group further noted that the Paper prepared by the National Commission on Labour was mainly confined to those aspects of Labour Admi-

nistration, which related to the implementation and enforcement of the existing legislation and other voluntary arrangements. The Working Group also noted that in respect of certain points, such as the present administrative set-up in the three States in question, the Paper prepared by the National Commission on Labour was not complete and it, therefore, decided to fill in these gaps in its Report to the Commission.

In its meetings, the Working Group, apart from examining the Paper on Labour Administration prepared by the National Commission on Labour and arriving at certain tentative conclusions in regard to most of the issues raised in the said paper, also decided that the Members of each of the three States in question should collect the necessary background information and prepare a Note giving the present structure of Labour Administration, Work Load, etc. in respect of their States, for being incorporated in the Report of the Working Group. Finally, it was also agreed in the last meeting that, in the light of the tentative conclusions arrived at, the Working Group may address itself to the task of formulating its conclusions and preparation of its Report.

#### **5. Report of the Regional Working Group :**

As per Paragraph 3 of the above-mentioned Memorandum dated the 19th July 1968 of the National Commission on Labour, the Regional Working Group was required to submit its Report to the National Commission on Labour, as early as possible. However, for various reasons such as the Members of the Working Group being on leave, their transfers or deputations, and the Sessions of the State Legislature, the Working Group found it difficult to meet together and formulate its conclusions in regard to the different issues raised in the Paper prepared by the National Commission on Labour. As time was running out fast, it became necessary for the Regional Working Group to find out ways and means to submit its Report to the Commission urgently. The Members of the three States had already prepared their Notes giving the required information in respect of the present structure of Labour Administration, Work Load, etc. in their respective States. It was therefore decided that this information should be consolidated together and treated as Part I of the Working Group's Report to the National Commission on Labour. Further, with a view to saving much lost time, it was also decided that the Members from each State may prepare further Notes giving their views on the various issues raised in the Paper prepared by the National Commission on

Labour and that they may forward copies of the same directly to the Member-Secretary of the National Commission on Labour, together with copies of their earlier Notes on the present structure of Labour Administration, Work Load, etc. in their respective States. These further Notes, which were prepared by the Members of the three States in question, giving their comments on the different issues put forth by the National Commission on Labour in its Paper, it was decided, should be put together and treated as Part II of the Regional Working Group's Report to the Commission.

This Report of the Regional Working Group (Western Region) on Labour Administration has, therefore, accordingly been prepared and drawn up in two Parts. Each Part again comprises three Sections. Part I gives the existing structure of Labour Administration, Work Load, etc., in the Maharashtra (Section 'A'), Gujarat (Section 'B') and Madhya Pradesh (Section 'C') States. Part II gives the views of the Members from Maharashtra (Section 'A'), Gujarat (Section 'B') and Madhya Pradesh (Section 'C') on most of the issues raised in the Paper prepared by the National Commission on Labour.

The Regional Working Group is conscious of its shortcomings and limitations in the preparation of this Report. It makes no secret of the fact that it has not been able to do full justice to the vital tasks assigned to it by the National Commission on Labour. The main reason for this is, as has already been partly stated above, that the Members of the Working Group could not devote enough attention to their jobs on account of their official engagements and also because of their leave, transfers, deputations etc. Nevertheless, the Regional Working Group feels confident that its Report contains sufficient material to give the National Commission on Labour a fair perspective of the existing set-up of Labour Administration in the three States in question and that the views of the Members on some of the major issues concerning Labour Administration would be of some help to the National Commission on Labour in its deliberations on the subject. The Regional Working Group, therefore, hopes that in this Report, despite its shortcomings and limitations, the National Commission on Labour would find some useful material and comments, for enabling it to formulate its final conclusions on the subject of Labour Administration in the country. The Members of the Regional Working Group would be pleased and, in fact, they would consider it an honour, if they are

called upon by the National Commission on Labour to appear before it for clarifying or supplementing or substantiating any of the view-points expressed in its Report.

**6. Acknowledgements :**

The Regional Working Group is grateful to the Labour Secretaries of the three States for presiding over the meetings of the Working Group, and making available to it the benefit of their mature advice on problems concerning Labour Administration in their respective States. The Regional Working Group is also thankful to the other officers of the Labour Department and the Labour Commissioner's Organisation of the three States for making available to the Working Group, wherever necessary, the required material and information. The Members of the Working Group are thankful to their Member-Secretaries, who, in turn, feel indebted to Shri B.N. Datar, Member-Secretary, National Commission on Labour, for the valuable guidance and advice and encouragement given by him, from time to time, in their task.

Sd/—  
(D.G. Kale)  
Member.

Sd/—  
(S.J. Shah)  
Member.

Sd/—  
(M.M. Khar)  
Member.

Sd/—  
(L.N. Shandilya)  
Member-Secretary.

Sd/—  
(P.J. Ovid)  
Member-Secretary.

**BOMBAY.**  
Dated 1st April 1969.

**Part I**

**PRESENT STRUCTURE OF LABOUR  
ADMINISTRATION, WORK-LOAD, ETC.**

## *Section A*

# MAHARASHTRA STATE

### 1. Introductory :

Maharashtra State came into being on 1st May 1960. It comprises a total area of about 3 lakh Sq.Km. For administrative purposes, the State is divided into four divisions, viz., Bombay Division, Poona Division, Aurangabad Division and Nagpur Division, consisting of 26 districts. The total population of Maharashtra State is 39.5 millions, as against the total population of 439.2 millions of the entire Indian Union, according to the 1961 census. Maharashtra State is undoubtedly the leading industrial State in the country. The total working force in Maharashtra, i.e., those engaged in productive activities in the State, is 19 millions, which is about 10% of the total working force of the entire country. The working force in Maharashtra constitutes about 48% of its population, as against 43% in the country as a whole. This is mainly due to the higher employment opportunities available in Maharashtra State, as compared to elsewhere in the country.

In Maharashtra State there are more than 10,000 factories registered under the Factories Act, 1948 having a total employment of over 9 lakh workers. Besides, the Bombay Shops and Establishments Act, 1948 has been applied to 123 local areas in the State covering a total number of over 3.21 lakh establishments employing total number of 6.22 lakh employees. Apart from this, the Minimum Wages Act, 1948 has been applied to 25 employments in the State, employing about 20 lakh workmen. Moreover, it is estimated that the recent Beedi & Cigar Workers (Conditions of Employment) Act, 1966 is applicable to over 25,000 establishments in the State employing about 4 lakh workers. The industrial workers in Maharashtra State are also covered by several other beneficial labour legislation—Central as well as State—such as the Industrial Disputes Act, 1947, Payment of Bonus Act, 1965, Bombay Industrial Relations Act, 1946, etc. Moreover, the Maharashtra Government has, at present, under active consideration a proposal to cover what are popularly termed

as "Unprotected Labour", such as "Mathadies", "Lokhandi Jatha Kamgars", "Khoka Workers", etc., numbering about 1.78 lakh workers, under a separate special legislation, which has been introduced in the State legislature, with a view to improving their service conditions and regulating their conditions of employment. In short, therefore, the Labour Department of Maharashtra State has to cater to the needs of about 42 lakhs of workers engaged in different industries, employments and avocations scattered over a vast area. A statement giving some highlights of the important labour statistics of Maharashtra State is at Annexure 'M-1'.

## **2. Labour Laws in Force in Maharashtra State :**

(Paragraph 5 of the Commission's Paper)\*

A list of labour laws that are in force in Maharashtra State, at present, classified according to the subjects of their dominant coverage, is at Annexure 'M-2'.

## **3. The Labour Policy of Maharashtra Government :**

Maharashtra Government has been the pioneering Government in the country, in so far as the formulation and implementation of labour policy is concerned. The key-notes of the labour policy of the Maharashtra Government, since inception, have been maintenance of industrial peace, increase in industrial production and labour productivity, and economic justice to both capital and labour. The current labour policy of the Maharashtra Government, which stresses these very key-notes, has been crystallised and can be seen from Chapter II of the Draft Report of the State Sub-Committee on the Preparation of "Outline of the Labour Administration Plan" of the Study Group on Employment and Labour Welfare of the State Fourth Five Year Plan. A copy of the said Chapter on "Labour Policy" is at Annexure "M-3" for ready reference.

## **4. Existing Administrative Set-up of the Offices of the Commissioner of Labour and Director of Employment, Bombay and the Sub-Offices under it. (Paragraph 25 of the Commission's Paper) :**

The Commissioner of Labour and Director of Employment, Bombay is the Head of the Office. He is the administrative head of not only his office and the sub-offices under

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\*See Page 133 of this Report.

it, but is also the administrative head of the Directorate of Employment, Factory Department, Steam Boiler Department, six Government Industrial Workshops (at Bombay, Sholapur, Aurangabad, Paithan, Nanded and Nagpur) and the Bombay Labour Institute, Bombay. In this note, however, only the administrative set-up of the offices of the Commissioner of Labour and Director of Employment, Bombay and the sub-offices under it, excluding the Factories and the Steam Boilers Departments and the Government Industrial Training Workshops and the Bombay Labour Institute, is dealt with. Statements showing the gazetted staff position of the different cadres of officers under the Commissioner of Labour and Director of Employment, Bombay and the sub-officers under it in the State of Maharashtra, as on 1-5-1960 and as on 1-12-1968, are at Annexures "M-4" and "M-5" respectively. Further, statements showing the nature of duties and responsibilities of the various gazetted cadres of officers under the Commissioner of Labour and Director of Employment, Bombay are also given at Annexures "M-6" and "M-7" respectively. A perusal of these statements would indicate the multifarious, diverse and complex nature of duties that are required to be performed by the various cadres of gazetted officers under the Commissioner of Labour and Director of Employment, Bombay.

**5. Functions of the Offices of the Commissioner of Labour and Director of Employment, Bombay and the Sub-Offices under it :**

The office of the Commissioner of Labour and Director of Employment, Bombay and the sub-offices under it are entrusted with the administration and implementation of the following Acts :

**Central Acts :**

- (1) Industrial Disputes Act, 1947.
- (2) Industrial Employment (Standing orders) Act, 1946.
- (3) Indian Trade Unions Act, 1926.
- (4) Minimum Wages Act, 1948.
- (5) Working Journalists (Conditions of Service and Miscellaneous Provisions) Act, 1955.
- (6) Motor Transport Workers Act, 1961.
- (7) Payment of Bonus Act, 1965.
- (8) Beedi and Cigar Workers (Conditions of Employment) Act, 1966.



**State Acts :**

- (1) Bombay Industrial Relations Act, 1946.
- (2) Bombay Shops and Establishments Act, 1948.

In addition, the following non-statutory functions are also entrusted to it :—

- (1) Personnel Management Advisory Service—Investigation of all labour complaints and labour unrest.
- (2) Compilation and publication of the Consumer Price Index Number for working class for Bombay, Sholapur, Jalgaon, Nagpur, Aurangabad, Nanded and Poona.
- (3) Compilation of new index series for additional centres such as Gondia etc.
- (4) Conducting of socio-economic enquiries into the conditions of labour in various industries.
- (5) Compilation and disseminating information on labour matters in general and statistics regarding industrial disputes, agricultural wages, absenteeism, cotton mill production, trade unions, etc., in particular.

The statistical information so collected is published in the Monthly Labour Gazette.

- (6) Collection of statistics under the Collection of Statistics Act, 1953.
- (7) Publication of two monthlies, viz.,
  - (i) The Labour Gazette and
  - (ii) The Industrial Court Reporter.
- (8) Supervision over the working of the Bombay Shops and Establishments Act, 1948 wherever it is administered by local authorities.
- (9) Work in connection with the implementation of Code of Discipline. This includes investigation of complaints and recognition of unions.
- (10) Implementation and evaluation of labour laws.
- (11) Supervision and control over the working of the Government Industrial Training Workshops at Bombay, Sholapur, Nanded, Nagpur, Aurangabad and Paithan and also over the Bombay Labour Institute, Bombay.

- (12) Work of *ad hoc* tripartite labour committees appointed by Government, from time to time, such as Minimum Wages Committee, Norms Committee, Unfair Labour Practices Committee, etc.

#### 6. Work-load :

Statements indicating the work-load of the Offices of the Commissioner of Labour and Director of Employment, Bombay and the sub-offices under it, in respect of certain major items of work, for the years from 1961 to 1967, are at Annexures "M-8", "M-9", "M-10", "M-11", "M-12", "M-13", "M-14", "M-15" and "M-16", respectively. A perusal of the material contained in these statements would reveal the increased volume of work that the organisation of the Commissioner of Labour and Director of Employment, Bombay, has to cope up with, as the years advance. It may be mentioned that a Works Study Team of the State General Administration Department had carried out a "works study" of the Office of the Commissioner of Labour, from 8-9-1965 to 15-1-1966. The said Works Study Team had made certain recommendations regarding the re-organisation of the staff at the Head Office of the Office of the Commissioner of Labour at Bombay and the said recommendations have since been generally accepted by the State Government and carried out to a great extent. In particular, the Study Team had found the strength of the Assistant Commissioners of Labour at Bombay to be inadequate, having regard to the norms for conciliation under the Industrial Disputes Act, 1947 fixed up by it. These norms are 25 conciliation cases of a general nature and 47 conciliation cases of an individual nature per Assistant Commissioner of Labour, per month. In accordance with these norms, posts of the Assistant Commissioners of Labour are now being sanctioned by the State Government for conciliation work.

#### 7. Accumulated Arrears of Work :

It would be seen from the statistics contained in the various statements pertaining to volume of work referred to herein above that the accumulated arrears of work is at a normal level. This is, however, mainly due to the fact that time-limits for the disposal of work have been laid down both statutorily as well as through administrative directions by the State Government. In view of this, conciliation and other industrial relations work cannot be kept pending for long by the officers concerned and they have to dispose of

the said work within the prescribed time-limit. However, this is not to say that because there are no abnormal arrears of work in the Office of the Commissioner of Labour, the staff sanctioned under these offices is adequate. It may be emphasised in this connection that, although this is not revealed from the statistics on record, the work relating to inspection and enforcement of the various labour laws can be said to be heavily in arrears. This would be evident from the total number of units covered under the different labour Acts and the total number of inspecting staff sanctioned by Government for enforcement of those Acts. The Labour Ministers' Conference of 1960 considered that there should be at least one Inspector per 150 factories. Some such norms are, at present, under the process of being fixed by the State Government for the Government Labour Officers, who are the principal enforcement officers in so far as non-technical work under the various labour laws are concerned. In any event, having regard to the large number of units covered under the different labour laws in the State, judged by any standards, the present complement of Government Labour Officers in the State is considered to be highly inadequate. Looked at from this angle, therefore, the inspection and enforcement work of the different labour laws by the Office of the Commissioner of Labour and Director of Employment could be said to be highly in arrears. Such a position is not desirable, as it has very often resulted in adverse criticisms from the public and even from the floor of the State Legislature.

*Annexure "M-1"*

**SOME HIGH-LIGHTS OF LABOUR STATISTICS FOR  
MAHARASHTRA STATE**

	<i>Nos.</i>
Registered factories (1965)	9,55
Average daily number of workers employed (1965)	957,000
Number of industries covered by the Bombay Industrial Relations Act 1946 as on 31-12-1965.	10
Number of workers covered by Bombay Industrial Relations Act as on 31-3-1965.	333,192
Number of registered trade unions in the State as on 31-3-1965.	1,877
Total membership of registered trade unions as on 31-3-1965.	11,29,033
Number of registered trade unions affiliated to INTUC as on 31-3-1965.	137
Membership of unions affiliated to INTUC as on 31-3-1965.	237,718
Number of registered trade unions affiliated to AITUC as on 31-3-1965.	52
Membership of unions affiliated to AITUC as on 31-3-1965.	188,056
Number of registered trade unions affiliated to H.M.S. as on 31-3-1965.	51
Membership of unions affiliated to H.M.S. as on 31-3-1965.	35,785

**Industrial Disputes**

	1964	1965	1966	1967
No. of disputes.	636	586	781	672
No. of workers involved.	285,395	379,956	514,321	254,790
No. of man-days lost.	1580,243	1203,388	3541,947	2139,476

*Annexure "M—2"*

**(Paragraph 5 of the Commission's Paper)**

**State of Maharashtra**

**LIST OF LABOUR LEGISLATION IN FORCE**

**(i) Legislation about Employment and Training.**

1. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.
2. Apprentices Act, 1961.

**(ii) Legislation on Working Conditions.**

1. Factories Act, 1948.
2. Motor Transport Workers Act, 1961.
3. Bombay Shops and Establishments Act, 1948.
4. Children (Pledging of Labour) Act, 1933.
5. Employment of Children Act, 1938.
6. Beedi and Cigar Workers (Conditions of Employment) Act, 1966.
7. Bombay Smoke Nuisances Act, 1912.

**(iii) Legislation on Labour-Management Relations.**

1. Indian Trade Union Act, 1926.
2. Industrial Employment (Standing Orders) Act, 1946.
3. Industrial Disputes Act, 1947.
4. Working Journalists (Conditions of Service and Miscellaneous Provisions) Act, 1955.
5. Bombay Industrial Relations Act, 1946.

**(iv) Legislation on Wages, Earnings and Social Security.**

1. Payment of Wages Act, 1936.
2. Employees' State Insurance Act, 1948.
3. Employees' Provident Fund Act, 1952.
4. Payment of Bonus Act, 1965.
5. Workmen's Compensation Act, 1923.
6. Maternity Benefit Act, 1961.
7. Minimum Wages Act, 1948.

**(v) Legislation on Welfare.**

1. **Bombay Labour Welfare Fund Act, 1953.**
2. **Bombay Housing Board Act, 1948.**

**(vi) Miscellaneous Legislations.**

1. **Collection of Statistics Act, 1953.**
2. **Industrial Development and Regulation Act, 1951.**
3. **Bombay Relief Undertakings (Special Provision) Act, 1958.**

## **LABOUR POLICY OF MAHARASHTRA GOVERNMENT**

2.1 The philosophy of laissez-faire, which dominated the political and economic thought and was practised two generations ago, has now given place to planned economy. The principal objective of the Welfare State, which we seek to establish is to secure to all citizens justice, social and economic. To the attainment of this objective, the Indian Constitution has given a place of pride. The economy of the country is sought to be organised for planned production and distribution and aims at the realisation of social justice and the welfare of the masses. The structure of industrial relations, which has been evolved, is consequently based on the considerations that industrial peace is a prerequisite for the smooth functioning of a planned economy; that wastage of resources through strikes, lockouts and other wasteful conflicts in the industrial sphere should be avoided at all costs; and that the claims of labour for a just share in the fruits of production, for just and humane conditions of work, security of employment, and social security should be recognised and peacefully settled through collective bargaining by bipartite or tripartite negotiations, conciliation, and, in the last analysis, by judicial determination of the disputes by voluntary arbitration or compulsory adjudication—and by welfare legislation. The State has provided machinery for peaceful settlement of industrial disputes through the establishment of Conciliation Officers, Labour Courts, Wage Boards and Industrial Tribunals. The State has regulated conditions of work by legislation in factories, mines, plantations, shops and establishments, docks, motor transport industry and has sought to give a measure of social security to the workers through such social security measures as the Workmen's Compensation Act, the Employees' State Insurance Act, Employees' Provident Funds Act and the Maternity Benefit Act and retrenchment compensation and lay-off provisions under the Industrial Disputes Act. Under the Minimum Wages Act, the State has fixed minimum wages in industries.

where labour was sweated and unorganised and has regulated payment of wages under the Payment of Wages Act.

2.2 It will thus be seen that far-reaching legislative and welfare programmes for labour have been undertaken since the Independence. Substantial gains have accrued to the working class as a result of labour legislation, collective bargaining and by awards given by adjudicators. Social security measures have been introduced and conditions of work at the work-place have been improved and regulated. However, during the above-said period, certain drawbacks in the existing system have been noticed. Likewise, during the above-mentioned period, some new problems have emerged and certain fresh ideas in the labour field have come up. For example, the tendency of the parties for litigation needs to be removed. There is scope for improving the implementation machinery for labour legislation and giving quick relief. Voluntary arbitration will have to gather momentum. A large amount of unprotected labour and contract labour will have to be brought within the purview of labour legislation and their conditions of service rationalised. It will be necessary to adopt far-reaching policy in labour matters which will bring about a sense of satisfaction to the workers. Essentially, the policy will have to be based on social justice. The worker must feel that his rights as a worker are fully protected, his employment is adequately safeguarded and that he is assured of an honoured place in the community. The trade unions must become strong and healthy and they should make more impact on the national scene in social and economic spheres. While fighting for the rights of the workers, they must also be in a position to inculcate a sense of discipline among the workers. Through their strength and prestige, they must be in a position to assist in the process of planned development, by enhancing production and improving the quality of manufacture. Likewise, the employer must be assured of the growth of the industry and its viability. The State machinery must assume the role of a friend or fair mediator and would be motivated to assist both parties to settle their differences speedily and in a spirit of harmony. The State machinery will be vitally concerned in days to come, to assist the workers in improving their skills and performance as well as in securing their just rights and privileges. It will have to be equally alive to the growth of the industry and its performance.

2.3 Most of the above-said ideas have been developed



in the Memorandum presented by the State Government to the National Commission on Labour, which is constituted by the Government of India. The ideas contained in the above-said Memorandum can be broadly considered to be the labour policy, which the State Government would be pursuing in the years to come. These ideas with reference to labour administration are briefly as follows :—

**(i) Collective Bargaining :**

Labour legislation in India has on the whole encouraged the growth of collective bargaining and accelerated the pace of collective settlement of disputes. In some industries, which are well developed and where labour is well-organised, the system of collective bargaining has become widely prevalent and has played a vital role in the maintenance of industrial peace. However, in most of the other industries, the pace of collective bargaining is rather slow. With this end in view, therefore, the Government of Maharashtra has appointed two tripartite Committees, one for industries in general and one for co-operative societies, to suggest norms in regard to various industrial matters in these industries, such as wages, gratuity, holidays, leave and other fringe benefits, in the light of the awards of adjudications and settlements and agreements already arrived at. While the Report of the former Committee is awaited by the State Government, the Report of the latter Committee has since been received by the State Government and most of the recommendations contained therein have also been accepted by the State Government. It will, therefore, be necessary to implement the recommendations of the above-said Committee in the ensuing years.

**(ii) Compulsory Adjudication :**

There can be no doubt that in fixing wage structures and other conditions of service in different industries, industrial adjudication has attempted, gradually and by stages, to attain the principal objectives of the Welfare State, to secure to labour justice, social and economic. Adjudication has also helped to lay down norms, which have been the basis of collective bargaining in subsequent disputes. Further, unlike in the more advanced countries, where the working classes are more effectively organised and are in a more favourable position to bargain with the employer by trial of strength, in our country the working classes are always the weaker of the two contending parties and cannot stand the strain of prolonged strikes. Industrial adjudication has attempted to

correct this imbalance and hold the scale, nay, even tilt them slightly in favour of the workers in the light of our fast changing ideas of social justice. Many a time, the trade unions and even the employers ask for the help of the State machinery to resolve their disputes. State intervention in industrial disputes will therefore have to continue, and besides, the presence of the State machinery is necessary to ensure that the objectives of the planned economy in a developing country like ours are not lost sight of and production is not hampered.

### (iii) Voluntary Arbitration :

It is being urged that coercive acts are being resorted to compel the employers to come to terms quickly, whereas adjudication involves inordinately long delay. It has been urged that recourse to such coercive acts is the direct outcome of the frequent approaches by the employers to High Courts and Supreme Courts, which cause excessive delays and thus undermine the confidence of the workers in this procedure. To counteract this disturbing trend and as an alternative to the costly and protracted method of industrial adjudication, Government and other elements in the society have now, for some years past, been advising the two contending parties to accept voluntary arbitration. Voluntary arbitration has the most crucial role to play in the achievement of good industrial relations since this is the only machinery, through which the parties can get the maximum possible satisfaction in the shortest time without bitterness. Unfortunately, experience has shown that both parties, in general, and employers, in particular, are reluctant to agree to voluntary arbitration. Tripartite Voluntary Arbitration Promotion Boards might be set up to popularise the idea and promote the wide acceptance of voluntary arbitration by the parties. In fact, such Board has already been set up by the State Government.

### (iv) Role of Trade Unions :

By and large, the trade unions have been concentrating mostly on economic demands to advance the economic interests of their members. While this would remain their major role, they need to supplement their activities by paying more attention to workers' education and workers' welfare, both inside and outside the work-place. The objectives of achieving planned economic development demand that the trade unions should co-operate with the employer in maintaining discipline and efficiency, reducing absenteeism and in increasing production

and productivity. Increasing participation of workers in the management of unions is necessary so that internal leadership in unions can be built up and strengthened. In times to come, the trade unions should be able to make an impact on the social and economic life and activities in the country so that these are toned up to foster democracy and progressive economic reconstruction of society.

**(v) Inter-Union Rivalry :**

Inter-union rivalry has become the bane of our trade union movement. The Industrial Disputes Act encourages multiplicity of unions in an industry or an undertaking. Under that Act, even a minority union can agitate disputes and upset longstanding settlements by making extravagant promises. This gives rise to multiplicity of unions and inter-union rivalry and jeopardises industrial peace. It is desirable to provide for statutory recognition of an exclusive bargaining agent by the employer on its fulfilling certain conditions as under the Bombay Industrial Relations Act, with this difference that since in these industries it is not possible to have exclusive bargaining agent industry-wise owing to its heterogeneous character, recognition may be unit-wise.

**(vi) Bargaining Agent :**

While the recognised union should be the sole bargaining agent for disputes which involve collective bargaining, it is only fair that every scope should be given to unrecognised unions, if any, to take up and plead individual cases of its members.

**(vii) Code of Discipline :**

The Code of Discipline has, to a certain extent, helped in reducing disputes by securing recognition to unions and making the employer and unions to discharge their obligations willingly. But the Code is a voluntary arrangement and it is found difficult to impose any sanctions in the case of breaches of the Code. Besides, although the Central Organisations of Employers and Labour have accepted the Code, their constituents, at times do not feel themselves bound by the Code and no effective sanctions against them can be applied by the organisations. The scheme of the Code has already been given statutory shape, under the Bombay Industrial Relations Act, in respect of industries to which that Act is applicable, long before the Code was accepted by the parties voluntarily on an all-India basis. It is desirable that the essential features of the Code are embodied in the Industrial Disputes

Act, which is a Central legislation and which, so far as the Maharashtra State is concerned, applies to industries, which are not covered by the Bombay Industrial Relations Act.

**(viii) Unfair Labour Practices :**

Unfair practices, on the part of the employers and the workers, which are a fertile source of industrial disputes, have not been adequately considered and defined by any authoritative body. Some attempt was made to provide such definition, under the Indian Trade Unions Amendment Act of 1947, which was, however, not brought into force. It appears necessary to re-examine the entire question in the light of the changed conditions and to have an authoritative pronouncement on the subject. Such practices, such as go-slow, coercive acts of indiscipline, have been condemned by the Courts and are definitely unfair. Similarly, closures, shifting or partitioning of factories, resorted to by employers to escape the liability, unfair labour Acts or awards, would also come under this category. The State Government has already appointed a high-powered Tripartite Committee to define which activities on the part of employers, workers and their organisations constitute "unfair labour practices" and for recommending to Government as to what action may be taken against the party concerned for resorting to such "unfair labour practices".

**(ix) Implementation of Labour Laws :**

Experience has shown that, although the objectives of labour legislation are laudable, its implementation falls short of the expectation of labour. It may be that the labour machinery is not adequately strengthened to keep pace with the increased duties and responsibilities thrown upon it by the growing labour legislation in recent years, which has brought within its fold additional number of workers.

**(x) More Power to Labour Courts -- Mobile Courts :**

It may be desirable to vest the powers of the Criminal Court in the Labour Courts in trying offences under the Labour Acts, with provisions of appeal to the Industrial Courts, as under the Bombay Industrial Relations Act. Likewise, it seems necessary to envisage mobile courts with summary powers to deal with special offences.

**(xi) Common Labour Code :**

One of the main causes in the way of speedier implementation of labour laws is that the parties are at times prone to

seek the judicial and other constitutional remedies. A considerable case law has been built up in consequence and the judicial pronouncements are also sometimes either not clear or are contradictory, which has left the position a little vague in some respects. Employers are too often prone to fight on such basic issues as whether a particular worker is a worker under a given law. The definitions of "employer" and "employee" differ from one labour Act to another with the result that a person, who may be an "employee" under the Industrial Disputes Act may not necessarily be an "employee" under the Payment of Wages Act. The workers do not often understand these subtle distinctions with the result that when cases go against them, they are likely to blame the Government machinery. It is desirable that there should be a common definition of "employer" and "employee" in all labour enactments. That definition should be simple and precise, free from any ambiguity so that the Courts will be able to give very quick rulings. It may be desirable to make an attempt to bring the various labour Acts within the framework of a single instrument, so that the inconsistencies, which are at present noticeable, will be removed and speedier administration may be possible. A single piece of legislation will also be very convenient from the point of view of the two parties.

#### (xii) Single Forum for Deciding Claims of Workers :

A suggestion in the direction of getting the claims of the workers speedily decided would be to have a single forum for deciding claims of the workers according to existing contracts of service, under the various statutory enactments, such as the Minimum Wages Act, the Payment of Wages Act, Section 33(c) of the Industrial Disputes Act, Workmen's Compensation Act and so on. This suggestion is made because sometimes the jurisdiction of the Authorities under the two Acts overlap. For instance, a worker can claim a benefit under Section 33(c) of the Industrial Disputes Act or he can go to the Payment of Wages authority under the Payment of Wages Act. This sometimes results in the worker going to the wrong Court and after sometimes, he is told that he has to approach another Authority. Under this idea, the parties will know definitely to which Court they have to go.

#### (xiii) National Minimum Wage :

There are many un-organised workers for suchi 'sns

tances, motor car drivers, who are still outside the pale of minimum wage legislation. It would be difficult to enforce statutory regulations on the conditions of work of such persons. It would be impossible to fix working hours or provide a weekly holiday for such workers having regard to the nature of their duties. On the other hand, there is a persistent demand in the legislature and elsewhere from the labour side that some minimum wage should be fixed for such workers. It would be possible to make provision for fixing only a minimum wage for such category. Enforcement on the part of labour machinery of government in respect of such minimum wage would be very difficult, but provision could be made for appointment of claims authorities to which the workers should have direct access and which would settle and award their claims. Time is now ripe for thinking of the national minimum wage for workers of such type. The idea of national minimum wage has been current for sometime past. The national minimum wage should be the floor below which the wage which the employed person gets should not fall. A step in this direction would also tend to minimise wage disparities in different regions of the country.

**(xiv) Minimum Conditions Legislation :**

With the establishment of the National Minimum Wage, it would be unnecessary to continue with wage fixation under the Minimum Wages Act. Instead, it should be possible to provide for workers, who would normally come within the ambit of minimum wage regulation, in view of the sweated nature of the industry or lack of bargaining power among them, a Minimum Conditions Legislation prescribing much-needed protection of items like wage-scales, allowances, hours of work, leave, overtime, fringe benefits and retirement benefits, such as gratuity and reinstatement. This legislation should also provide a machinery for revising service conditions after certain intervals or as and when it is necessary.

**(xv) Standing Tripartite Mediation Machinery :**

Although various types of machinery, such as Conciliation Officers, Conciliation Boards, Wage Boards, Adjudication and Arbitration are available under the existing scheme of legislation, there appears to be still room for another type of machinery, viz, a Standing Tripartite Mediation Machinery, which could be invoked at the instance of either party or Government in appropriate cases.

**(xvi) Unprotected Workers :**

Even after the rapid advance in labour legislation since Independence, a large number of persons, like Mathadies, Hamals, Lokhandi Jatha Workers, Salt-pan Workers, are not in a position to derive any benefits. The main reason why they are unable to get any protection is that they do not fall within the purview of the definition of "workman". Some of them do not work for a fixed employer during fixed hours but are found to be working in Tollies (groups). The problems of these workers are somewhat different from those engaged in organised industry. It is necessary to envisage some scheme of decasualisation and some central authority, which will be responsible for ensuring fair and proper distribution of work among them, fair remuneration and other benefits. In fact on the basis of the recommendations made by a Tripartite Committee which was appointed by the State Government some time back, the State Government is recently actively considering the formulation of a scheme, on the lines of the Bombay Dock Labour Board, for the regulation of the employment and welfare of such unprotected workers.

**(xvii) Contract Labour :**

Another vexed question is that of the position of contract labour in the industry. In the absence of employer-employee relationship, which it is necessary to bring a worker within the purview of labour legislation, contract labour has been all along outside the pale of labour legislation and has been deprived of the benefits which are available to their co-workers in the industry. All Commissions and Committees, since the Royal Commission on Labour, have recommended the gradual abolition of contract labour in the industry. The Government of India has currently introduced a bill for the regulation or prohibition of contract labour. This measure, when enacted, will go a long way in giving relief to a substantial sector of the working class, such as building and construction workers.

**(xviii) Bonus :**

The Payment of Bonus Act, 1965 has, by and large, satisfied the claims of workers for annual bonuses. The recent decision of the Supreme Court of India in striking down Section 34 (2) of the Act has, however, created large amount of discontent amongst a certain section of the working classes. The said section, it may be recalled, was incorporated in the Act to carry out the assurance given to

the workers' representatives by the late Prime Minister to the effect that the existing higher quantum of bonus would be safeguarded. This assurance was given following the strong views expressed by the labour organisations when the Government of India decided to proceed with the legislation incorporating the minority recommendations of the Bonus Commission. It was considered that workers had secured the existing quantum of bonus after great efforts extending over a number of years and any whittling down in the quantum would result in a serious loss to them. In fact, labour was persuaded to reconcile themselves to the proposed legislation only because of the Prime Minister's assurance to protect the existing quantum. A solution has, therefore, got to be found to the problem, which would respect the sanctity of the assurance given by the late Prime Minister and which would not make any change in the existing benefits which were being enjoyed by labour over a number of years. The State Government has already suggested to the Government of India that the section might protect the existing quantum of bonus averaging over a period of 3 to 5 years and this suggestion might overcome the difficulty of arbitrariness and unreasonableness on which ground also the present section was attacked by the majority decision of the Supreme Court of India.

**(xix) Multiplicity of Registers and Forms under various Labour Enactments :**

It has been too often complained by the industry that they have to maintain the various registers and forms under the various labour enactments and send returns to various authorities, adding to overlapping and multiplication of forms. Historically, a particular type of labour legislation came to be on the Statute Book for particular reasons and there is usually a provision in the labour enactment that the employer should maintain registers and forms in a certain manner, which is prescribed by the Rules. The provision was and is intended to enable the enforcement machinery to verify the truth of the employers' assertions in case of prosecutions. This device has also been used by the labour machinery to collect statistics for its purpose. However, as the labour legislation grew apace, the employer is bewildered with the multiplicity of registers and forms he has to maintain, and the returns which he is required to send to various authorities cannot also be co-ordinated properly to enable



the various authorities to draw any meaningful conclusions. It is suggested that instead of the employer having to maintain registers and forms under the relevant labour enactments, there may be a separate legislation entirely requiring him to maintain registers and send returns to a central authority for the purpose of the various labour Acts. A central statistical authority, under the Labour Department, will be able to collect and coordinate statistical information.

2.4 The proposals, which are contained in the following Chapter for inclusion in the Fourth Five Year Plan of this State, are, therefore, made keeping in view the above-said broad principles which are to be pursued by the State Government, in the forthcoming yeras.

**Annexure "M-4"**  
 (Paragraph 25 of the Commission's Paper)  
 Office of the Commissioner of Labour and Director of Employment, Maharashtra State, Bombay  
 Gazetted set-up as on 1-5-1960

Sr. No.	Designation	Bombay	Thana	Kalyan	Nasik	Jalgaon	Poona	Sholapur	Kolhapur	Sangli	Ahmednagar	Nagpur	Bhandra	Amravati	Akola	Wardha	Aurangabad	Nanded	Total	
1.	Commissioner of Labour	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1
2.	Dy. Commissioner of Labour	2	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—	3
3.	Asst. Commissioner of Labour	12	—	—	—	—	1	—	—	—	—	1	—	—	—	—	1	—	—	15
4.	Government Labour Officer	24	—	—	—	1	3	1	1	—	—	4	—	—	—	—	1	1	—	36
5.	Asst. Registrar of Union	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1
6.	Special Officer (O & M)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>		<b>40</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2</b>	<b>1</b>	<b>—</b>	<b>56</b>

*Annexure "M-5"*

(Paragraph 25 of the Commission's Paper)

**Office of the Commissioner of Labour and Director of Employment, Maharashtra State, Bombay**  
**Gazetted set-up as on 1-12-1968**

Sr. No.	Designation	Bombay	Thana	Kalyan	Nasik	Jaigaon	Poona	Sholapur	Kolhapur	Sangli	Ahmednagar	Nagpur	Bhandra	Amravati	Akola	Aurangabad	Nanded	Wardha	Total
1	Commissioner of Labour	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1
2	Dy. Commissioner of Labour	4	—	—	—	—	1	—	—	—	—	1	—	—	—	—	—	—	6
3	Asst. Commissioner of Labour 18*	—	—	—	1	—	2	—	1	—	—	4	—	—	—	1	—	—	27
4	Government Labour Officer	20	1	1	2	1	5	2	1	1	2	7	2	1	1	2	1	1	51**
5	Asstt. Registrar of Union	1	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—	2
6	Spcial Officer (O & M)	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1
<b>Total</b>		<b>45</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>13</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>88</b>

\* One post of Assistant Commissioner of Labour is kept in abeyance.

\*\* Of these, following posts are not yet filled in :—

4 Bombay, 2 Poona 3 Nagpur and 1 each at Nasik, Ahmednagar, Sholapur and Bhandra.

*Annexure "M-6"*

**(Paragraph 25 of the Commission's Paper)**

**Statement showing the nature of duties and responsibilities of the various Gazetted Cadres of Officers under the Commissioner of Labour and Director of Employment**

**(i) Head Office**

<i>Designation</i>	<i>Statutory Duties</i>	<i>Other Duties</i>
1. Commissioner of Labour and Director of Employment.	<ol style="list-style-type: none"><li>1. Certifying Officer under the Industrial Employment (Standing Orders) Act, 1946.</li><li>2. Conciliation Officer under the Industrial Disputes Act, 1947, for the whole of Maharashtra State.</li><li>3. Commissioner of Labour under the Bombay Industrial Relations Act, 1946.</li><li>4. Officer authorised under Section 22B (1)(a) of the Minimum Wages Act, 1948.</li><li>5. Officer authorised under Rules 21 (4), 23 (1) (b) (i) Proviso to Rules 24(2), 25 (D) (g) and Rule 26K of Bombay Minimum Wages Rules.</li></ol>	<ol style="list-style-type: none"><li>1. Chairman, Editorial Board, Labour Gazette.</li><li>2. Chairman, Editorial Board, Industrial Court Reporter.</li><li>3. Member-Secretary to the State Labour Advisory Board.</li><li>4. Chairman, Advisory Board for Government Industrial Training Workshops, Maharashtra State.</li><li>5. Member, Consumer Price Index Number Committee.</li><li>6. Member, Advisory Board for the Bombay Labour Institute, Bombay.</li><li>7. Member, State Implementation &amp; Evaluation Committee.</li></ol>

<i>Designation</i>	<i>Statutory Duties</i>	<i>Other Duties</i>
	<p>6. Besides, the Commissioner is Chairman of Tripartite Advisory Committee under Factories Act, 1948 and</p> <p>7. President of Bombay Smoke and Nuisance Commission.</p> <p>8. Power to sanction prosecution for offences under Sec. 20 (1) of the Payment of Wages Act, 1936.</p>	<p>8. Member, Dock Laboru Board, National Welfare Board for Seafarers and Member of other similar important nature of Committees, Boards etc., appointed by Central or State Govt. time to time.</p>
	<p><b>Dy. Commissioner of Labour (I) :—</b></p> <p>1. Conciliation Officer under the Industrial Disputes Act, 1947.</p> <p>2. Registrar under the Trade Unions Act, 1926.</p> <p>3. Chief Inspector under the Motor Transport Workers' Act, 1961.</p> <p>4. Officer authorised under Section 22B (1)(a) of the Minimum Wages Act, 1948.</p> <p>5. Also Chairman of the Conciliation Board under Section 12(5) of the Industrial Disputes Act, 1947.</p>	<p>Besides he is the :—</p> <p>1. Editor of Labour Gazette.</p> <p>2. Editor of Industrial Court Reporter.</p> <p>3. Member-Secretary to the Consumer Price Index Number Committee.</p>
<p>2. Deputy Commissioner of Labour, Bombay (Four posts)</p>		

**Dy. Commissioner of Labour (II) :—**

3. Deputy Commissioner of Labour,  
Bombay

1. Conciliation Officer under the Industrial Disputes Act, 1947.
2. Chief Conciliator under the Bombay Industrial Relations Act, 1946.
3. Certifying Officer under the Industrial Employment (Standing Orders) Act, 1946 and under the Bombay Industrial Relations Act, 1946 so far as standing orders are concerned.
4. Also Chairman of Conciliation Board under Section 12(5) of the Industrial Disputes Act, 1947.

**Dy. Commissioner of Labour (III) :—(Administration)**

4. Deputy Commissioner of Labour,  
Bombay

1. Conciliation Officer under Industrial Disputes Act, 1947.
2. Conciliator under the Bombay Industrial Relations Act, 1946.
1. He is looking after the administrative work of the entire Labour Department and assisting the Commissioner of Labour and Director of Employment.
2. He is also In-charge of the Personnel Management Advisory Service Scheme.

<i>Designation</i>	<i>Statutory Duties</i>	<i>Other Duties</i>
	<p>3. Power under Section 10(2) of the Industrial Disputes Act, 1947 to refer industrial disputes for adjudication/ arbitration to Industrial Tribunals or Courts.</p> <p>4. He is also Chairman of Conciliation Board under Section 12(5) of the Industrial Disputes Act, 1947.</p> <p>5. Chief Inspector under the Bidi and Cigar Workers (Conditions of Employment) Act, 1966.</p>	<p>3. Member-Secretary, Unfair Labour Practices Committee.</p>
5. Deputy Commissioner of Labour, Bombay	<p><b>Dy. Commissioner of Labour (IV) :—</b></p> <p>1. Conciliation Officer under Industrial Disputes Act, 1947.</p> <p>2. Conciliator under the Bombay Industrial Relations Act, 1946.</p> <p>3. Chief Inspector under Working Journalists Act, 1955.</p> <p>4. He is also Chairman of the Conciliation Board under Section 12(5) of the Industrial Disputes Act, 1947.</p>	<p>Besides he is also :—</p> <p>1. Chief Government Labour Officer and supervises the work done by Govt. Labour Officers under various Acts.</p> <p>2. Implementation and Evaluation Officer under Code of Discipline.</p> <p>3. Member-Secretary, Private Arbitration and Promotion Board,</p>

6. Assistant Commissioner of Labour, Bombay (18 posts)

All are Conciliation Officers under the Industrial Disputes Act, 1947 & Inspectors under the Payment of Bonus Act, 1965 & Conciliators under the Bombay Industrial Relations Act, 1946.

The distribution of work among them is as follows :—

- (1) P.A. to Commissioner of Labour & Director of Employment. He looks after Accounts & Establishments matters.
- (2) Registrar under Bombay Industrial Relations Act, 1946.
- (3) In-charge of Socio-Economic Enquiries.
- (4) Secretary, Minimum Wages Committees.
- (5) Secretary, Minimum Wages Committees & Conciliator under Bombay Industrial Relations Act.
- (6) Secretary, Norms Committee.
- (7) Deals with applications under Section 33 (c) of Industrial Disputes Act & also Chairman to the Board of Conciliation under Industrial Disputes Act.
- (8) & (9) Work under Personnel Management Advisory Service.
- (10) to (16) Conciliation Officers under Industrial Disputes Act.

7. Government Labour Officer, Bombay (20 posts)

The duties of Government Labour Officers are multifarious and may be enumerated briefly as under :—

**I. Under the Bombay Industrial Relations Act.**

1. To watch the interest of employees and promote harmonious relations between employers and employees.
2. To investigate the grievances of employees and represent to the employers their grievances and make recommendations to them in consultation with the employees concerned for the redress.



<i>Designation</i>	<i>Statutory Duties</i>	<i>Other Duties</i>
	<ol style="list-style-type: none"> <li>3. To report to the State Government existence of any industrial dispute of which no notice of change has been given.</li> <li>4. Where there is no union to represent the employees, to represent them in all proceedings.</li> <li>5. To hold meetings of employees for electing their representatives in undertaking and occupations and for certain other purposes.</li> <li>6. To place the terms of agreement or settlement before the employees represented by him for seeking their acceptance.</li> <li>7. To report to the Labour Court the offences committed by an employer.</li> <li>8. To express views on Standing Orders proposed to be settled for the undertaking on behalf of the employees represented by him.</li> <li>9. To carry on such investigations as necessary under the Act at the request of the Registrar of Unions.</li> <li>10. To appear before the Labour Court, Industrial Court or Wage Board on behalf of employees where permissible.</li> <li>11. <b>Duties under the Industrial Disputes Act :</b> The individual complaints from all the industries falling under the purview of Industrial Disputes Act are dealt with by the Government Labour Officer.</li> </ol>	
8. Assistant Registrar of Unions (1 post)	All the statutory duties of Assistant Registrar under Bombay Industrial Relations Act, 1946.	
9. Special Officer (O & M Section) (1 post)	The S.O. performs all non-statutory duties. 1. To pay surprise visits to Central Registrary, Typing Section & see that the working is smooth.	

2. To see that monthly inspection of the branches are carried out by the Branch Officers.
3. Examine additional staff proposals as and when necessary.
4. Participate in training of staff in a manner the Commissioner of Labour directs.
5. Do such other duties as are asked to perform by the Commissioner of Labour.
6. Establishment and Accounts cases, so far as routine matters are concerned, are seen for final orders.
7. Duties as Vigilance Officers and also as Public Relations Officer as per General Administration Department Resolution No. VGC-1065-DI of 13-3-1965.

*Annexure "M-7"*

(paragraph 25 of the Commissioner's Paper)

**Statement showing the nature of duties and responsibilities of the various Gazetted Cadres of Officers under the Commissioner of Labour and Director of Employment.**

**(II) AT OTHER PLACES OF THE STATE**

For the administrative purposes, the officers appointed in the various important industrial centres in Poona Division are under the control of the Deputy Commissioner of Labour, Poona and the officers appointed in the various important industrial centres in Aurangabad and Nagpur Divisions are under the control of the Deputy Commissioner of Labour, Nagpur.

The Deputy Commissioners of Labour at Poona and Nagpur are the Regional Heads and perform all the statutory and non-statutory functions of the Deputy Commissioners of Labour as at Bombay.

The Deputy Commissioner of Labour, Nagpur is empowered to refer disputes under Section 10(2) of the Industrial Disputes Act, 1947 to adjudication. The Deputy Commissioner of Labour, Poona is however not so empowered. The Deputy Commissioner of Labour, Nagpur and the Assistant Commissioner of Labour, Aurangabad are also the additional Registrar under the Bombay Industrial Relations Act, 1946 and Deputy Registrar under the Trade Unions Act, 1926.

The Assistant Commissioners of Labour and Government Labour Officers posted at various industrial centres perform most of the similar functions of the Assistant Commissioners of Labour and Government Labour Officers as at Bombay.

## Annexure "M-8"

(Paragraph 54 of the Commission's Paper)  
Conciliation Cases Under the Industrial Disputes Act, 1947

Year	Pending	Received	Total	Settled	Failed	With- drawn	Pending
1961	1253	1835	3088	506	578	1266	738
1962	738	2195	2933	393	457	1672	411
1963	411	2702	3113	582	565	1329	637
1964	637	3100	3737	629	651	1510	947
1965	947	2704	3651	860	515	1379	897
1966	897	4122	5019	1016	538	2118	1347
1967	1347	4351	5698	1060	923	648	1067
1968	1067	4738	5805	717	1149	2552	1387

## Conciliation Cases under the Bombay Industrial Relations Act, 1946

Year	Pending	Received	Total	Settled	Failed	With- drawn	Pending
1961	335	44	777	119	385	26	247
1962	247	454	701	99	182	143	277
1963	277	407	684	107	205	125	247
1964	247	621	868	59	242	142	425
1965	425	625	1050	85	352	64	549
1966	549	522	1071	142	369	87	473
1967	473	49	902	91	178	126	507
1968	507	448	955	60	204	216	475

Conciliation Cases under Central Provinces and Berar Industrial  
Disputes Settlement Act, 1947

Year	Pending	Received	Total	Settled	Failed	With- drawn	Pending
1961	10	198	208	45	76	—	87
1962	87	155	242	18	164	10	50
1963	50	133	183	26	89	20	48
1964	48	225	273	22	134	—	117
1965	117	27	144	37	58	13	36
1966	36	—	36	—	7	—	29
1967	29	—	29	—	20	—	—
1968	—	—	—	—	—	—	—

Cases under Bombay Industrial Relations (Extension and  
Amendments Act) 1964

Year	Pending	Received	Total	Settled	Failed	With- drawn	Pending
1965	—	13	13	3	—	—	10
1966	10	215	225	78	28	39	80
1967	80	123	203	52	77	50	24
1968	24	93	117	17	34	39	27

*Annexure "M-9"*

**Personnel Management Advisory Service  
Personnel Management Advisory Service cases dealt with  
during the years 1960-1967 (year-wise)**

Year	Admitted during the year under P.M.A.S.	Disposed of during the year	Successful cases	Percentage
1960	200	164	*	*
1961	366	325	*	*
1962	832	736	302	41%
1963	1272	1119	565	50%
1964	1950	1762	715	40%
1965	2065	1807	554	31%
1966	2703	2085	632	30%
1967	1801	1658	451	28%
1968	2743	2583	1103	43%

- \* As the Personnel Management Advisory Services, implementation since May, 1959 only, the separate figures are not really available. However, 590 cases were admitted out of which 310 cases were settled successfully, giving the percentage of 53.

*Annexure "M—10(i)"*

Statement showing the number of individual complaints dealt with outside the Bombay Industrial Relations Act, for the Years 1963, 1964, 1965, 1966 and 1967.

Year	Pending at the beginning	Recorded during the year	Total	DISPOSAL						Total	Pending at the end
				Untenable	Favourable	Unfavourable	Excluded	Withdrawn			
1963	178	6239	8117	2277	2317	2312	1194	184	8281	136	
1964	136	3099	8236	1964	2210	2420	1294	116	8084	151	
1965	151	6779	6930	2048	1768	2048	695	207	6766	164	
1966	164	5588	6752	1376	1603	1410	778	462	5629	123	
1967* (123-354)	477	9344	9221	1682	2511	2711	1452	991	9347	474	

\* 123 cases pending with Government Labour Office—Head Office.

354 pending with Government Labour Officer—Kurla, Bandra, Kalyan, Thana.

*Annexure "M-10(ii)"*

Statement showing the number of individual complaints dealt with under the Bombay Industrial Relations Act, for the Years 1963, 1964, 1965, 1966 and 1967

Year	Number of complaints recorded during the year	Number of complaints pending at the beginning	Total	DISPOSAL							Total	Pending at the end
				Directed to approved union	Not pursued	Favourable	Not favourable	Indefinite	Withdrawn			
1963	671	24	695	91	185	131	148	—	62	617	78	
1964	575	78	653	79	173	149	138	—	50	589	64	
1965	605	64	669	113	150	108	131	4	63	569	80	
1966	623	80	703	293	97	112	93	36	45	676	27	
1967	430	27	457	242	63	73	39	9	6	432	25	

*Annexure "M-11"*  
**TRADE UNIONS**

Year	No. of registered unions.	No. of unions included in the report.	Total membership of the unions shown in Col. 3	Average membership per union included in report.	Percentage.
1	2	3	4	5	6
1950—51	635	392	449710	1141	
1951—52	672	408	440507	1080	
1952—53	718	448	541254	1208	
1953—54	312	481	416696	866	
1954—55	912	518	395597*	764	
1955—56	1068	607	404072	666	
1956—57	1599	859	480544	559	
1957—58	1699	1030@	601964	524	
1958—59	1748	1031	613465	595	
1959—60	1373	825@	617283	748	
1960—61	1417	833@	578073	694	
1961—62	1446	841	600785	714	
1962—63	1606	909	641088	705	
1963—64	1626	971	810814	835	
1964—65	1877	1050	934192	890	
31st Dec., 1965	2071	1088	790026	725	
31st Dec., 1966	2307	1000	809037	820	

\* Details regarding sex are not available in certain cases.

@ This number includes Federations.  
Provisional.



*Annexure "M-12"*

**No. of industrial disputes, workers involved and mandays lost  
in the Maharashtra State**

**Statistics of Strikes**

Year.	No. of disputes	No. of workers involved		No. of working days lost.
		Directly	Indirectly	
1	2	3	4	5
1958	226	1,11,192 (1,38,197)	27,005	11,88,787
1959	255	1,58,275 (1,84,204)	25,929	6,27,811
1960	262	2,66,953 (2,76,437)	9,484	10,01,453
1961	274	71,562 ( 83,383)	11,821	5,75,580
1962	377	1,82,706 (2,68,250)	85,544	10,73,068
1963	437	1,95,767 (2,09,985)	14,218	9,17,649
1964	616	2,56,372 (2,79,463)	23,091	15,94,160
1965	592	5,55,298 (5,58,229)	2,913	13,82,044
1966	781	5,02,992 (5,14,391)	11,399	35,41,947
1967	672	2,50,665 (2,54,790)	4,125	21,39,476

*Annexure "M-13"*

**Applications received under the Payment of Bonus Act, 1965**

Year	Received	Disposed of
1966	—	—
1967	85	85
1968 upto October.	90	82

*Annexure "M-14"*

**Applications received under Section 33C of the Industrial Disputes Act, 1947.**

Year	Received	Disposed of
1965	168	—
1966	616	249
1967	1065	1034
1968 upto October.	661	892

*Annexure "M-15"*

**Information relating to Minimum Wages Act, 1948**

Year	No. of visits paid.	No. of cases in which prosecution launched	No. of scheduled employments in respect of which minimum rates of wages stand fixed.
1	2	3	4
1960	11,019	218	15
1961	13,766	175	15
1962	12,032	200	15
1963	14,956	51	16
1964	15,554	46	17
1965	16,322	56	17
1966	14,789	29	18
1967	11,418	63	19

**Annexure "M-16"**

**Information regarding number of establishments registered, number of employees covered, number of inspections made etc., under the Bombay Shops and Establishments Act, 1948**

Year	No. of Establishments	No. of Employees	No. of Inspections made	No. of Prosecutions launched	Amount of Fines realised (in Rs)	Remarks.
1	2	3	4	5	6	7
1961	3,38,913	6,12,071	2,20,227	10,152	2,82,004	
1962	2,56,836	5,18,654	2,19,919	13,638	2,32,205	
1963	2,50,641	5,80,435	3,09,714	13,016	2,96,026	
1964	2,69,403	5,55,153	3,32,931	15,867	4,34,034	
1965	2,94,949	5,81,323	3,61,156	16,409	4,32,896	
1966	3,14,706	6,01,882	4,06,335	21,270	6,51,156	
1967	3,21,345	6,21,954	2,66,619	13,857	5,58,420	

## Section — "B"

### GUJARAT STATE

#### 1. Introductory :

Gujarat State came into being on 1st May, 1960. It comprises a total area of about 1.87 lakhs sq. km. The total population of Gujarat State is 20.6 millions as against the total population of 439.2 millions of the entire Indian Union, according to the 1961 census. Gujarat State is one of the leading industrial States in the country. The total working force of Gujarat i.e., those engaged in productive activities in the State is about 41.26% of the total population.

In Gujarat State, there were 5362 factories registered under the Factories Act, 1948 having a total employment of 4.16 lakh workers as on 31.12.67. Besides, the Bombay Shops and Establishments Act, 1948 has been applied to 109 local areas covering total number of 1,92,040 establishments employing total number of 1,99,912 employees. Apart from these, the Minimum Wages Act, 1948 has been applied to 17 employments in the State, employing about 16.75 lakhs workmen. The industrial workers in the Gujarat State are also covered by several other beneficial labour legislation—Central as well as State—such as the Industrial Disputes Act, 1947, Bombay Industrial Relations Act, 1946, Payment of Bouns Act, 1965, etc. In short, the Labour Department of Gujarat State has to cater to the needs of about 23.90 lakhs of workers engaged in different industries and employments scattered over vast area. A Statement giving some highlights of labour statistics for Gujarat State is appended hereto and marked Annexure A-1. A list of labour legislation in force in Gujarat State is also appended hereto and marked Annexure A-2.

#### 2. The Labour Policy of Gujarat Government :

The criteria for determining the effectiveness or otherwise of Government's labour policy is the contribution it can make in improving the management-trade union relations which would result not only in the maintenance of industrial peace and improvement in working, service and living condi-

tions of the working class, but also help the industry to raise its production and productivity and thus assist in raising of living standard of the majority of the people. The labour policy, to be effective, should assist in strengthening the hands of the managements and the unions in developing the good faith, tolerance, the spirit of give and take, and willingness to cooperate. The basic aim of the labour policy pursued by the State of Gujarat is to secure social justice consistent with the needs of the national development. This labour policy is flexible enough to adjust itself in response to the specific needs of the situation in relation to the industry and working class in a planned economy. To be precise, the Government's labour policy aims at :—

- (i) Maintaining industrial peace;
- (ii) Positively developing cordial labour-management relations;
- (iii) Raising the standard of living of the workers by gradual betterment of the working and service conditions through legislative and administrative measures; and
- (iv) Creating an atmosphere congenial for steady increase in production and productivity.

So far as the State of Gujarat is concerned, it can be said with confidence that the legislative and other arrangements for maintaining industrial peace and for ameliorating the working, service and living conditions of the working class have worked fairly successfully and the labour policy pursued by the Government in cooperation with the organised labour and management have stood the test of time on account of its flexibility.

The views of the State Government of Gujarat on various aspects of labour have been given in detail in "Replies to the Questionnaire issued by the National Commission on Labour."

### **3. Administrative Set-up of the Office of Commissioner of Labour and the Sub-offices under it :**

The Commissioner of Labour, Ahmedabad is the Head of the Department. He is the administrative head of not only this office and the sub-offices under it, but is also the administrative head of the Directorate of Employment, Factory Department, Steam Boiler Department and Government Industrial Training Workshop, Ahmedabad. In this note, however, the administrative set-up of the offices of the Commissioner of Labour, Ahmedabad and sub-offices-

under it is discussed. Statements showing the gazetted staff position of the different cadres of officers under the Commissioner of Labour, Ahmedabad and the sub-offices under it in the State of Gujarat as on 1-5-1960 and as on 1-12-1968 are attached hereto and marked Annexure-B and B-1 respectively. Further, statement showing the nature of duties and responsibilities of various gazetted cadres of officers under the Commissioner of Labour, Ahmedabad, are attached hereto and marked Annexure C-1. A perusal of this statement would indicate the multifarious and the diverse nature of duties that are required to be performed by various cadres of gazetted officers under the Commissioner of Labour, Ahmedabad.

#### **4. Functions of the Offices of Commissioner of Labour and the Sub-offices under it :**

The office of the Commissioner of Labour and the sub-offices under it are entrusted with the administration and implementation of the following Acts.

##### **Central Acts :**

- (1) Industrial Disputes Act, 1947.
- (2) Industrial Employment (Standing Orders) Act, 1946.
- (3) Trade Unions Act, 1926.
- (4) Minimum Wages Act, 1948.
- (5) Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955.
- (6) Motor Transport Workers Act, 1961.
- (7) Payment of Bonus Act, 1965.
- (8) Beedi and Cigar Workers (Conditions of Employment) Act, 1966.

##### **State Acts :**

- (1) Bombay Industrial Relations Act, 1946.
- (2) Bombay Shops and Establishments Act, 1948.

In addition, the following non-statutory functions are also entrusted to them.

- (1) Publication of the Consumer Price Index Number for Working Class (New Series).
- (2) Conducting socio-economic enquiries into the conditions of labour in various industries.
- (3) Compiling and disseminating information on labour matters in general and statistics regarding industrial disputes, agricultural wages, absenteeism, trade unions etc.

The statistical information so collected is published in the monthly Labour Gazette.

- (4) Publication of Gujarat Labour Gazette.
- (5) Supervision over the working of Bombay Shops and Establishments Act, 1948 which is administered by Local Authorities.
- (6) Work in connection with the implementation of the Code of Discipline, including investigation of complaints and recognition of unions.
- (7) Implementation and Evaluation of Labour Laws.
- (8) Supervision and control over the working of the Government Industrial Training Workshop, Ahmedabad.
- (9) Works of ad-hoc tripartite Labour Committees appointed by the Government from time to time such as Minimum Wages Advisory Committees, Norms Committees, etc.
- (10) Relief measures undertaken for the workers rendered unemployed on account of the closure of the cotton textile mills.

#### 5. Work- Load :

Statements indicating the workload of the office of the Commissioner of Labour, Ahmedabad and the sub-offices under it in respect of certain major items of works for the years from 1961 to 1967 are appended hereto and marked Annexures D, D-2, D-3 (i), D-3 (ii), D-4, D-5, D-6, D-7 respectively. A perusal of the material contained in these statements would reveal the increasing volume of works that the organisation of the Commissioner of Labour has to cope up with.

#### 6. Accumulated Arrears :

It would be seen from the statistics in the annexure that the accumulated arrears of work is not much. The time limit for disposal of the conciliation cases under the Bombay Industrial Relations Act is laid down statutorily, while that under the Industrial Disputes Act is laid down statutorily as well as by the administrative directions. In view of the paucity of staff many establishments might not have been covered by visits under some Acts. However, attempts are made to cover all the establishments about which complaints are received for breach of any law.

*Annexure A—1*

**Some high-lights of labour statistics for Gujarat State.**

1. Registered factories (1965)	4,826
2. Average daily number of workers employed (1965)	4,13,424
3. Number of industries covered by the Bombay Industrial Relations Act 1946 as on 31-12-65	8
4. Number of workers covered by Bombay Industrial Relations Act as on 31-3-1965.	2,01,689
5. Number of registered trade unions in the State as on 31-3-1965	515
6. Total membership of registered trade unions as on 31-3-1965	2,72,939
7. Number of registered trade unions affiliated to INTUC as on 31-3-1965	88
8. Membership of unions affiliated to INTUC as on 31-3-1965	1,34,646
9. Number of registered trade unions affiliated to AITUC as on 31-3-1965	9
10. Membership of unions affiliated to AITUC as on 31-3-1965	2,641
11. Number of registered trade unions affiliated to H.M.S. as on 31-3-1965	6
12. Membership of unions affiliated to H.M.S. as on 31-3-1965	5,398

13.	<b>Industrial Disputes</b>			
	1964	1965	1966	1967
No. of disputes	139	54	69	102
No. of workers involved	42,217	31,366	14,401	24,278
No. of man-days lost	1,37,906	78,942	1,57,139½	2,75,788



*Annexure A—2*

**LIST OF THE CENTRAL AND STATE ACTS ENFORCED BY  
THE LABOUR DEPARTMENT OF THE STATE GOVERNMENT  
IN THE STATE OF GUJARAT.**

- (i) Legislation about Employment and Training**
  - (1) Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.
- (ii) Legislation on Working Conditions**
  - (1) Employment of Children Act, 1938.
  - (2) Factories Act, 1948.
  - (3) Bombay Shops and Establishments Act, 1948.
  - (4) Motor Transport Workers Act, 1961.
  - (5) Beedi and Cigar Workers (Conditions of Employment) Act, 1966.
- (iii) Legislation on Labour-management Relations**
  - (1) Trade Unions Act, 1926
  - (2) Industrial Employment (Standing Orders) Act, 1946
  - (3) Bombay Industrial Relations Act, 1946
  - (4) Industrial Disputes Act, 1947
- (iv) Legislation on Wages, Earnings and Social Security**
  - (1) Workmen's Compensation Act, 1923
  - (2) Payment of Wages Act, 1936
  - (3) Working Journalists (Conditions of Service and Miscellaneous Provisions) Act, 1955
  - (4) Minimum Wages Act, 1948
  - (5) Maternity Benefit Act, 1961
  - (6) Payment of Bonus Act, 1965
  - (7) Employees' Provident Fund Act, 1952
  - (8) Employees' State Insurance Act, 1948
- (v) Legislation on Welfare**
  - (1) Bombay Labour Welfare Fund Act, 1953
- (vi) Miscellaneous Legislation**
  - (1) Indian Boilers Act, 1923
  - (2) Gujarat Smoke Nuisance Act, 1963.

*Annexure—B*  
**Office of the Commissioner of Labour, Gujarat State, Ahmedabad**  
**GAZETTED SET-UP AS ON 1-5-1960**

Sl. No.	Designation	Names of towns									
		Ahmedabad	Surat	Baroda	Mehsana	Nadiad	Rajkot	Bhavnagar	Porbandar	Jamnagar	Bulsar
1.	Commissioner of Labour	1	—	—	—	—	—	—	—	—	—
2.	Deputy Commissioner of Labour.	1	—	—	—	—	—	—	—	—	—
3.	Assistant Commissioner of Labour.	4	—	—	—	—	1	—	—	—	—
3A.	Assistant Commissioner of Labour Welfare.	—	—	—	—	—	1	—	—	—	—
4.	Government Labour Officer	8	2	2	—	—	1	1	1	1	—
5.	Research Officer	1	—	—	—	—	—	—	—	—	—

*Annexure—B1*

**Office of the Commissioner of Labour, Gujarat State, Ahmedabad**  
**GAZETTED SET-UP AS ON 1-12-68**

Sl. No.	Designation	Names of towns									
		Ahmedabad	Surat	Baroda	Mehsana	Nadiad	Rajkot	Bhavnagar	Porbandar	Jamnagar	Bulsar
1.	Commissioner of Labour	1	—	—	—	—	—	—	—	—	—
2.	Deputy Commissioner of Labour.	1	—	—	—	—	—	—	—	—	—
3.	Assistant Commissioner of Labour.	8	1	1	—	—	1	1	—	—	—
4.	Government Labour Officer	14	2	2	1	1	2	1	1	1	1
5.	Research Officer	2	—	—	—	—	—	—	—	—	—

*Annexure C—1*

**Statutory and other duties of the Officers of Labour Department, Commissioner of Labour, Ahmedabad.  
HEAD OF DEPARTMENT**

Sl. No.	Designation of post	DUTIES	
		Statutory Duties	Other Duties
1.	Commissioner of Labour and Director of Employment.	<ol style="list-style-type: none"><li>1. Chief Conciliator under the Bombay Industrial Relations Act 1946.</li><li>2. Conciliation Officer under the Industrial Disputes Act, 1947 for the whole of Gujarat State.</li><li>3. Commissioner of Labour under the Bombay Industrial Relations Act, 1946.</li><li>4. Making of references under Section 10 (2) of the Industrial Disputes Act, 1947.</li><li>5. Sanctioning/making of complaints under clause (A) of sub-section (1) of section 22B of Minimum Wages Act, 1948.</li><li>6. Authority under Rule 21 (4), proviso to Rule 24 (2) and Rule 26E of Gujarat Minimum Wages Rules 1961.</li><li>7. Appointing Conciliators and Labour Officers under Bombay Industrial Relations Act, 1946.</li></ol>	<ol style="list-style-type: none"><li>1. Chairman, State Tripartite (Technical) Committee for Cement Industry.</li><li>2. Chairman, Government Industrial Training Workshop Advisory Board.</li><li>3. Member, State Emergency Production Committee.</li><li>4. Government Representative, State Implementation and Evaluation Committee.</li><li>5. Member of Committee for sanctioning grant-in-aid for approved social activities.</li><li>6. Member, Advisory Committee of All India Radio regarding Programmes to be released for the labourers through Ahmedabad and Baroda Stations.</li><li>7. Editor, Gujarat Labour Gazette.</li></ol>

Sl. No.	Designation of post	Statutory Duties	Other Duties
2.	Deputy Commissioner of Labour.	<ol style="list-style-type: none"> <li>8. Declaring seasonal establishments under section 25A (2) of the Industrial Disputes Act, 1947.</li> <li>9. Chairman, Gujarat Smoke Nuisance Commission.</li> <li>1. Registrar under the Trade Unions Act, 1926.</li> <li>2. Inspector under the Minimum Wages Act, 1948 for the whole State.</li> <li>3. Conciliator under the Bombay Industrial Relations Act, 1946.</li> <li>4. Conciliation Officer under the Industrial Disputes Act, 1947 for the whole State.</li> <li>5. Competent Authority under section 2(C) of the Minimum Wages Act, 1948.</li> <li>6. Making of references under section 10(2) of the Industrial Disputes Act, 1947.</li> <li>7. Settlement of Standing Orders under the Bombay Industrial Relations Act, 1946.</li> <li>8. Declaring seasonal establishments under section 25A(2) of the Industrial Disputes Act, 1947.</li> </ol>	<ol style="list-style-type: none"> <li>8. Chairman of Tripartite Advisory Committee set up under the Factories Act, 1948.</li> <li>9. Administrative and financial powers as Head of Department.</li> <li>1. Certain financial and administrative powers.</li> </ol>

Sl. No.	Designation of post	Statutory Duties	Other Duties
3.	Assistant Commissioner of Labour (Twelve Posts),	<p><b>Assistant Commissioner of Labour at Ahmedabad</b>  <b>Assistant Commissioners of Labour (1)</b></p> <ol style="list-style-type: none"> <li>1. Conciliator under the Bombay Industrial Relations Act, 1946.</li> <li>2. Conciliation Officer under the Industrial Disputes Act, 1947.</li> <li>3. Certification of Standing Orders under the Industrial Employment (Standing Orders) Act, 1946.</li> </ol> <p><b>Assistant Commissioner of Labour (2)</b></p> <ol style="list-style-type: none"> <li>1. Conciliator under the Bombay Industrial Relations Act, 1946.</li> <li>2. Conciliation Officer under the Industrial Disputes Act, 1947.</li> <li>3. Certification of Standing Orders under the Industrial Employment (Standing Orders) Act, 1946.</li> </ol> <p><b>Assistant Commissioner of Labour (3)</b></p> <ol style="list-style-type: none"> <li>1. Competent Authority under section 2(c) of the Beedi and Cigar Workers (Conditions of Employment) Act, 1966.</li> <li>2. Chief Inspector under Beedi and Cigar Workers (Conditions of Employment) Act, 1966.</li> </ol>	<ol style="list-style-type: none"> <li>1. Work under Bonus Act, 1965.</li> <li>2. Work relating to National Commission on Labour.</li> </ol> <ol style="list-style-type: none"> <li>1. Chief Government Labour Officer.</li> <li>2. Work as Chief Inspector under the Motor Transport Workers Act, 1961.</li> </ol>

Sl. No.	Designation of post	Statutory Duties	Other Duties
	<b>Assistant Commissioner of Labour (4)</b>		
1.	<b>Registrar under the Bombay Industrial Relations Act, 1946.</b>		<ol style="list-style-type: none"> <li>1. Implementation and Evaluation work.</li> <li>2. Price Supervision for Ahmedabad Consumer Price Index Number.</li> <li>3. Administrative and financial powers as Establishment and Accounts Officer.</li> </ol>
	<b>Assistant Commissioner of Labour (5)</b>		
1.	<b>Secretary, Minimum Wages Advisory Board.</b>		<ol style="list-style-type: none"> <li>1. Social Economic Survey.</li> <li>2. I.L.O. References.</li> <li>3. References relating to amendments of new legislation.</li> </ol>
	<b>Assistant Commissioner of Labour (6)</b>		
			<ol style="list-style-type: none"> <li>1. Publication of Gujarat Labour Gazette.</li> <li>2. Reference pertaining to Factories Act, 1948, Steam Boilers Act, 1923 and Gujarat Smoke Nuisance Act, 1953.</li> <li>3. Implementation of recommendations of Wage Boards.</li> <li>4. Work pertaining to Working Journalists (Conditions of Service and Miscellaneous Provisions) Act, 1955.</li> </ol>
	<b>Assistant Commissioner of Labour (7)</b>		
			<ol style="list-style-type: none"> <li>1. Work pertaining to Minimum Wages Act, 1948.</li> <li>2. Work pertaining to Shop Supervision Scheme.</li> </ol>

Sl. No.	Designation of post	Statutory Duties	Other Duties
			3. O & M Officer. 4. Statistical reports to be sent to Labour Bureau, Simla.
	<b>Assistant Commissioner of Labour (8)            Post Vacant.</b> <b>Assistant Commissioners of Labour—            Baroda, Surat, Bhavnagar and Rajkot.</b>		
	1. Conciliation Officers under Industrial Disputes Act, 1947. 2. Conciliators under Bombay Industrial Relations Act, 1946. 3. Certifying Officers under Industrial Employment (Standing Orders) Act, 1948.		<b>Heads of Offices.</b>



*Annexure D*  
**Conciliation cases under the Industrial Disputes Act, 1947**

Year	Pending	Received	Total	Settled	Failed	Withdrawn or closed	Total	Pending
1961	209	446	655	127	109	140	376	279
1962	279	769	1048	184	128	367	679	369
1963	369	651	1020	118	198	404	720	300
1964	300	941	1241	158	215	441	814	427
1965	427	1117	1544	153	250	628	1031	513
1966	513	1205	1718	167	306	847	1320	398
1967	398	1228	1626	136	268	751	1156	471

**Conciliation cases under the Bombay Industrial Relations Act, 1946.**

1961	254	531	785	147	228	88	463	322
1962	322	676	998	265	366	91	722	276
1963	276	564	840	221	345	81	647	193
1964	193	666	859	159	225	76	460	399
1965	399	728	1127	168	581	87	836	291
1966	291	634	925	145	415	124	684	241
1967	241	554	795	206	342	65	613	182

*Annexure D—2*  
Statement regarding Trade Unions

Year	Number of registered unions*	Number of unions included in the report*	Total membership of the unions shown in col. 3.	Average membership per union included in report	Percentage
1	2	3	4	5	6
1960—61	479	355	2,01,826	569	
1961—62	463	356	1,99,694	561	
1962—63	494	353	2,08,890	592	
1963—64	505	249	1,63,751	658	
1964—65	515	230	1,71,739	747	
31st December, 1965	496	226	1,72,095	761	
31st December, 1966	541	268	1,28,274	477	

\*This includes federations also.

*Annexure D—3(1)*

**Statement showing the number of individual complaints dealt with outside the Bombay Industrial Relations Act, for the years 1963, 1964, 1965, 1966 and 1967.**

Year	Pending at the beginning.	Recorded during the year.	Total	DISPOSAL						Total	Pending at the end
				Untenable	Favourable	Unfavourable	Excluded	Withdrawn			
1963	189	5179	5368	—	1791	1068	489*	1760	5108	260	
1964	260	4434	4694	—	1472	800	—	2296	4568	126	
1965	126	4702	4828	—	1964	478	351*	1809	4602	226	
1966	226	4246	4472	—	1626	525	—	1925	4076	396	
1967	396	4318	4714	—	1611	561	—	2301	4473	241	

\*Directed to other authorities.

*Annexure D—3(ii)*

Statement showing the number of individual complaints dealt with under the Bombay Industrial Relations Act, for the years 1963, 1964, 1965, 1966 and 1967.

Year	Number of complaints recorded during the year.	Number of complaints pending at the beginning.	Total	D I S P O S A L.							Total	Pending at the end.
				Directed approved union	Not pursued	Favourable	Not favourable	Indefinite	Withdrawn			
1963	998	64	1062	617	185	125	54	—	3	984	78	
1964	1351	78	1429	859	—	225	257	—	59	1398	29	
1965	1209	29	1238	658	—	184	171	8	210	1231	7	
1966	833	7	840	389	—	150	80	—	178	797	43	
1967	808	43	851	380	172	90	131	—	58	831	20	

*Annexure D—4*

**No. of industrial disputes, workers involved and mandays lost  
in the Gujarat State.**

**STATISTICS OF STRIKES**

Year	No. of disputes	No. of workers involved		No. of working days lost
		Directly	Indirectly	
1960 (1-5-60 to 31-12-1960)	44	18,197	—	39,963
1961	88	46,260	—	89,014
1962	37	9,102	—	1,11,267
1963	90	39,802	—	2,90,214
1964	139	42,217	—	1,37,906
1965	54	31,366	—	78,942
1966	69	14,401	—	1,57,139½
1967	102	24,278	—	2,75,788

*Annexure D—5*

**Applications received under the Payment of Bonus Act, 1965.**

Year	Received	Disposed of
1966	50	33
1967	259	185
1968	610	633

*Annexure D—6*

**Information relating to Minimum Wages Act, 1948.**

Year	No. of visits paid	No. of cases in which prosecution launched	No. of scheduled employments in respect of which minimum rates of wages stand fixed
1	2	3	4
1960	1313	25	In 17 scheduled employments the minimum rates of wages stand fixed.
1961	3100	18	
1962	4405	53	
1963	4939	60	
1964	4324	46	
1965	2776	39	
1966	5284	25	
1967	7335	114	

**Annexure D-7**

**Information regarding number of establishments registered, number of employees covered, number of inspections made etc. under the Bombay Shops and Establishments Act, 1948.**

<b>Year</b>	<b>No. of Establishments</b>	<b>No. of Employees</b>	<b>No. of Inspections made</b>	<b>No. of Prosecutions launched</b>	<b>Amount of Fines realised (in Rs.)</b>
April 1961 to March 1962*	1,73,383	1,86,401	N.A.	22	Rs. 812
1963	99,325	1,15,189	N.A.	2,777	N.A.
1964	1,27,538	1,34,539	N.A.	1,801	N.A.
1965	1,60,228	1,73,922	N.A.	2,402	N.A.
1966	1,78,379	1,92,436	N.A.	2,895	N.A.
1967	1,92,040	1,99,912	1,58,624	3,878	Rs. 44,388

\*For the period from 1st April, 1962 to 31st December, 1962 information not available.

## Section C

### MADHYA PRADESH

#### 1. Introductory :

The State of Madhya Pradesh was constituted in the wake of States Re-organization on 1st November, 1956. The present State includes 17 districts of the former Madhya Pradesh and the States of Madhya Bharat, Vindhya Pradesh and Bhopal. Madhya Pradesh is the biggest State in the country from the point of area (1.71 lakhs sq. miles), but it is sparsely populated with a population density of 189 per sq. mile. According to the 1961 Census, the total population of the State is 32.4 millions which works out to 7.4 per cent of the total population of the entire Indian Union. Though a land of great promise because of its natural resources, the State of Madhya Pradesh is one of the poorest in the country. Of the total population, 43.53 lakhs belong to the Scheduled Castes and 66.78 lakhs belong to the Scheduled Tribes. Thus these communities constitute 13.14 and 20.63 per cent of the total population of the State, respectively. The quality of "human capital" in this State is therefore, not very high. The total working force of Madhya Pradesh, i. e., those engaged in productive activities is about 53 per cent of the total population of the State and about 9 per cent of the total working force of the entire country. Out of the total working population, 79.3 per cent are engaged in agriculture and the remaining 20.7 per cent are engaged in other industries like mining, quarrying, forestry, manufacturing, construction, trade and commerce, transport and communication and other services. There is very little of industrialisation in the State, as only 7 per cent of the total working population is engaged in organised industry like factory establishments, mining, construction and transport.

In the State of Madhya Pradesh, there are 2,355 factories registered under the Factories Act, 1948, having a total employment of about 1.8 lakhs workers. The M.P. Shops & Establishments Act has been applied to 57 towns covering a total number of 96,304 establishments employing 67,908 employees. The Minimum Wages Act is presently applicable to



13 scheduled employments in the State covering 4.06 lakhs workmen. The industrial workers in the State have also been covered by several other beneficial labour laws - Central as well as State - such as the Industrial Disputes Act 1947, M.P. Industrial Relations Act 1960, Motor Transport Workers' Act 1961, Payment of Bonus Act 1965, and the Bidi and Cigar Workers (Conditions of Employment) Act 1966, etc. There was also a proposal to cover by legislation the vast majority of "unprotected labour" engaged in unorganized industries so as to regulate their employment and conditions of service. Since about 80% of the unprotected labour has been covered by the enforcement of the Beedi and Cigar Workers (Conditions of Employment) Act, 1966, it was thought proper by the State Government not to go ahead with the proposed legislation. Moreover, the Central Government had taken objection to a number of provisions contained in the said legislation.

A statement listing the important labour laws in force in the State and tables highlighting the various aspects of labour statistics for the State of Madhya Pradesh are appended to this report.

## **2. The Labour Policy of the State of Madhya Pradesh :**

The Government of Madhya Pradesh has, since its inception, been pledged to secure better working conditions for the workers and economic justice to both capital and labour. Maintenance of industrial peace, increase in industrial production and labour productivity have been the key-notes of the labour policy of the State of Madhya Pradesh. The State of Madhya Pradesh has always been a pioneer in the field of progressive labour legislation and quick to implement the various protective measures to safeguard the interest of workers. At the time of the formation of the present State, different sets of labour laws were applicable to the various integrating units. The first task to which the State Labour Department applied itself was to unify and codify all these laws and make such amendments in their existing laws as were compatible with its avowed labour policy. The State of Madhya Pradesh has believed in encouraging healthy and strong trade unions to promote collective bargaining. The Madhya Pradesh Industrial Relations Act is based on the same philosophy and is by far the most progressive piece of legislation. In the matter of all important decisions relating to labour policy, tripartite consultations are invariably held. To this end, the State has constituted a Labour Advisory Board consisting of 40 members of which 14 members represent employers and

an equal number represents the workers. The Government has nominated 12 ex-officio members including the State Minister for Labour who is its Chairman. The State Labour Advisory Board advises the Government on measures aimed at improving industrial relations, effective organization of labour welfare, evaluation and implementation of labour laws, matters of general interest concerning industry and labour and such other matters as the Government may refer to it for advice. The Board also considers practical difficulties and makes suggestions to remove them. Decisions regarding new labour enactments or amendments to the existing laws are also referred to and discussed at the level of this tripartite body, which meets at least once every year or oftener, as necessary. This Board was constituted in 1957 and so far 11 meetings have been held. It was on the advice of this Advisory Board that the Government appointed a number of Minimum Wages Advisory Committees under Section 5 (1) (a) of the Minimum Wages Act read with Section 4 of the Minimum Wages Fixation Act, 1962. These Committees were appointed in May and June 1965 in respect of scheduled employments like Rice, Dal and Flour Mills, Public Motor Transport, Oil Mills, Leather Manufactory and Tanneries and Printing Presses, etc. In the constitution of these Minimum Wages Advisory Committees there were two independent members appointed by the State Government and an equal number of representatives of employers and employees ranging from 2 to 4 each,

The State of Madhya Pradesh have appointed a State Evaluation and Implementation Officer for the implementation of the Code of Discipline. Other field officers like the Asstt. Labour Commissioners, Labour Officers and the Asst. Labour Officers have also been empowered to enquire into the complaints relating to the breaches of the Code. The State Government have further appointed a Tripartite Committee, viz., the State Evaluation and Implementation Committee under the Chairmanship of the Labour Minister. The Labour Commissioner is its member and the State Evaluation and Implementation Officer is its Secretary. This Committee consists of 8 representatives each of the workers and the employers. This Committee meets as and when there is sufficient agenda. Its frequency is at least once a year. This Committee also reviews the general labour situation prevailing in the State. The following statement shows the cases relating to violation of the Code of Discipline dealt with by the State Evaluation and Implementation machinery.

Year	Complaints reported	Not substantiated	Responsibility fixed for violation		Pending
			Workers	Employers	
1961	81	9	40	6	43
1962	67	16	30	1	33
1963	79	29	63	—	4
1964	104	46	17	1	27
1965	112	44	40	1	16
1966	104	11	39	—	18
1967	117	10	46	—	21

### 3. Administrative Set-up of the Labour Commissioner :

For the purposes of General Administration, the State of Madhya Pradesh is divided in 7 Revenue Divisions. But for the purposes of Labour Administration, the State is divided in 5 Labour Divisions and 7 Labour Sub-Divisions.

Each Labour Division is headed by an Assistant Labour Commissioner and each sub-Division by a Government Labour Officer who are multi-purpose Officers. Out of 7 Sub-divisions, 5 are headed by Labour officers and 2 by Assistant Labour Officers.

A chart showing the strength of the organization of the Labour Commissioner, Madhya Pradesh is enclosed which will show the comparative position of the various posts as on the 1st November, 1956 when the new State was formed and the position as obtaining at present. From this chart it will be seen that there has been very little increase in the number of officers. It is only the inspectorate which has been somewhat strengthened owing largely to the passing of the new enactments like the Motor Transport Workers Act, 1961, the Payment of Bonus Act, 1965 and the Bidi and Cigar Workers (Conditions of Employment) Act, 1966 and the taking over the M.P. Shops and Establishments Act, 1958 from the local bodies and the extended coverage under these Acts and the Minimum Wages Act from time to time. Still it is felt that this increase has not kept pace with the growing volume of work and the added responsibilities placed on the field officers in the sphere of industrial relations. The Conciliation Machinery has also been inadequate because the Asstt. Commissioners of Labour/Labour Officers are simultaneously responsible both for the conciliation work and enforcement of all these laws.

As on 1/11/56 when the new State of Madhya Pradesh was formed, the following staff was posted in the office of the Labour Commissioner :—

1. Labour Commissioner (I.A.S.).....1
2. Dy. Labour Commissioner.....1
3. Asstt. Labour Commissioners.....2
4. Research Officer... ..1
5. Conciliation Officer.....1

The Divisional Organization consisted of 4 Labour Divisions headed by an Asstt. Labour Commissioner—one each at Indore, Gwalior, Jabalpur and Raipur. There were 5 Sub Offices with a Government Labour Officer at Ujjain, Bhopal and Rewa and an Asstt. Labour Officer each at Ratlam and Burhanpur. Each of the four Divisional Offices also had a Government Labour Officer attached. Thus in all these 9 Offices subordinate to the Labour Commissioner, the total staff was as under :—

1. Asstt. Labour Commissioners.....4
2. Labour Officers.....7
3. Asstt. Labour Officers.....8
4. Inspectors.....13
5. Sub-Inspectors.....9

Besides, a small staff comprising Labour Welfare Supervisors and Lady Instructors etc., was also provided for running a few Departmental Labour Welfare Centres. The present structure of the Labour Commissioner's Office and his organization is as under :-

#### **Labour Commissioner :**

He is the administrative head and an officer of the I. A. S. Cadre. He is also the Chief Conciliator under the Madhya Pradesh Industrial Relations Act. Besides his statutory functions under the various Labour Acts, he works as Chairman/Vice-Chairman and member on the various Boards/Committees, numbering 31, as per the list enclosed. This leaves very little time with the Labour Commissioner to devote to the day-to day administrative working of the organization and most of the functional responsibilities have to devolve on the officers next below him.

There are 3 posts of Deputy Labour Commissioners in the State Class I Services (Pay Scale Rs. 580-950). Their

duties and responsibilities are as under:—

Name of the post	Duties and Responsibilities
1. Deputy Labour Commissioner (Industrial Relations)	Industrial Relations, Evaluation & Implementations Officer under Code of Discipline, Certifying Officer under the M. P. Industrial Employment (Standing Orders) Act, 1961.
2. Deputy Labour Commissioner (Administration).	Establishment, Accounts and Research & Labour Welfare.
3. Deputy Labour Commissioner (Trade Unions)	Registrar of Trade Unions & Representative Unions.

**Asstt. Labour Commissioner.**

There are three posts at the Head Office in the scale of Rs. 275-700 plus Rs. 100/-special pay and their distribution of duties is as below.

Name of the post	Duties and Responsibilities
Asstt. Labour Commissioner (Industrial Relations)	Industrial Relations, Codification Officer, Administration of Bidi & Cigar (Conditions of Employment) Act, '66. Coordination
Asstt. Labour Commissioner (Administration)	Establishment, Administration of Payment of Bonus Act, and Labour Welfare.
Asstt. Labour Commissioner (Trade Union)	Administration of Trade Unions Act, Minimum Wages Act, Shop & Establishment Act, Working Journalists Act.

**Research Officer**

There is one Research Officer in the grade of a Labour Officer (Rs. 275-700) and his duties include Statistics, Research, Planning and Publications.

**Chief Inspector of Motor Transport Workers Act.**

There is one such post in the grade of a Labour Officer (Rs. 275-700) with a State-wide jurisdiction and his duties are to administer the enforcement of the Motor Transport Workers Act.

### Divisional Offices

A Labour Division was subsequently established at Bhopal so that now there are five Labour Divisions, one each at Indore, Gwalior, Raipur, Jabalpur and Bhopal, with an Asstt. Labour Commissioner (Rs. 275-700 plus Rs. 100/- Special Pay.)

#### Sub-Divisions:

There are 7 Labour Sub-Divisions under various divisions:

Divisions	Sub-Divisions		
Indore	Ujjain, Burhanpur, Ratlam		
	L.O.	L.O.	A.L.O.
Jabalpur	Sagar	Katni	Satna
	L.O.	A.L.O.	L.O.
Raipur	Bilaspur		
	L.O.		
Gwalior	Nil		
Bhopal	Nil		

In the above-mentioned offices, 12 in all, including 5 divisions and 7 sub-divisions, the total staff posted is as follows.-

Asstt. Labour Commissioners Class II	(Rs. 275-700 plus Rs. 100 Special Pay)	5
Labour Officers (Class II)	(Rs. 275-700)	7
Asstt. Labour Officers (Non-Gazetted)	(Rs. 250-450)	10
Inspectors (Non-Gazetted)	(Rs. 190-315)	55
Sub-Inspectors (Non-Gazetted)	(Rs. 120-240)	46

The Labour Commissioner is the Chief Conciliator and all other officers from Labour Officer upwards are conciliators under the M.P.I.R. Act. Assistant Labour Officers, Katni and Ratlam, have also been so notified. Under the Industrial Disputes Act, all officers from Assistant Labour Officer upward are notified as conciliation officers. Likewise, all these officers, from Labour Sub-Inspectors upwards, are notified as Inspectors under all Acts. The Labour Sub-Inspectors, however, are mostly utilised for inspections under the M. P. Shops.

and Establishments Act and all inspectors in the Divisional/ Sub-Divisional Offices make inspections under other Acts.

#### 4. Difficulties and Suggestions :

The organization at the Head-office and in the Divisions is not adequate to cope with the increasing pressures. The number of senior posts in the Department are few and only limited opportunities are available to the junior officers to rise. Their counterparts in industry are better placed on highly remunerative jobs so that it is not possible to retain talented officers. The grades of the existing officers are low. The Asstt. Labour Commissioners both at the Head-office and the Divisions deserve to be placed in Class I State Service as in other States and the Grade of the Deputy Labour Commissioners suitably revised. Some senior posts may also be necessary between the Cadre of the Deputy Labour Commissioner and the Labour Commissioner. The Labour Commissioner has multifarious occupations and in his absence decisions could then be taken at the appropriate level. This will also ensure effective guidance and direction to the officers in the field. The conciliation machinery should be made separate and distinct from the enforcement side so that proper contribution may be made in the sphere of industrial relations. The Asstt. Labour Commissioners and the Government Labour Officers are at present all-purpose officers and they are more saddled with day to day working of their offices being heads of offices and having to do conciliation work under the Industrial Disputes Act as also under the M.P. I.R. Act. They are also at the head of the enforcement machinery to supervise the inspectorate. Obviously, this causes delay in the disposal of conciliation cases even though time limits are set. Not infrequently, adjournments are granted. Apparently these are at the instance of one party or the other, but the conciliation officer/conciliator always finds it convenient because he is so much preoccupied with other functions.

Another difficulty which the officers of the Labour Department experience is about transport facilities. At times they have no alternative but to avail these facilities from employers. This brings criticism from workers. It is, therefore, essential that all officers of the Department in the Labour Commissioner's Office, as also in the Divisional/Sub-divisional Offices should have sufficient departmental vehicles and/or their own means of locomotion so that they are able to move conveniently in connection with their pressing duties.

These officers, right up to the level of Inspector, may be granted suitable conveyance allowance in addition to their salary and also helped to purchase cars, scooters, as appropriate to their status, on priority permits issued by the respective Governments. Since in the Government of Madhya Pradesh Inspectors/Sub-Inspectors are doing most of the inspections, their status and grades also deserve to be raised so that the Government Labour Officers may be free to perform their statutory functions under the M.P. Industrial Relations Act only. For conciliation work there may be a separate cadre not below the rank of an Asstt. Commissioner. At present all of them are Government Labour Officers, Conciliators and Inspectors.



**Number of Factories registered under the Factories Act and  
Employment Figures.**

<b>Year</b>	<b>No. of registered factories</b>	<b>No. of working factories</b>	<b>Average total daily employment in the working factories</b>
1962	2354	1961	1,57,132
1963	2487	2017	1,61,020
1964	2406	2071	1,71,397
1965	2452	2289	1,89,092
1966	2355	2209	1,89,603

### Information Relating to Enforcement of Shops and Establishments Act.

Year	No. of towns covered	No. of establishments covered	No. of employees	No. of inspections	No. of prosecutions launched	Amount of fines realised (in rupees)
1959	44	59,029	46,342	60,218	3,652	20,896
1960	45	67,058	54,072	92,121	5,964	61,619
1961	45	77,304	53,164	85,047	7,313	61,952
1962	48	89,60	53,021	99,400	5,135	41,753
1963	51	1,01,988	68,742	89,901	5,087	43,398
1964	57	81,938	72,441	89,704	3,281	33,075
1965	57	87,917	60,869	73,787	4,177	53,572
1966	57	92,004	65,863	60,304	5,337	83,080
1967	57	96,304	67,908	69,582	6,095	85,490

**Information Relating to Enforcement of the Minimum Wages Act.**

Year	No. of Inspections	No. of prosecutions launched	No. of Scheduled Employments in respect of which minimum rates of wages stand fixed.
1960	4,287	183	15
1961	944	19	14
1962	1,532	1	15
1963	1,419	12	15
1964	5,066	5	15
1965	5,678	67	13
1966	4,824	111	13
1967	4,284	303	13

**Number of Trade Unions with their affiliation.**

Year	INTUC		AITUC		UTUC		H.M.S.		B.M.S.		Others		Total	
	Number	Membership	Number	Membership	Number	Membership	Number	Membership	Number	Membership	Number	Membership	Number	Membership
1957—58	102	18,908	25	4,574	1	625	13	2,193	1	175	145	18,224	287	44,699
1958—59	112	33,375	23	3,547	—	—	3	—	1	233	185	10,723	324	47,878
1959—60	146	61,073	27	4,173	—	—	3	—	4	318	221	10,941	401	76,505
1960—61	123	35,971	29	8,510	—	—	5	—	5	—	175	7,772	337	52,253
1961—62	123	40,836	30	8,162	1	650	3	1,409	4	—	230	6,780	391	57,837
1962—63	130	13,933	33	17,444	4	655	4	1,583	7	—	260	6,856	438	40,471
1964—	122	79,643	27	22,380	2	117	4	7,803	6	899	219	42,088	380	1,52,930
1965—	119	1,06,708	24	24,437	3	5,895	3	6,111	6	2,545	255	57,895	410	2,03,333
1966—	157	1,04,557	33	24,113	2	4,922	9	6,240	14	4,425	326	61,273	541	2,05,530

## STRIKES/LOCKOUTS

Number of industrial disputes, workers involved and mandays lost.

Year	No. of disputes	No. of workers involved	No. of mandays lost.
1957	48	31,906	1,37,061
1958	43	12,788	1,31,784
1959	58	8,414	78,605
1960	47	25,202	1,13,777
1961	64	18,306	1,27,177
1962	43	18,983	1,79,197
1963	28	7,166	74,147
1964	38	14,845	25,090
1965	64	25,023	1,33,470
1966	102	21,183	1,12,026
1967	113	33,356	1,65,596
1968*	151	43,179	1,05,314

\*Note :— Figures are provisional.

### Industrial complaints dealt with outside the M.P.I.R. Act

Year	Pending at the beginning	Recorded during the year	Total	DISPOSAL			Total	Pending at the end of the year
				Successful	Unsuccessful	Rejected		
1963	511	1,562	2,073	806	189	738	1,733	340
1964	340	1,244	1,584	589	146	615	1,350	234
1965	234	1,495	1,729	693	204	449	1,346	383
1966	383	1,421	1,804	746	119	539	1,404	400
1967	400	1,515	1,915	864	266	402	1,532	383
*1968	383	1,273	1,656	—	—	—	1,294	362

\*Provisional

### Conciliation Cases under I.D. Act, 1947.

Year	Pending	Received	Total	Settled	Failed	Withdrawn	Pending
1962	18	130	148	25	93	7	23
1963	23	103	126	34	27	9	56
1964	61	150	211	46	50	19	96
1965	96	138	234	66	52	16	100
1966	100	153	253	51	73	20	109
1967	109	365	474	86	92	29	158

### Conciliation cases under the M.P.I.R. Act .

Year	Pending	Received	Total	Settled	Failed	With- drawn	Pend- ing
1962	78	106	184	29	44	8	103
1963	03	86	189	42	33	18	96
1964	96	206	302	33	59	14	196
1965	196	195	391	44	100	49	198
1966	198	121	319	63	78	46	132
1967	132	152	284	37	65	26	156

### Information relating to Payment of Bonus Act, 1965.

Year	No. of establish- ments which paid bonus	Bonus paid (in Rs.)	Workers bene- fited
1964—65	1747	1,22,09,929	1,46,237
1965—66	1316	1,27,36,847	1,63,257
1966—67	1179	1,45,49,584	1,56,075
1967—68	305	69,32,857	66,025

**Chart showing the structure of the organisation of the Labour Commissioner, Madhya Pradesh.**

Sl. No.	Name of the post	No. of posts as on	
		1/11/56	1/1/69
<b>LABOUR COMMISSIONER'S ORGANISATION (EXCLUDING FACTORY INSPECTORATE)</b>			
<b>"A" HEAD OFFICE :</b>			
1.	Labour Commissioner (IAS Cadre)	1	1
2.	Dy. Labour Commissioner (Class I)	1	3
3.	Asstt. Labour Commissioner (Class II)	2	3
4.	Research Officer (Class II)	1	1
5.	Conciliation Officer (Class II)	1	—
6.	Chief Inspector, Motor Transport Workers' Act.	—	—
<b>"B" SUB-OFFICES :</b>			
1.	Asstt. Labour Commissioner.....II	4	5
2.	Labour Officer..... II	5	7
3.	O.S.D. (Asst. Director of Labour)	1	—
4.	Class III (Non Gazetted) Labour Officer	1	—
5.	Asstt. Labour Officer	8	10
6.	Inspectors	13	55
7.	Sub-Inspectors	9	46
<b>FACTORY INSPECTORATE</b>			
<b>"A" HEAD OFFICE :</b>			
1.	Chief Inspector of Factories	1	1
2.	Medical Inspector of Factories	1	1
3.	Payment of Wages Inspector	1	—
<b>"B" SUB-OFFICES :</b>			
1.	Senior Inspector of Factories (Class I)	4	4
2.	Inspector of Factories (Class II)	4	11



**List of Committees at various levels which Labour Commissioner has to attend either as Member or Representative of Government or as Adviser.**

Sl. No.	Name of the meeting	Capacity in which Labour Commissioner attends the meeting.	Whether by name or by designation
1	2	3	4
	Central Board for Workers' Education (Government Notification No. EPC/4/1/3/65 dated 29-5-1964)	State Representative	Labour Commissioner (by name)
2.	Workers' Social Education Institute, Indore (Labour Department Notification No. 4209/4064/XVI dt. 10/6/64.)	Vice-Chairman	—do—
3.	Board of Trustees, Coal Mines Provident Fund (Govt. of India) No. 4 (50) 62-PFI dt. 9/10/62	Member	—do—
4.	Panel on Labour Policy, Fourth Plan.	State Representative	Labour Commissioner (by designation)
5.	General Body of the Central Institute for Labour Research (Govt. of India, Ministry of Labour & Employment)	—do—	—do—
6.	Central Board of Trustees under Employees' Provident Fund Act. (Vice Government Notification No. 50, 1156 dt. 1/4/65)	As Member	Commissioner of Labour (by designation)
7.	Regional Board (M.P. Region) under Employees' State Insurance Corporation Notification No. 3/(2)-2/6 Estt. II dt. 18/8/61)	—do—	—do—

1	2	3	4
8.	Regional Committee for M.P. under Employees' Provident Fund Act (M.P. Labour Department's No. 4226/4109/XVI dated 26/6/1964)	As Member	Commissioner of Labour (by designation)
9.	Employees' State Insurance Corporation	—do—	—do—
10.	M.P. Coalfield Sub-Committee	As Chairman	—do—
11.	Coal Mines Labour Welfare Fund Advisory Committee	As Member	—do—
12.	Iron Ore Mines Labour Welfare Advisory Committee	As Chairman	—do—
13.	Iron Ore Mines Cess Commissioner	Cess Commissioner	—do—
14.	Industrial Committee on Mines (Other than Coal)	One seat for M.P. State	Either Labour Commissioner or his nominee
15.	Industrial Committee on Iron and Steel	—do—	Labour Commissioner as representative of the State.
16.	Finance Sub-Committee of the Coal Mines Labour Welfare Fund Advisory Committee	As Member	Labour Commissioner as Chairman, M.P. Coal Fields Sub-Committee
17.	State Coal Advisory Board under Natural Resources Deptt., M.P. Government.	As Member	Labour Commissioner, M.P.
18.	Industrial Committee on Coal Mines	—do—	—do—
19.	Industrial Committee on Coal Mines	—do—	—do—
20.	Indian Labour Conference	Advisor	Labour Commissioner (by name)
21.	Standing Labour Committee	—do—	—do—
22.	M.P. State Industries Corporation	Director	—do—
23.	The Kalyanmal Mills Ltd., Ind (M.P.) (Labour Department endorsement No. 2816-342 XVI dt. 16-4-1963.)	—do—	—do—

1	2	3	4
24.	Labour Advisory Board	Member Secretary	Labour Commissioner (by designation)
25.	State Evaluation & Implementation Committee	Member	—do—
26.	M.P. Public Sector Conference	—do—	—do—
27.	Technical Working Group	—do—	—do—
28.	State Apprenticeship Council	—do—	—do—
29.	Board of Technical Education	—do—	—do—
30.	Local Committee for Workers' Education Centre, Indore	Chairman	—do—
31.	Minimum Wages Advisory Board (M.P. Labour Department Notification No. 1462-7925/XVI dated 25/2/1965).	As Chairman	—do—

**Part II**

**COMMENTS ON THE ISSUES RAISED IN THE  
PAPER PREPARED BY  
THE NATIONAL COMMISSION ON LABOUR**

## *Section A*

### **MAHARASHTRA STATE**

#### **1. Paragraph 7:**

It is generally true that, "in terms of range and contents of legislation, the Indian labour law framework should compare favourably with what is available to workers in many advanced countries." It is also agreed that "a just and efficient administration of the labour laws would go a long way in improving the conditions of labour and establishing a climate for improved labour-management relations." It is thus agreed that "the problem, therefore, is to find out ways as to how labour administration could be made to yield better results to those for whose benefit laws have been enacted".

#### **2. Paragraph 10:**

It is conceded that "the passing of legislation and accepting certain resolves in bi-partite or tripartite meetings and parcelling them out to different agencies for implementation can hardly provide the desired benefit in real terms to the working class, if the spirit of legislation is inadequately understood and the resolves accepted at the national level do not reach the units where they are expected to operate". So far as labour administration is concerned, the situation could be retrieved and improved upon by the opening of a special Publicity Wing in the Labour Commissioner's Organisation, for the purposes of carrying out intensive propaganda amongst the parties, with a view to bringing home to them the proper implications of the labour legislation and the bi-partite or tripartite resolves.

#### **3. Paragraph 11:**

In Maharashtra State, a beginning is being made by setting up Standing Mediation Boards for certain selected industries for dealing with cases involving major industrial relations issues.

#### 4. Paragraph 16:

The view of the Sub-Committee of the Panel on Labour Policy constituted by the Planning Commission that "in future, emphasis should be laid more on effective enforcement of existing labour legislation rather than on enactment of new labour laws" is endorsed. Further, the view of the Panel on Labour Policy of the Planning Commission that there is need for a comprehensive examination of the whole question of Labour Administration in the country because "the problems of labour administration have not been reviewed in a detailed manner in spite of the marked changes, which have occurred in the size and the composition of labour force and legislative measures undertaken to protect the labour interest" is also fully endorsed.

#### 5. Paragraph 18:

It is neither necessary nor desirable to suggest any change in the existing nomenclature of the State Labour Department. The tagging of the Labour Department with any other Department of the State Government will hardly make any difference, as labour matters will always, as of necessity, receive the importance that is due to them. It would primarily be for the Minister for Labour to set the pace in the matter of policies and programmes and for the Labour Department to follow that up in the matter of execution and implementation. Further, in so far as the Maharashtra State is concerned, although the subjects of industry and labour are handled by two separate Ministers, the department of industry and labour is under a common Secretary. Thus, in Maharashtra State the interests of both industry and labour are well guarded.

#### 6. Paragraph 20:

The training facilities available for the State Government officials concerned with the settlement of the industrial disputes at the Institute of Labour Studies set up in New Delhi by the Organisation of the Chief Labour Commissioner (Central) are considered to be generally adequate, excepting that the training programmes thereat may have to be more practically oriented, with stress on actual field problems and case studies. The State Government may also consider initiating such training schemes at the State level as well to provide more officers of the State Industrial Relations Department with suitable training facilities, as this would help to improve the standard and efficiency of the officers. Such training

may be both pre-recruitment as well as post-recruitment training.

**7. Paragraph 23 :**

It is agreed that "in the current context, as also of the future, when industrial development is likely to acquire a tempo and labour is likely to become more and more aware of its rights and privileges, persons required for manning the labour administration machinery may have to be equipped for new tasks ; there will have to be an increasing number of them". It is also agreed that "the task of the labour administrator in industrial democracy is not merely to see to the compliance with the legal provisions under the various Acts. It is more to create the necessary atmosphere in which the obligations and responsibilities under laws are understood and accepted, and to create the necessary consciousness for the observance of these provisions."

**8. Paragraph 26 :**

In the State of Maharashtra, tripartite consultations are extensively and freely held, from time to time, in the matter of evolving of labour policies on all major issues. Further, there is also a proposal to revive and reconstitute the existing State Labour Advisory Board, for holding tripartite consultations on certain important labour policy issues. This Board, when reconstituted, would also provide a sufficient forum for tripartite consultations on important labour matters. Besides, it is also proposed to hold periodical meetings of the leaders of the principal organisations of employers and labour in the State for discussing with them various important labour problems and seeking their views thereon. No further action in this behalf is, therefore, considered necessary, in so far as Maharashtra State is concerned.

**9. Paragraph 30 :**

So far as the Maharashtra State is concerned, no serious problem of communication as between the employing Department and the Labour Department has arisen, so far. Likewise, so far as the Maharashtra State is concerned, no serious difficulties in the matter of communication between the Central Government and the State Government on matters of communication in regard to labour problems appear to have arisen thus far.

**10. Paragraph 32 :**

In Maharashtra State, the instances of withdrawals of prosecution cases from Courts of Law are rare and far between.

In cases of withdrawals, the criteria that is generally adopted by the Maharashtra Government is as follows :—

- (a) full implementation of the provisions in respect of which the breach has been committed; and
- (b) an undertaking for non-commitment of such breaches, in future.

If the above conditions are fulfilled, in a particular case, then only the question of withdrawal of the prosecution case from a Court of Law is considered. It is recommended that the above procedure may be uniformly adopted by all States in the matter of withdrawals of prosecution cases from Courts of Law. It must be admitted that, at times, withdrawal of prosecution cases from Courts have to be considered, on merits, and no hard and fast rule can be laid down to the effect that no prosecution case once launched will not be withdrawn from Court.

#### 11. Paragraph 33 :

- (i) In Maharashtra State, exemptions are given from certain provisions of the labour laws to all deserving units — whether big or small — purely on merits. Before doing so, however, the employees of the units and/or their trade unions, if any, are, as far as possible, always consulted and their reactions in the matter ascertained and taken into account. It is only in exceptional cases, where the exemptions are to be granted on an emergent basis on grounds of expediency, that the workers or their unions are not consulted before grant of the exemptions. It is recommended that this procedure may also be uniformly adopted by other States as well. This would obviate the possibility of the employers exploiting the employees by showing a workers' strength below the exemption limit by artificial partitioning of units.
- (ii) It is true that, in small units, the standard of compliance of various labour enactments is far from satisfactory. There is also much indifference on the part of the employers of such units. Further, the workers in such units being generally unorganised, there is hardly any pressure from their side for implementation of labour laws. There seems to be no



ready solution to deal with such cases. In such cases, the only remedy seems to be to gear up the enforcement machinery, which must act in such cases *suo moto*, without waiting for complaints to arrive. In fact, the enforcement machinery should concentrate more on implementation of labour laws in such small units, leaving the larger units to the care of the trade unions for reporting any breaches of labour laws that may be committed by the employers thereof.

- (iii) It is true that the inspecting staff for the enforcement of the different labour laws is highly inadequate and incommensurate as compared to the task that it is expected to perform. On account of this, the implementation of labour laws suffers and thus the benefits provided under them do not reach most of the workers for whom they are made. This leads not only to frustration on the part of the workers but also to adverse criticism against the Government from the public as well as on the floors of the Parliament and State Legislatures. Such a situation is not desirable. It, therefore, appears to be necessary to properly assess the work-load of the inspection machinery in each State and to lay down norms and standards of inspection. On the basis of the said norms and standards, the adequacy or inadequacy of the inspection staff could be judged and appointment of additional staff could be considered, resources permitting. In Maharashtra State, a beginning is already being made to fix norms of work for the Government Labour Officers in the State. In a recent Conference of the officers of the State Labour Department, which was held in October 1968, one of the Study Groups had recommended a norm of 150 inspection visits per month under the various labour laws for the Government Labour Officers. This norm was proposed by the Study Group on the basis that the Government Labour Officers would be doing full-time inspection work. However, the Government Labour Officers have to attend to various other industrial relations duties as well. The Study Group, therefore, recommended that in the case of Government Labour Officers, who are assigned industrial relations and other work as well, the

norm of inspection work should be 75 inspection visits per month. These recommendations of the Study Group of the Conference are, at present, under scrutiny and examination of the State Government. It may be mentioned here that the Indian Labour Conference has already recommended a norm of 150 factories per Inspector per year for inspection of factories, under the Factories Act, 1948. It may, therefore, be worthwhile to prescribe a similar norm for the inspection staff under other labour laws as well. On the basis of the norms so fixed and the number of units in each State that are covered by the provisions of the different labour laws, the question of adequacy or inadequacy of inspection machinery in each State could be considered and, resources permitting, augmentation thereof could be thought of.

- (iv) It is true that, in many cases, small units are dispersed over a wide area, making inspection work difficult. In such cases, the inspecting staff generally cannot avoid situations in which they have to avail themselves of the hospitality of the employers in matters like transport, etc. This does not always create a favourable impression on the minds of the workers. It is, therefore, desirable that in each State the officers handling industrial relations work and work relating to enforcement of labour laws are provided with departmental vehicles, at least at each Divisional and Sub-Divisional level and also at the level of the Central Headquarters. It is further desirable that the Industrial Relations officers of the State Labour Department and the inspecting staff should be granted reasonable conveyance allowance and helped with loans to purchase cars/motor cycles/scooters, as appropriate to their status, and necessary permits in that behalf should be issued to them liberally, on a priority basis, from the State quota.
- (vi) It is true that different labour laws are, at present, being administered by different authorities and that this leads to avoidable waste of time on the part of entrepreneur-managers to satisfy diverse authorities. The solution to this problem seems to lie in the unification and codification of the different

labour laws. The Study Group on Labour Legislation appointed by the National Commission on Labour has already made recommendation to this effect and has also furnished the Commission with a draft outline of the proposed All-India Labour Code in its final Report to the Commission. That Code, when brought on the Statute Book, might provide the desired relief to the entrepreneur managers.

- (vii) It is generally true that, in many cases, because the standard of the education of the entrepreneur is low, the significance of maintenance of records may not be understood by them. The remedy seems to lie in educating the entrepreneurs in the matter of maintenance of records. The Director, Labour Bureau, Simla, has already formulated a suitable scheme in this behalf, which is under implementation in some of the States. It is recommended that the said scheme may be pursued and implemented by all States vigorously.

(viii) (Please see comments under Item (ii) above)

**12. Paragraph 34 :**

(Please see comments under paragraph 33 (i) above).

**13. Paragraph 35 :**

The standard of compliance with the provisions of the different labour laws should be same in the case of the private as well as the public sector undertakings and there should be generally no differential treatment in the matter of enforcement of the provisions of the labour laws in the undertakings in the two sectors.

**14. Paragraph 36 :**

Periodical reviews and joint consultations between the employing Ministries and the Labour Departments, in order to ensure fuller compliance with the provisions of the labour laws in the public sector undertakings, are favoured.

**15. Paragraph 37:**

The Personnel Departments of the Public Sector Undertakings should be strengthened by deputing senior and experienced officers from the State Labour Departments, with a view to ensuring fuller compliance with the provisions of the various labour laws.

**16. Paragraph 38:**

Public Sector Undertakings should continue to remain within the existing spheres of industrial relations and they

should not be brought within the exclusive jurisdiction of the Central Government. Different Governments could continue to be the appropriate Governments for industrial relations for the processing factories and for the industries supplying the raw materials. In so far as the Maharashtra State is concerned, no serious difficulties have been experienced in the working of the existing arrangements, so far.

#### 17. Paragraph 40 :

In Maharashtra State, the tradition has been that the labour portfolio is held by a senior Minister, having considerable experience in trade union field. As such, the interests of labour in the State are normally well guarded and do not suffer. In doing so, care is, however, taken to see that the reasonable interests of the industry are not lost sight of. In any event, in Maharashtra State, there has so far been no serious complaint from the workers' side to the effect that the Minister for Labour is not sufficiently alive to the interests of labour.

#### 18. Paragraph 41 :

In Maharashtra State, the two important functionaries in Government at the State level dealing with labour are: (i) the Secretary to the Government of Maharashtra, Industries and Labour Department, and (ii) the Commissioner of Labour and Director of Employment. Although the Secretary of the Industries and Labour Department is in charge of both the subjects of industry and labour, labour matters at the departmental level are given their due importance and the said matters are not allowed to be relegated to the secondary level. Incidentally, it may be worthwhile mentioning here that the State Administrative Re-organisation Committee has recommended that the secretary of the State Industries and Labour Department should be continued in that post for a period of at least 5 to 7 years. This recommendation of the State Administrative Reorganisation Committee has been recently partly accepted by the State Government and it has been decided that the Secretary of the State, Industries and Labour Department should continue in that post for a period of four to five years. This would, therefore, to the extent possible, ensure the continuity of the post of the Secretary of the State Industries and Labour Department. Likewise, since the year 1959, the post of the Commissioner of Labour and Director of Employment in Maharashtra State has been de-cadredised from the I.A.S. Cadre and a non-I.A.S. person from the

State Labour Commissioner's organisation is holding that post since then. During the last 10 years or so, therefore, continuity in the office of the State Labour Commissioner has been maintained in Maharashtra State. Moreover, in Maharashtra State, the Commissioner of Labour and Director of Employment has been given the status of Head of Office. This being the position, therefore, the State Labour Commissioner has sufficient confidence and status in dealing with labour matters connected with other employing Departments of the State Government. In view of the foregoing, the problems envisaged in this paragraph of the Commission's Paper have not generally been experienced by the Maharashtra Government and no further action in this behalf is considered necessary in so far as Maharashtra State is concerned.

**19. Paragraphs 44 to 56 :**

**(a) Conciliation Machinery :**

**(i) Delays :**

In Maharashtra State, the question of eliminating delays in conciliation work has already received attention of the State Government. Under administrative instructions, time-limits have already been laid down for completion of conciliation proceedings by the Conciliation Officers. The time-limit for completion of conciliation proceedings that has been stipulated in Maharashtra State is three months from the date of receipt of the letter for intervention by the Conciliation Officer. In special circumstances, an extension of time-limit upto one month is allowed to the Conciliation Officers by the State Labour Department. These time-limits are rigidly enforced by the State Labour Department and working in this behalf has been found to be generally satisfactory, as the parties are now aware of the existence and enforcement of these time-limits. Further, with a view to helping the Conciliation Officers in the timely completion of the conciliation proceedings, the Maharashtra Government have seen to it that they are provided with the necessary data regarding existing service conditions, under Agreements, Settlements, and Awards prevailing in the different industries in the State. This is done by making available to them, as also to the parties concerned, the Reports of the "Norms Committees" that are appointed by the State Government, from time to time; for the purposes of scrutinising Agreements, Settlements and Awards and recommending norms in respect of various

industrial matters. It is recommended that the other States may also adopt similar course of action. The number of cases in which the Conciliation Officers did not get credit for settlements because the time element worked against them, although cannot be readily estimated, is very small in Maharashtra State.

(ii) *Attitude of Parties towards Conciliations :*

It is generally recognised that, with a view to winning the confidence of the parties and bringing about settlements between them, the Conciliation Officers must have the width of interest and the depth of understanding, which can make conciliation a success. This can only be achieved by providing them with suitable pre-recruitment and post-recruitment training facilities. It will also be necessary to provide the Conciliation Officers with a suitable status and reasonable service conditions. If this is done, the Conciliation Officers would be adequately equipped for their task; they would then be in a better position to condition the minds of the parties towards the process of conciliation and influence them in changing their existing attitude towards the machinery of conciliation.

(iii) *Inadequacy of Conciliation Machinery :*

So far as the Maharashtra State is concerned, norms as to the number of conciliation cases to be dealt with per Conciliation Officer have been laid down by a specially constituted Works Study Team, comprising officials of the State General Administration Department. The norms so laid down are 25 conciliation cases of a general nature per Conciliation Officer per month and 47 conciliation cases of an individual nature per Conciliation Officer per month. On the basis of these norms, conciliation work is assigned to the Conciliation Officers in the Maharashtra State and conciliation staff is now being sanctioned accordingly. It is recommended that similar procedure may be followed by other States as well.

(iv) *Quality of Personnel :*

(Please see comments under Item (ii) above).

(v) *Powers of Conciliation Officers :*

With a view to making the conciliation machinery a greater success, it seems to be desirable to also vest the Conciliation Officers with the powers of entry into premises, enforcing of attendance of the parties and compelling them to

produce required documents. The very existence of these powers with the Conciliation Officers is likely to lead the parties to treat the Conciliation Machinery with greater respect than hitherto. This, therefore, coupled with the suggestions under items (i), (ii) and (iii) above in the matter of widening of the outlook and the improvement in the status of the Conciliation Officers would make conciliation more fruitful.

(vi) *Assessment of the Working of the Conciliation Machinery :*

The working of the Conciliation Machinery in the Maharashtra State has been found to be generally satisfactory. The experience has been that, in Maharashtra State, generally 20 per cent of the cases are settled at the conciliation level, another 20 per cent end in failure and the remaining 60 per cent or so are either withdrawn, not pursued or referred to adjudication or arbitration by the parties, at the instance of the Conciliation Officer. Further, it is only in a very small percentage of the cases that the Conciliation Officer declines to intervene in a dispute. This is mainly in cases where the matters in dispute are either covered by subsisting Agreements, Settlements or Awards or where the issues in reference are governed by legislation or recognised conventions.

(vii) *Suggestions for Improvement :*

The Member from Maharashtra is not in favour of the proposition that Conciliation Officers should have powers to adjudicate in regard to issues in small units or in matters which do not involve high stakes. On the contrary, the Member from Maharashtra is of the view that in so far as small units are concerned, minimum conditions of service and employment in respect of all important industrial matters should be statutorily prescribed with a view to avoiding industrial disputes in such units. The Maharashtra Government also does not favour the suggestion that the implementation of settlements reached in conciliation should be the responsibility of the Conciliation Officer. This is so because it would mean that the Conciliation Officer would be combining in himself the functions of a Conciliator, Adjudicator and implementor. The Member from Maharashtra supports the suggestion that the Conciliation Officer's assessment about reference of a dispute to adjudication should be respected. In fact, while making reference to adjudication, the Maharashtra Government always attaches due weightage to the views

-expressed by the Conciliation Officer in regard to the merits of the dispute.

**20. Paragraph 56 :**

In Maharashtra State, no difficulties of the nature mentioned in this paragraph of the Commission's paper have been experienced by the State Labour Department.

**21. Paragraphs 57, 59 & 60 :**

In Maharashtra State, references to adjudication are made purely on the merits of each case, irrespective of other extraneous considerations. The basis for making reference to adjudication generally is the norms stipulated by the "Norms Committees" that are appointed by the State Government, from time to time, for recommending norms in respect of various industrial matters in the different industries as are noticeable from Agreements, Settlements and Awards in those industries. The Member from Maharashtra is of the view that selective references, on the above-said basis, may take place with justification and that, therefore, there should be no room for any doubts being raised by any party. It is recommended that the other States may also follow a similar course of action.

**22. Paragraph 58 :**

At the pre-conciliation stage, the administrative discretion that is vested in the Conciliation Officer is judiciously exercised in Maharashtra State. It is generally only in cases where the matters in dispute are covered by subsisting Agreements, Settlements or Awards or where the issues in reference are governed by legislation or by accepted conventions that the disputes are refused admission in conciliation. It is recommended that a similar course of action may be adopted by other States as well.

**23. Paragraph 61 :**

The Member from Maharashtra supports the suggestion that, with a view to cutting out delays in the matter of references of disputes to adjudication in Central Public Sector Undertakings located in a State, the convention of consulting the Central Government before making the reference should be restricted to a certain stipulated time-limit. In case the reply from the Central Government is not received within the prescribed time-limit, the State Government should be at liberty to act in the matter, as it deems fit. This convention, however, will not apply to cases involving individual disputes



in which cases the State Governments should be free to make references in respect of Central Public Sector Undertakings in the State without consulting the Government of India.

**24. Paragraphs 62 & 63 :**

The difficulties experienced in these Paragraphs of the Commission's Paper have generally not been experienced in the Maharashtra State, as matters relating to registration of unions, verification of memberships, etc., are done by the concerned officials strictly as per prescribed procedures and according to the merits of each case, irrespective of extraneous considerations. In fact, during the last decade or so, there has hardly been any complaint from the parties or any allegation on the floor of the State Legislature in the matter of registration of trade unions or verification of their memberships by the Officials of the State Labour Department. As a matter of fact, during the last decade or so, the findings of the State verification machinery on the questions of memberships of trade unions have been accepted by the parties in almost all the cases.

**25. Paragraph 64 :**

The member from Maharashtra is of the view that in the matter of labour administration, which covers the important fields of maintenance of industrial relations and implementation of labour laws and accepted conventions, the subjective factor of official/Governmental discretion cannot be eliminated altogether, at least in the present state of the economy and development of the country.

**26. Paragraph 65:**

(Please see comments under Para 33 (ii) above).

Further, in so far as the organised industries are concerned, a beginning has already been made in Maharashtra State to associate the representative or recognised unions in these industries in the State with the inspection work of certain labour laws.

**27. Paragraphs 66 & 67**

The workers and their trade unions have already been provided with the necessary statutory authority to approach the Courts directly in the matter of recovery of dues under legislation or under Agreements, Settlements or Awards. The Member from Maharashtra is of the view that in matter of criminal prosecution, the right to launch the cases should continue to vest in the State Government with a view to

avoiding frivolous and vexatious prosecutions. However, where there are representative or recognised unions, the question of giving statutory powers to such unions to launch criminal prosecutions against the employers directly could be considered, care being taken to provide for proper safeguards against frivolous and vexatious prosecutions of the employers. By and large, however, the Member from Maharashtra is of the view that the power to institute criminal prosecutions against the erring parties should continue to vest in the Government, so that its abuse is avoided.

#### 28. Paragraph 68 :

So far as the enforcement of the Bombay Shops and Establishments Act, 1948 is concerned, the Government of Maharashtra have recently appointed a Tripartite Committee for evaluation of the administration of the said Act in the State. The Report of that Committee is awaited by the State Government. On the receipt of the Report of that Committee, the Government of Maharashtra would be in a position to crystallise its views on the question as to whether the administration of the said Act should continue to remain with the Local Authorities or whether the same may be taken over by the State Government. However, for the present, it can be said that there is a general feeling in Maharashtra State as well, that the administration of the Bombay Shops and Establishments Act, 1948 by the Local Authorities is not satisfactory. As regards the enforcement of the Minimum Wages Act, 1948 in the employment in Agriculture, the Member from Maharashtra is of the view that the same should continue to remain with the Officials of the State Labour Department, and that the assistance of the officials of the State Revenue Department may be taken by the State Labour Department in that work. This is so because the officials of the State Revenue Department are already more than pre-occupied with their other official duties. Hence, the passing on of the additional work of implementation of the Minimum Wages Act, 1948 in the employment in Agriculture exclusively to them, would mean further deterioration in the work of the administration of that Act in that employment. By and large, however, the Government of Maharashtra, for various reasons, is not in favour of the application of the Minimum Wages Act, 1948 to the employment in Agriculture.

### 29. Paragraph 69 :

Labour administration in the country has now not only come to stay but the same has become a specialised field of work. The Maharashtra State is not only the foremost industrialised State in the country, but is also the pioneering State in the Indian Union in so far as Labour Policy is concerned. It, therefore, necessarily requires a highly up-to-date and efficient labour administration machinery. Having regard to the current pace of industrialisation in the State and the Labour Policy that is expected to be implemented by it, in future, (vide Annexure "M-3" to Part I of this Note) it is considered highly essential to re-organise and streamline the existing offices under the Commissioner of Labour, Bombay which is the principal Labour Administration Machinery of the State Government. The Member from Maharashtra is, therefore, of the view that the staffing pattern of the Labour Administration Section of the State Labour Departments should be based on norms and standards of work-load to be assessed and laid down by competent Work Study Teams and that the work of industrial relations and enforcement of labour laws should not be allowed to suffer on account of inadequate staff. In this connection, the Member from Maharashtra has the following suggestions to make in so far as the Labour Administration set up of the Labour Commissioner's Organisation is concerned.

The Office of the Commissioner of Labour, Bombay may be re-organised into six distinct and independent wings, each under an officer of the rank not below the rank of a Deputy Commissioner of Labour and manned with adequate gazetted and non-gazetted staff. The first wing may be styled as the Industrial Relations Wing which will deal with the matters pertaining to industrial relations such as statutory conciliation and non-statutory cases under the State Personnel Management Advisory Service Scheme. The second wing may be termed as the Registration Wing, which will handle cases pertaining to registration of unions and verification of their memberships, registration of Agreements, Settlements and Awards and certification of Standing Orders. The third wing may be called the Enforcement Wing. This wing would deal with all non-technical inspection and enforcement work under the different labour legislations, including breaches of Agreements, Settlements and Awards. The fourth wing may be called the Research and Statistical Wing. This wing would deal with the collection and compilation of all labour statistics, in-

cluding the compilation of monthly consumer price index numbers for the different selected centres in the State. This wing will also deal with the work of conducting of socio-economic surveys and the preparation of periodical reports. The fifth wing may be styled as the Publicity and Publication Wing, which wing will do all the public relations work of the State Labour Department and will also be responsible for bringing out all the periodical publications of the State Labour Department like the monthly Labour Gazettes and Industrial Court Reporters. The sixth wing may be termed as the Administrative Wing, which will deal with the establishment and account work and staff matters pertaining to all the offices under the Commissioner of Labour, Bombay. This wing will be under the personal control of the Commissioner of Labour. This wing will also co-ordinate, control and supervise the work of all the wings and offices under the organisation of the Commissioner of Labour.

### 30. Paragraph 70 :

The Member from Maharashtra is of the view that the expenses involved in the setting up of an adequate labour administration machinery in the State Labour Department should be shared between the Central and State Government in the ratio of 60:40, so as to augment the financial resources of the State Governments, in that behalf, which is lacking in most of the States. Such a sharing of the expenditure is also considered necessary on the ground that most of the labour laws that are required to be administered by the State Governments are of Central making.

### 31. Paragraph 71:

The creation of a separate Central Cadre, like the "Industrial Relations Service", is not favoured by the Member from Maharashtra as the number of officers that would be needed in the said cadre would be very small. The Maharashtra State has already de-cadred the post of Commissioner of Labour, since the year 1959. Since then, the post of Commissioner of Labour is no longer manned by an officer from the I.A.S. Cadre. An officer of the State Labour Department rises to this position by his merit and seniority. This not only ensures the continuity in office but also the maintenance of experience gained in work of a specialised nature.

Besides, it is felt that if there is a frequent inter-change in the personnel manning senior positions in the State Labour Department, on account of transfers which would be inevitable under the proposed centralised cadre, it may not be readily acceptable to the workers, as they may not have much faith in officers coming from other States.

*Section B*  
**GUJARAT STATE**

**1. Paragraph 7 :**

It is generally true that, "in terms of range and contents of legislation, the Indian labour laws framework should compare favourably with what is available to workers in many advanced countries". It is also agreed that "a just and efficient administration of the labour laws would go a long way in improving the conditions of labour and establishing a climate for improved labour-management relations". It is thus agreed that "the problem, therefore, is to find out ways as to how labour administration could be made to yield better results to those for whose benefit laws have been enacted".

**2. Paragraph 10 :**

It is conceded that "the passing of the legislation and accepting certain resolves in bi-partite or tripartite meetings and parcelling them out to different agencies for implementation can hardly provide the desired benefit in real terms to the working class, if the spirit of the legislations is inadequately understood and the resolves accepted at the national level do not reach the units where they are expected to operate". In the absence of the detailed information regarding the existing arrangements for communication between the central organisations of employers and workers and their constituents, it is difficult to offer detailed remarks in the matter. It is however certain that the existing arrangements need considerable improvements so that the constituents are aware of all the bipartite and tripartite decisions to which the central organisations are also a party. The responsible trade unions and the employers' organisations should actively co-operate with the Central and the State Governments so that the resolves accepted at the national level in bipartite or tripartite meetings reached the units where they are expected to operate. The trade unions and employers' organisations should also fully co-operate in the enforcement and

implementations of the labour laws and the decisions taken in bipartite and tripartite meetings in their true spirit. It is also felt that not only the whole-hearted and genuine desire but also the concerted efforts on the part of trade unions, employers' organisations and the Central and the State Governments are *sine-qua-non* for effective implementation of the labour legislations and the bipartite and tripartite decisions taken at the national level.

### 3. Paragraph 11 :

The Boards of Conciliation are set up in Gujarat whenever considered necessary.

### 4. Paragraph 16 :

The view of the Sub-Committee of the Panel on the Labour Policy constituted by the Planning Commission that "in future, emphasis should be laid more on effective enforcement of existing labour legislation rather than on enactment of new labour laws" is endorsed. Further, the view of the Panel on the Labour Policy of the Planning Commission that there is need for a comprehensive examination of the whole question of Labour Administration in the country because "the problems of Labour Administration have not been reviewed in a detailed manner in spite of the marked changes, which have occurred in the size and the composition of labour force and legislative measures undertaken to protect the labour interest" is also fully endorsed.

### 5. Paragraph 18 :

It is neither necessary nor desirable to suggest any change in the existing nomenclature of the State Labour Department. The tagging of the Labour Department with any other Department of the State Government will hardly make any difference, as labour matters will always, as of necessity, receive the importance that is due to them. It would primarily be for the Minister for Labour to set the pace in the matter of policies and programmes and for the Labour Department to follow that up in the matter of execution and implementation. According to the Member from Gujarat State, the tagging of the Labour Department with the Industries Department will not necessarily be conducive to better labour administration. On the contrary, it may adversely affect the labour administration. So far as the State of Gujarat is concerned, there are different Ministers and different Secretaries for the Departments of Industries and

Labour and no difficulty is experienced in the labour administration.

**6. Paragraph 20 :**

The training facilities available for the State Government officials concerned with the settlement of the industrial disputes at the Institute of Labour Studies set up in New Delhi by the Organisation of the Chief Labour Commissioner (Central) are considered to be generally adequate, excepting that the training programmes thereat may have to be more practically oriented, with stress on actual field problems and case studies. The State Government should also have their programme of training of officers which would supplement the training given at the Central Institute and which would take into account the local needs of the State concerned.

**7. Paragraph 23 :**

It is agreed that "in the current context, as also of the future, when industrial development is likely to acquire a tempo and labour is likely to become more and more aware of its rights and privileges, persons required for manning the labour administration machinery may have to be equipped for new tasks; there will have to be an increasing number of them". It is also agreed that "the task of the labour administrator in industrial democracy is not merely to see to the compliance with the legal provisions under the various Acts. It is more to create the necessary atmosphere in which the obligations and responsibilities under laws are understood and accepted, and to create the necessary consciousness for the observance of these provisions".

**8. Paragraph 25 :**

The Charts indicating the position as on 1-5-60 and 1-5-68 is enclosed (A,B, and C).

**9. Paragraph 26 :**

Tripartite consultations are held from time to time in important labour matters.

**10. Paragraph 28 :**

So far as the State of Gujarat is concerned, there are strong unions which are utilising their strength not only for



recovering more and more real benefits to workers but also for improving the working conditions. The notable instance in this regard is the Textile Labour Association, Ahmedabad which since its inception has been taking very active interest in the matter of improvement of working conditions in the cotton textile mills.

**11. Paragraph 30 :**

No difficulties have been experienced in this regard in the State of Gujarat.

**12. Paragraph 32 :**

In Gujarat State the instances of withdrawals of prosecutions from courts of law are very rare.

**13. Paragraph 33 :**

The Member from Gujarat generally agrees with the contents of this para given in the note prepared by the National Commission on Labour.

- (i) In Gujarat State exemptions are given from certain provisions of labour laws to deserving units, purely on merits.
- (ii) It is true that, in small units, the standard of compliance of various labour enactments is far from satisfactory. There is also much indifference on the part of the employers of such units. Further, the workers in such units being generally unorganised, there is hardly any pressure from their side for implementation of labour laws. There seems to be no ready solution to deal with such cases. In such cases, the only remedy seems to be to gear up the enforcement machinery, which must act in such cases *suo moto*, without waiting for complaints to arrive. In fact the enforcement machinery should concentrate more on implementation of labour laws in such small units leaving the larger units to the care of the trade unions for reporting any breaches of labour laws that may be committed by the employers thereof.
- (iii) It is true that the inspecting staff for the enforcement of the different labour laws is highly inadequate and incommensurate as compared to the task that it is expected to perform. On account of this, the implementation of labour laws suffers and thus the benefits provided under them do not reach most of the workers for whom they are made. This leads

not only to frustration on the part of the workers but also to adverse criticism against the Government from the public as well as on the floors of the Parliament and State Legislatures. Such a situation is not desirable. It, therefore, appears to be necessary to properly assess the work-load of the inspection machinery in each State and to lay down norms and standards of inspection. On the basis of the said norms and standards, the adequacy or inadequacy of the inspection staff could be judged and appointment of additional staff could be considered, resources permitting. It may be mentioned here that the Labour Ministers' Conference had recommended norms of 150 factories per inspector per year under the Factories Act, 1948. It may, therefore, be worthwhile to prescribe a similar norm for the inspection staff under other labour laws as well. On the basis of the norms so fixed and the number of units in each State that are covered by the provisions of the different labour laws, the question of adequacy or inadequacy of inspection machinery in each State could be considered and, resources permitting, augmentation thereof could be thought of.

- (iv) It is true that, in many cases, small units are dispersed over a wide area, making inspection work difficult. In such cases, the inspecting staff generally cannot avoid situations in which they have to avail themselves of the hospitability of the employers in matters like transport, etc. This does not always create a favourable impression on the minds of the workers. It is, therefore, desirable that in each State the officers handling industrial relations work and work relating to enforcement of labour laws are provided with departmental vehicles, at least at each Divisional and Sub-Divisional level and also at the level of the Central Headquarteres. It is further desirable that the Industrial Relations Officers of the State Labour Department and the inspecting staff should be granted reasonable conveyance allowance and helped with loans to purchase cars/motor-cycles/scooters, as appropriate to their status, and necessary permits in that behalf should be issued to them liberally, on a priority basis, from the State quota.

- (v) The plea on the part of the employers that they cannot implement labour legislation on account of financial difficulties should not be entertained.
- (vi) It may not always be feasible to appoint the same person as inspector under all Acts. However, an inspector under the Factories Act is also Inspector under the Payment of Wages Act and the Maternity Benefit Act, he can as has been done in the State of Gujarat he can be notified as Inspector under the Payment of Bonus Act, Minimum Wages Act, etc., so that he can enforce the provisions of these Acts also in factories which are under his jurisdiction. Likewise, the Government Labour Officers should be appointed as Inspectors under the Minimum Wages Act, Motor Transport Workers Act, Bidi and Cigar Workers' Act, Payment of Bonus Act (in relation to establishments other than factories), Working Journalists (Conditions of Service and Miscellaneous Provisions) Act, etc. They, however, cannot generally be entrusted with the work of inspection under the Factories Act as most of that work needs technical knowledge.

It would also not be feasible to entrust the inspection work under the Employees' Provident Funds Act and Employees' State Insurance Act to the State Government Labour Officers as the administration of these Acts rests with the Government of India through Central Provident Fund Commissioner and Employees' State Insurance Corporation respectively.

- (vii) It is generally true that, in many cases, because the standard of the education of the entrepreneur is low, the significance of maintenance of records may not be understood by them. The remedy seems to lie in educating the entrepreneurs in the matter of maintenance of records. The Director, Labour Bureau, Simla, has already formulated a suitable scheme in this behalf, which is under implementation in some of the States. It is recommended that the said Scheme may be pursued and implemented by all States vigorously.
- (viii) (Please see comments under item (ii) above).

**14. Paragraph 34 :**

In those cases in which there are reasons to believe that the employer is sub-dividing his unit into smaller parts in order to evade legal provisions, he should be brought within the coverage by resorting to Section 85 of the Factories Act, 1948 etc., or by withdrawing the exemption granted wherever possible.

**15. Paragraph 35 :**

The standard of compliance with the provisions of the different labour laws should be same in the case of the private as well as the public sector undertakings, and there should be generally no differential treatment in the matter of enforcement of the provisions of the labour laws in the undertakings in the two sectors.

**16. Paragraph 36 :**

Periodical reviews and joint consultations between the employing Ministries and the Labour Departments, in order to ensure fuller compliance with the provisions of the labour laws in the public sector undertakings, are favoured.

**17. Paragraph 37 :**

The following suggestions are offered in the matter of improving industrial relations and implementation of labour laws in public sector undertakings ;

- (i) delegation of powers to the managerial personnel in settling the industrial disputes so that the red-tapism is reduced to the minimum ;
- (ii) introduction of a sound personnel management and industrial relations policy ;
- (iii) implementation of the Code of Discipline in Industry in its true spirit ;
- (iv) the establishment and development of mutually agreed bipartite arrangements for negotiating of all matters affecting labour-management relations e.g., joint consultative council, works committees, production committees etc ;
- (v) establishment of the Grievance Procedure ;
- (vi) grant of recognition to the union in accordance with the criteria evolved at the 16th Session of the Indian Labour Conference, 1958 which is more or less based on the provisions of the Bombay Industrial Relations Act, 1946 ;

- (vii) acceptance of the principles of referring the unresolved disputes to voluntary arbitration ;
- (viii) effective education of the management personnel and the workers in the field of industrial relations.

The Personnel Departments of the Public Sector Undertakings should be strengthened by deputing of senior and experienced officers from the State Labour Department, with a view to ensuring fuller compliance with the provisions of the various labour laws and implementation of bipartite and tripartite decisions. These officers should however not be utilised for conducting departmental enquiries against the workmen, attending conciliation proceedings, and for representing the managements before the Labour Courts, Tribunals, etc.

#### 18. Paragraph 38 :

The Member from Gujarat is in favour of making the Central Government responsible for industrial relations in the public sector undertakings under the control of Central Government. No difficulties have been experienced in Gujarat where the responsibility for the industrial relations in the processing factory and the establishments supplying the raw materials to them (as in the case of cement industry) rests with different appropriate Governments.

#### 19. Paragraph 40 :

In Gujarat the labour portfolio is held by the Minister having considerable experience in the field of labour. On account of the adequate attention paid by the Labour Minister he has been able to enhance the interests of labour. There is no question of lack of weight attached to the views of the Minister.

#### 20. Paragraph 41 :

In Gujarat State the two important functionaries at the State level dealing with labour are :-

- (i) The Secretary to the Government of Gujarat, Education and Labour Department and
- (ii) The Commissioner of Labour.

Although the Secretary of the Education and Labour Department is in charge of the subjects dealt with in the department, labour matters at the departmental level are given due importance and the said matters are not allowed to be relegated to the secondary level. Incidentally it may be mentioned that the Deputy Secretary dealing with labour

matters in Gujarat has a long experience in dealing with labour matters.

The posts of the Commissioner of Labour in the State of Gujarat is in the cadre of Indian Administrative Service (senior scale). The names of the officers who have worked as Commissioner of Labour, Gujarat State from 1-5-60 are given below:-

<i>Sr. No.</i>	<i>Name</i>	<i>Duration</i>	<i>Remarks</i>
1.	Shri D.K. Badheka, I.A.S.	1.5.1960 to 25.5.1963	
2.	Shri A.V. Vyas.	26.5.1963 to 6.6.1963	Held charge of the post in addition to his duties as Dy. Commissioner of Labour.
3.	Shri H.M. Joshi, I.A.S.	7.6.1963 to 30.9.1964	
4.	Shri R.B. Shukla, I.A.S.	1.9.1964 to 30.9.1964	As additional Commissioner of Labour.
		1.10.1964 to 14.5.1968	As Commissioner of Labour.
5.	Shri A.V. Vyas.	15.5.1968 to 13.11.1968	Held charge of the post in addition to his duties as Deputy Commissioner of Labour.
6.	Shri S.J. Shah, I.A.S.	From 14.11.1968 onwards.	

Adequate status is enjoyed by the Commissioner of Labour in Gujarat. He is also the Head of the Department. There

is no question of the labour department officials developing any sort of inferiority complex in dealing with labour matters connected with other department.

**21. Paragraphs 44 and 45 :**

In the State of Gujarat, the Conciliation Machinery in functioning under the Industrial Disputes Act, 1947 and the Bombay Industrial Relations Act, 1946. Under the Industrial Disputes Act the disputes in public utility concerns are admitted in conciliation on receipt of the strike notice under section 22 by the Conciliation Officer. In respect of the concerns other than public utility services, it is the policy of the Government ordinarily not to admit the disputes in the concerns employing less than 10 employees in conciliation. However, in cases of victimisation or gross injustice, the disputes in the smaller concerns are also admitted in conciliation with the prior permission of the Government. The disputes in the concerns employing 20 or more persons are dealt with by the Assistant Commissioners of Labour while the disputes in the concerns employing less than 20 employees are dealt with by the Government Labour Officers. The disputes covering the whole State are dealt with by the Deputy Commissioner of Labour.

**22. Paragraph 46 :**

For the timely disposal of the conciliation cases, the Government has laid down through administrative instructions, the time limit of 3 weeks for the completion of the preliminary enquiries before admission of the disputes in conciliation and that of 3 months for the completion of the proceedings from the date of admission of the dispute in conciliation. It is also laid down that more than 3 adjournments should not be given, even with the consent of the parties. However, in practice, it is found that in some cases the parties ask for adjournments by mutual consent since they are negotiating and, as such, at times it is difficult to stick to this time schedule.

As regards the Conciliation Machinery under the Bombay Industrial Relations Act, the Act is applicable to specified industries. After certain formalities are undergone, the conciliation proceedings are to be commenced by the Conciliator. The conciliation cases under this Act are dealt with by the Assistant Commissioners of Labour.

Under the Act, the Government has to prescribe the time-limit for various stages of conciliation proceedings and accordingly the time-limit of 10 days is fixed for holding the conciliation proceedings from the date of registration and the proceedings are required to be completed within 9 days. However, the parties can extend this time-limit by mutual consent and such period is to be excluded in computing this time-limit. It is also provided in the Act that total period for completion of conciliation proceedings including the period of extension mutually agreed to by the parties should not exceed one year. However, the Government can extend this period of one year by further period of two months.

**23. Paragraphs 48, 49 & 50 :**

No doubt, in some cases, the parties consider the conciliation proceedings as a hurdle to be crossed over for reaching the next stage of the Industrial Relation Machinery and that in some cases the parties do not send the persons who have a final say in the termination of a dispute. In some cases the proceedings might be delayed due to the Labour Organisations also. However, by and large, in this State the parties are co-operating and showing their faith in the conciliation machinery as it will be seen from a very small number of conciliation cases ending in failure.

**24. Paragraph 51 :**

Apart from the adjournment by mutual consent, to some extent the delay in the past was due to the inadequacy in the number of officers dealing with the disputes. However, gradually the strength of the officers has been increased and the machinery at present is adequate.

**25. Paragraph 52 :**

The quality of the personnel entrusted with the work of conciliation is by and large satisfactory in this State. Even after recruitment the officers are deputed for further study to the Calcutta University if necessary and they are also deputed for training to the Indian Institute of Labour Studies, New Delhi set up by the Office of Chief Labour Commissioner, Government of India.

**26. Paragraph 53 :**

As stated above, in this State, the proportion of conciliation cases ending in failure is very small. It is felt that keeping the main purpose of conciliation in view, the powers



given to conciliation officers at present are adequate. It is also felt that the status and pay-scales of conciliation officers should not be below those of the Deputy Collectors in the State to enable them maintain their position in the eyes of the parties.

**27. Paragraph 54 :**

In this State, as stated above, the working of the conciliation machinery has been found to be satisfactory. Generally, in 15 per cent of cases, settlements are reached between the parties, 24 per cent of cases end in failure, and the remaining 61 per cent are either withdrawn or closed under the Industrial Disputes Act. Under the B.I.R. Act, the percentage of cases ending in failure is somewhat higher i.e., 60 per cent, since a right of reference of disputes to Industrial Court is given to representative and approved unions, after obtaining certificates of failure of conciliation proceedings.

**28. Paragraph 55 :**

In this State generally, the assessment of conciliation officers about reference of a dispute to adjudication is respected. There is no regular machinery to look after the implementation of settlement, but in cases of complaints received for breaches of settlements, the officers undertake investigation and if necessary file prosecution with the authority from the Government. The Member from Gujarat is not in favour of giving powers of adjudication to Conciliation Officers.

**29. Paragraph 56 :**

In Gujarat State, no difficulty of the nature mentioned in this paragraph of the Commission's Paper has been experienced.

**30. Paragraphs 57 to 60 :**

In this State the disputes are admitted in conciliation or references are made for adjudication on merits only. The complaints mentioned in the Commission's Paper are baseless, so far as the State of Gujarat is concerned.

**31. Paragraph 61 :**

The Member from Gujarat supports the suggestion that, with a view to cutting out delays in the matter of references of disputes to adjudication in Central Public Sector Undertakings located in a State, the convention of consulting the Central Government before making the reference should be restricted to a certain stipulated time-limit. In case the

reply from the Central Government is not received within the prescribed time-limit, the State Government should be at liberty to act in the matter, as it deems fit.

**32. Paragraphs 62 & 63 :**

The difficulties stated in these paragraphs of the Commission's Paper have not been experienced in the State of Gujarat.

**33. Paragraph 64 :**

The Member from Gujarat is of the view that in the matter of labour administration, which covers the important field of industrial relations and implementation of labour laws, there is nothing wrong in having them to the subjective factor of official/governmental discretion as this discretion is always to be used judiciously and bonafide. The affected party can always challenge the use of discretionary powers of the Government in case they have not been used judiciously or they have been used malafide.

**34. Paragraph 65 :**

Please see the comments under para 33 (ii) above. The Member from Gujarat generally endorses the views expressed in para 65 of the Commission's Paper.

**35. Paragraphs 66 & 67 :**

The workers and trade unions have already been given the rights to make recovery applications for monetary dues under legislation, awards, settlements, agreements etc. Under the B.I.R. Act the representative and approved unions are given rights of reference of disputes to compulsory arbitration. The Member from Gujarat is not in favour of giving rights to launch prosecutions to trade unions generally. In his view, in the matter of criminal prosecution, the right to launch or authorise prosecution should continue to vest in the State Government as that would avoid frivolous and vexatious prosecutions. However, such a right can be given to representative unions where they are registered as such under some statute like B.I.R. Act. It is agreed that it would not be appropriate for the Government to divest itself of its responsibilities in this matter. The arrangements by which the unions can go to Tribunals direct should be permissive and not exclusive.

**36. Paragraph 68 :**

In the State of Gujarat, the Bombay Shops and Establishments Act is administered by the local authorities and the

administration is supervised through the agency of the Commissioner of Labour. Recently the supervising machinery has been strengthened and improvements have been noticed in the administration. So far as this State is concerned, by and large, the administration of the Shops and Establishments Act is satisfactory.

So far as the State of Gujarat is concerned, the Government has already fixed/revised minimum rates of wages for employment in agriculture in the entire State with effect from 10th February, 1968.

With regard to leaving the implementation of the Minimum Wages Act to the Panchayats, the Member from Gujarat is not in favour of such a course. He is of the view that it should be the responsibility of the labour department to implement the Minimum Wages Act in agriculture, if necessary, by creating a special cell for agricultural labour. In Gujarat, besides the labour inspectorate of the State entrusted with the enforcement of the Minimum Wages Act, the services of the officials of the Revenue Department are utilised. The local village or the Block Development staff should not be entrusted with task of enforcement of minimum wages in agriculture, but their services should be utilised for the purposes of education and propaganda which is so very essential in the difficult task of enforcement of minimum wages for agricultural labour.

### 37. Paragraph 69 :

The Labour Commissioner, Gujarat State, is of the view that the staffing pattern of the labour administration section of the State Labour Department should be based on the norms and standards of workload to be assessed and laid down through proper work-study. The work pertaining to the administration of the labour laws and labour policy should not be allowed to suffer on account of inadequate staff. The officers handling industrial relations and the work relating to administration and enforcement of labour laws and the labour policy at the State headquarters as well as in the districts should be provided with adequate transport facilities.

### 38. Paragraph 70 :

The Member from Gujarat is of the view that the expenses involved in the setting up of an adequate Labour Administration Machinery in the State Labour Departments should be shared between the Central and State Government

in the ratio of 60:40, so as to augment the financial resources of the State Government, in that behalf, which is lacking in most of the States. Such a sharing of the expenditure is also considered necessary on the ground that most of the labour laws that are required to be administered by the State Governments are Central labour laws.

**39. Paragraph 71 :**

So far as this State is concerned, the instances of political influence on industrial relations personnel have not been noticed and as such it is not felt necessary to have a central cadre for such personnel. The Member from Gujarat is not in favour of a Central Cadre of Industrial Relations Service to which the Central and State officials would belong. In my view, such a step would hamper rather than assist the development of industrial relations.

*Section C*  
**MADHYA PRADESH**

**1. Paragraph 18 :**

The nomenclature of the Department, it is suggested, may be changed as Department of Industrial Relations and if this Department is to be tagged, it may be tagged with such a Department of the Government that the importance of its work is not relegated to a secondary position.

**2. Paragraph 20 :**

The training facilities at the Institute set up in New Delhi are adequate. However, the programme may have a more practical bias with emphasis on actual field problems and case studies.

**3. Paragraph 23 :**

The personnel in labour Administration could be provided with more extensive and comprehensive training. Such programmes may be conducted frequently and may be broad-based. Officers also should get wider prospects through regular channels of promotion.

**4. Paragraph 26 :**

There is already a Labour Advisory Board at the State level. This Board has an authority to appoint Sub-Committees for fuller consideration and implementation of the various obligations relating to the labour policy of the State. No changes are contemplated.

**5. Paragraph 33 :**

Agreed with the note. It is further felt that the entrepreneur/manager in a small unit is also indifferent about the requirements of Labour Laws apart from his limitations of time/funds and the need for him to satisfy diverse authorities.

**6. Paragraph 34 :**

If such small establishments sub-divide their units into smaller parts to avoid evasions, there appears to be no ready solution, because such action cannot be held to be illegal.

**7. Paragraph 36 :**

In the public sector undertakings, reviews should be conducted periodically, not necessarily once annually, by the appropriate Labour Commissioner in cooperation with the General Manager of the plant and also jointly at the Government level.

**8. Paragraph 37 :**

The personnel department of the Public Sector Undertakings should be strengthened by drawing experienced officers from the Government Labour Department. Grievance procedure is a machinery created by the Management and if the personnel handling such matters possess the right attitude, delays could be avoided. A proper machinery should be evolved to ensure a satisfactory promotion procedure based on scientific merit-rating (appraisal) of the employees and taking seniority in due consideration. To ensure effective working of the machinery of Joint Consultation, the decisions/recommendations of the Indian Labour Conference should be faithfully implemented in their spirit.

**9. Paragraph 38 :**

It is not agreed that the Public Sector undertaking located in a State should be brought within Central jurisdiction. In other words, the appropriate Governments for industrial relations could be different for the processing factory and the industry supplying raw materials.

**10. Paragraph 41 :**

It is generally agreed that labour matters acquire secondary importance at the secretariat level, because the Secretary to Government having labour portfolio also holds heavier responsibility of some other administrative department. If a separate All-India Cadre of Industrial Relations Officers is created, the continuity at the level of the Office of the Labour Commissioner could be maintained in as much as, in spite of change of individuals, persons with similar training, experience and background will always be available. During the last ten years, the existing Labour Commissioner is the fifth incumbent on the post and an equal number of changes have taken place at the Secretary's level also during this period.

**11. Paragraph 46 :***Delays in Conciliation :*

In bulk of cases, the delay is caused by the parties to the conciliation proceeding seeking adjournment by mutual

consent. Eliciting information about the dispute from the parties is responsible for delay in about 30 per cent cases. In about 10 per cent cases, the delay is due to administrative reasons i. e., the Conciliation Officer is not available because of his other pressing engagements like attending to some emergent labour problems etc. Equal number of cases are adjourned because of either party not turning up in conciliation meeting and the dispute is so important that conciliation proceedings could not be closed merely because of the absence of the party.

#### **12. Paragraph 47 :**

At present, although there is a statutory time-limit for completion of a conciliation proceeding, the same is not being followed mainly because of the adjournment, sought in conciliation proceedings by mutual consent of the parties. In some cases, due to administrative reasons, the conciliation proceedings are adjourned, but there is hardly any case in which the Conciliation Officer could not do much because the time element worked against him.

#### **13. Paragraphs 48, 49 & 50 :**

It is generally agreed that the success in Conciliation will largely depend on the knowledge and understanding of the personnel handling such proceedings.

It is common knowledge that in conciliation proceedings, adjournments are sought deliberately by parties to build up pressure on the other side. Because of multiplicity of unions and weak organization on the workers' side in large number of cases, a Tribunal's Award is preferred to a settlement in conciliation. A similar attitude is discernible on the employers' side. On the employers' side, a settlement denotes an element of surrendering in conciliation to the workers, whereas in a Tribunal's Award the employer always finds a face-saving.

#### **14. Paragraph 51 :**

##### *Inadequacy of Conciliation Machinery :*

Although a work-load study of the disputes handled by the conciliation officers has not been undertaken, it can be safely stated that the number of conciliation officers is inadequate looking to the number of disputes handled by them and the multifarious administrative duties attached to their offices. The following steps are suggested for improving the quality of conciliation machinery :—

1. The minimum educational qualification should be a Law Degree plus proved flair for public dealings.
2. Organization of intensive training and refresher courses with practical bias.
3. Recognition of the worth of a good Conciliation Officer.
4. The raising of status of Conciliation Officer to Class I State Services.

#### 15. Paragraph 53 :

##### *Powers of Conciliation Officer :*

It must be reckoned at the very out-set that conciliation essentially implies the voluntary willingness of both the parties to come to an agreement. If the basic attitude is lacking in a particular case, the vesting of additional powers in the Conciliation Officer will not help in correcting the attitude of parties. But it is likely that the production of documents may throw up possible area of agreement between the parties and to this extent, the empowering of the Conciliation Officer to call for the documents would be useful.

Similarly, the powers of compelling attendance may not change the attitude of the parties, but it would enable the Conciliator to arrange the discussion which might help resolving disputes in quite a few cases.

Thirdly, the status of Conciliation Officer must be raised if conciliation, as one of the most useful methods of settlement of disputes, is to function properly. Since the conciliation is an art and requires the knack to probe deep into the disputes and offering many alternative suggestions for settling disputes, it requires great patience and persuasion as also a deep study of the labour laws and human relations. Accordingly it is suggested that an All India Labour Service should be set up from which suitable persons with flair for conciliation work should be selected for this exclusive and knowledgeable function.

#### 16. Paragraph 54 :

##### *Assessment of the Working of the Conciliation Machinery :*

The statistics relating to industrial disputes and redressal of grievances in Madhya Pradesh reveal that about 40 per cent of them have been settled through formal and informal conciliation or by the intervention of the departmental machinery. It must be admitted, however, that these statistics alone may not be the real test of the success of the Departmental Conciliation Machinery. There are disputes which are of such



magnitude that but for the settlement the industry might have sustained colossal losses. In counting the number, such a dispute will only pass as one. Thus the number of disputes handled would not truly indicate the extent of efforts made and the effect of the settlement. Yet, by and large, the statistics will have to be taken as the indicator about the effectiveness of the conciliation machinery.

#### 17. Paragraph 55 :

##### *Suggestions for Improvement of Conciliation Machinery:*

(a) It is agreed that the Conciliation Officer should have powers to adjudicate in regard to disputes in small units or in matters which do not involve high strikes. It may be examined whether powers similar to those US/16 of the C.P. & Berar Industrial Disputes and Settlement Act, 1946 (repealed) can be given to the Conciliation Officers.

(b) Generally, the recommendations of the Conciliation Officers regarding reference of a dispute for adjudication is respected. This practice should continue. It is only in certain cases when the Conciliation Officer has failed to appreciate the other side of the picture that the reference is not done.

(c) The Conciliation Officer could better be given the responsibility of implementation of the settlement reached in conciliation.

The Members from Madhya Pradesh are, however, generally not in favour of the Conciliation Officer accepting to work as Arbitrator. This would make conciliation difficult in future in respect of parties to the arbitration. The reports of the Conciliation Officer are confidential in nature and even if the Conciliation Officer does at times comment on the attitude of the parties, it remains a document known to the departmental authorities alone and to this extent there is no danger of the parties knowing the comments made by the Conciliation Officer about their attitude.

It should, however, be enough for the Conciliation Officer to explain in details the nature of the dispute, the stand taken by the parties and the reasons, if possible, why the parties took a particular stand. Avoidance of comments on the attitude of the parties would be desirable.

#### 18. Paragraphs 56, 57, 58, 59, 60, 61, 62 & 63 :

The allegation about the mis-use of discretion or use of the discretion in favour of a particular union is without any substance. The conciliation is compulsory under the M. P.

**Industrial Relations Act and there is no question of discretion in respect of seizing a dispute in conciliation. Under the Industrial Disputes Act, conciliation is compulsory so far as disputes connected with Public Utility Service are concerned. The conciliator exercises discretion only in respect of non-Public Utility Service.**

It is true, at least in the recent past, that pressure for reference is brought through persons/parties in power. But this has to be resisted by the Government.

The reference of disputes in Public Sector Undertakings (both Central and State) does suffer from complication arising out of the formality to obtain the concurrence of the Central Government or the Department concerned. The concurrence is seldom accorded, if at all, and the workers are thus denied the innocuous remedy of having their claims/demands adjudicated by an independent Tribunal. In our views, such concurrence is needless and should be done away with.

#### 19. Paragraph 64 :

Already there is lot of criticism for too many references for adjudication being made by the Government. If adjudication is made automatic after failure of conciliation, there may be a flood of vexatious disputes. It is, therefore, desirable that the present system should continue. If, however, it is decided that the use of Government discretion should be codified, one of the conditions should be that the parties shall bear cost of adjudication equally.

#### 20. Paragraph 65 :

It is true that the compliance with award and enforcement of labour laws in the organised sector is much better than in the unorganised sector. The unorganised sector has, however, developed in such proportion that the existing machinery is not able to deal with their problems and hence there is need for expansion of the administrative set-up for the unorganised sector.

#### 21. Paragraph 66 :

There is no harm in giving the workers' organisation the statutory authority to approach courts direct for redress. Such powers are enjoyed by the workers under the M.P. Industrial Relations Act. However, the powers are given only to the representative unions which are, by and large, responsible and do not indulge in unnecessary litigation. It is a point for consideration whether all workers' organisations

i.e., registered trade unions, should be given power to file complaints and make a civil claim in the court.

The danger is that vesting the unions with such powers might lead to unnecessary harassment of the employers.

## 22. Paragraph 67 :

As pointed out earlier, the vesting of the powers to all registered unions to take up cases direct in the court may lead to harassment of employers and lot of vexatious claims. The representative unions could be given this power. However, in case of individual complaint, it should be permissible to make claims in the court direct.

## 23. Paragraph 68 :

Looking to the strength of the existing machinery for enforcement of the Shops & Establishments Act, it cannot be said to be unsatisfactory. This is also true about the prosecutions made.

## 24. Paragraph 69 :

The enforcement of the Minimum Wages Act in agriculture should vest with the Government machinery, particularly in the Revenue Deptt. rather than with the Panchayats. The members of Panchayats are likely to be more easily influenced by the interested persons.

### Suggestions for improvement of enforcement machinery.

1. Strengthening of supervisory, inspectoral and other staff.
2. Vesting the executive officers with necessary powers of enforcing attendance, power to call records etc.
3. Setting up a legal cell at least in the headquarters of the Labour Commissioner.
4. Avoidance of over-burdening of officers.
5. Provision of facility of transportation.
6. Improvement in the status and emoluments of the officers and staff.

## 25. Paragraph 70 :

There is no point in enacting a law and not providing adequate machinery for its enforcement. Since the resources of the State Government are limited, there is no alternative except the sharing of the expenses of administration by the Central Government which could be in the ratio of 60:40. Similarly, the Central Government should also share the expenses on providing tools for administration, such as the transport and other facilities.

**26. Paragraph 71 :**

The need for having a Central Cadre of Labour and Industrial Relations Service has been felt for quite a long time. The work of the Labour Department is getting more and more technical and highly specialised every day requiring knowledge of laws, economics, company law administration and host of other laws and deep insight into the working of the factories and establishments, trade unions etc. The right type of personnel with the necessary flair and aptitude are difficult to secure. There is an ever growing demand for such personnel on highly remunerative managerial positions in public and private sector industries. Therefore, if a Central Cadre is constituted to which both Central and State officials may belong, these officers could be transferred from State to Centre and vice versa. Qualification, training, length of service, experience, existing grade and pay, classification etc, of the existing senior officers who could be eligible for inclusion and the level of responsibility/ post which these officers will man in Central/ State Governments and public sector undertakings are matters to be worked out in details.

## I. LABOUR ADMINISTRATION IN INDIA\*

In recognition of its duty to protect the working class and promote its welfare, a blueprint on labour policy—A Five Year Programme for Labour—was drawn up in 1946 when the interim National Government came to power at the Centre. In the course of a debate in the Central Legislative Assembly in 1946, Shri Jaggivan Ram, the Member in charge of Labour, revealed that Government had formulated a plan for bringing about essential reforms in the interest of the working classes of India. The main features of the proposed programme were :

“Statutory prescription of minimum wages in sweated industries and occupations and in agriculture.

“Promotion of ‘fair wage’ agreements.

“Steps to secure for workers in plantations a living wage.

“Reduction in the hours of work in mines to bring the working hours in line with the hours of work in factories which have been recently reduced from 54 to 48 a week.

“Legislation to regulate hours of work, spread-over, weekly rest periods and holidays with pay for other classes of workers not now subject to regulation, e. g. those employed in shops and commercial undertakings, road transport services, docks and municipal labour.

“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. Conditions of work are to be improved, particularly in unorganised industries and work places, to which the present Factories Act does not apply.

“Revision of the Mines Act to bring about similar improvement in the working conditions in mines.

“Organisation of industrial training and apprenticeship schemes on a large scale with a view to improving the productive and earning capacity of workers and enabling them to qualify for promotions to higher grades.

“Provision of adequate housing for workers to the extent of the resources, both of man-power and materials, that can be made available for this service.

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\* This Chapter comprises the Text of the Note on Labour Administration prepared by the National Commission on Labour and referred to in the Preface.

“Steps to secure for workers in plantations, mining and other categories provision of housing.

“Organisation 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 and the substitution of pensions during periods of disablement and to dependents, in case of death, in place of the present lump-sum payments.

“Revision of the Workmen’s Compensation Act with a view to extending to other classes of workers the benefit provided for under the Health Insurance Scheme in respect of disablement and dependent benefits.

“A central law for maternity benefits to secure for other than factory workers the extended scale of benefits provided under the Health Insurance Scheme.

“Extension to other classes of workers the right, within specified limits, to leave with allowance during periods of sickness.

“Provision of creches and canteens.

“Welfare of the coal mining labour and welfare of the mica mining labour.

“Strengthening of the inspection staff and the Inspectorate of Mines<sup>1</sup>.

2. As would be seen from subsequent events, many elements of the programme were given legislative support in the years 1947 to 1952. The Constituent Assembly which was set up soon after Independence took note of the Plan in its deliberations. The Constitution finally adopted, contained several articles which reflect the general desire of the community to stand by the working class. The Directive Principles of State Policy stated in the Constitution which have a bearing on Labour, are contained in the articles reproduced below :

“39. The State shall, in particular, direct its policy towards securing—

(d) that there is equal pay for equal work for both men and women ;

1. India Labour Gazette—April, 1947—PP—461-62.

- (e) that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter a vocation unsuited to their age or strength :
- (f) that childhood and youth are protected against exploitation and against moral and material abandonment.

“41. The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want.

“42. The State shall make provision for securing just and humane conditions of work and for maternity relief.

“43. 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, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities, and, in particular, the State shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas.”

3. Under the Constitution, the legislative powers in different fields of Government activity are shared by the Central and State Governments, in accordance with the lists which form a part of the Constitution—the Union List, the Concurrent List and the State List. The Parliament has exclusive powers to make laws on matters enumerated in Union List. The State Legislatures have powers to legislate for the State or any part thereof on any matter enumerated in the State List. Both the Parliament and the State Legislatures have powers to make laws with respect to matters enumerated in the Concurrent List. To avoid a possible conflict, certain safeguards are provided for subjects on which both Centre and State can legislate.<sup>1</sup> Labour is a subject which is included in the Concurrent List.

## II

4. The Legislative support for the programme referred to in para 2 above was given partly by (i) strengthening

1. In actual practice, so far as labour is concerned, the Labour Ministers Conference and the Tripartite Forums like the Indian Labour Conference, the Standing Labour Committee and Indian Industrial Committees are used to iron out difficulties.

the then existing legislation through suitable amendments, (ii) overhauling some of it and (iii) supplementing it by new statutes where none had existed before. The important pieces of labour legislation which evolved through all these processes could be divided into the following main groups :—

- (i) *Legislation about employment & training* such as Dock Workers (Regulation of employment) Act, 1948 (some of its provisions fall under (ii) below), Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, Apprentices Act, 1961, Tea District Emigrant Labour Act, 1932 etc.
- (ii) *Legislation on working conditions* :—This covers the Factories Act, 1948, the Plantations Labour Act, 1951, the Mines Act, 1952, the Motor Transport Workers' Act, 1961 and legislation relating to workers in shops and commercial establishments and legislation relating to safety of workers, like Indian Dock Labourers Act, 1934. There have been Acts like the Children (Pledging of Labour) Act, 1933; Employment of Children Act, 1938 ; the Madras Bidi Industrial Premises (Regulation of conditions of work) Act, 1958 ; the Kerala Bidi and Cigar Industrial Premises (Regulation of conditions of work) Act, 1961, etc.
- (iii) *Legislation on labour-management relations* .—This covers the Indian Trade Unions Act, 1926; the Industrial Employment (Standing Orders) Act, 1946; the Industrial Disputes Act, 1947 and legislation enacted in some States like the Bombay Industrial Relations Act, 1946; the U. P. Industrial Disputes Act, 1947; the Madhya Pradesh Industrial Relations Act, 1960 and so on.
- (iv) *Legislation on wages, earnings and social security* which covers the Payment of Wages Act, 1935 ; the Employees' State Insurance Act, 1948 ; the Coal Mines Provident Fund and Bonus Act, 1948 ; the Minimum Wages Act, 1948; the Employees' Provident Fund Act, 1952 ; the Assam Tea Plantations Provident Fund Scheme & Act, 1955 ; Working Journalists (Conditions of Service and Miscellaneous Provisions) Act ; the Payment of Bonus Act, 1965 ; Workmen's Compensation Act and the Maternity Benefit Acts, Central and States ;



- (v) *Legislation on welfare* like the Mica Mines Labour Welfare Fund Act, 1946 ; the Coal Mines Labour Welfare Fund Act, 1947 ; U. P. Sugar and Power Alcohol Industries Labour Welfare and Development Fund Act, 1950; Bombay Labour Welfare Fund Act, 1951 ; the Assam Tea Plantation Employees' Welfare Fund Act, 1959 ; Iron Ore Mines Labour Welfare Cess Act, 1961.
- (iv) *Miscellaneous legislation* :—The Industrial Statistics Act, 1942, the Collection of Statistics Act, 1953, Industrial Development and Regulation Act, 1951, the Companies Act, 1954 and so on.

5. The legislation mentioned above is illustrative and not exhaustive. It is possible that many State Acts have not figured in the above list. *They may be shown by the respective States under different heads.* Since the main objects of the pieces of legislation cited above are known, it is unnecessary to provide a gist of it against each Act. The arrangement followed in presenting the legislative framework is more or less the same as is adopted in the Commission's questionnaire. It is possible that some pieces of legislation cover more topics than one from among the headings under which the entire ground is covered. They have, therefore, been classified according to their dominant coverage.

6. In addition to this labour code, voluntary arrangements which are evolved in tripartite discussions have added to the benefits which are expected to accrue to labour. In this category fall the recommendations of the Indian Labour Conference, the Standing Labour Committee and Industrial Committees. The benefits which workers got out of the Wage Board awards so far owe their origin to the tripartite decision that the unanimous recommendations of Wage Boards will be given effect to. The Code of Discipline, which has given recognition to some unions, provides for the setting up of a grievance procedure, and generally promotes constructive co-operation has also been the result of a tripartite agreement. The arrangements for housing in plantations were evolved out of an agreement in the Industrial Committee on Plantations. The introduction of the workers' education scheme, the setting up of fair price shops in industrial establishments and the agreement on guidelines for introduction of rationalisation are some other important matters which have emerged out of tripartite agreements.

## III

7. These and other legislative measures/tripartite decisions continue to provide the main structure for protecting workers and improving their working and living conditions. Many employers and independent observers consider that this amounts to a "plethora" of labour legislation. Some Governmental pronouncements also support this view. Workers, on the other hand, feel that the legislative protection could be improved further by extending the coverage and deepening its operations. Without entering into this controversy, it could be said that in terms of the range and content of legislation, the Indian labour law framework could compare favourably with what is available for workers in many advanced countries. It is, however, possible to argue that if labour policy had in the course of years helped the development of strong unions, part of the legislation would have been redundant. Accepting the statement for what it is worth, one does feel that a just and efficient administration of the provisions of labour laws would go a long way in improving the conditions of labour and establishing a climate for improved labour management relations.<sup>1</sup> If such administration had been secured, some of the difficulties which labour is currently facing may not have been there; it would have also gone some way in the direction of reducing the clamour for more legislation. It is true that a very large area of labour legislation lends itself to a co-operative effort on the part of labour and management, which could help public administration in its functions of enforcing legislation. This co-operative effort has, by and large, been lacking in our context.<sup>2</sup> The problem, therefore, is to find out ways as to how labour administration could be made to yield better results to those for whose benefit laws have been enacted.

8. The administrative arrangements envisaged for implementing the legislation enacted by the Parliament/State Legislatures and decisions taken by tripartite bodies at the Centre/States fall broadly under the following agencies :—

- (i) The Central Government;
- (ii) The State Governments;
- (iii) Local Bodies; and
- (iv) Statutory Corporations.

9. In the classification shown in paragraph 4, the Dock Labour (Conditions of Employment) Act is administered by a

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1.2. This should not be taken to mean that the Commission has reached any conclusion on the point. It is merely an expression of what is being stated before the Commission in oral evidence.

statutory Board. The Employment Exchanges (Notification of Vacancies) Act and the Apprenticeship Act are administered by State Governments though there is active effort at laying down standards and co-ordination of activities by the Centre. Under working conditions, the Centre has assumed responsibility for the Mines Act, the Indian Dock Labourers' Act and other similar Acts. The States administer the Factories Act, the Plantations Labour Act, the Motor Transport Workers' Act, the Employment of Children Act and other protective legislation passed by State Legislatures. Local Bodies in most cases are entrusted with the administration of the Shops and Commercial Establishments Act. Legislation on labour-management relations again has been the Centre's responsibility in regard to industries specifically mentioned in the Industrial Disputes Act, 1947. The Indian Trade Unions Act, the Industrial Employment (Standing Orders) Act and a major part of the Industrial Disputes Act is again administered by the State Governments, apart from the legislation passed by the State Legislature for improving the labour management relations in the State. Legislation on wages, earnings and social security provides a varying pattern for its administration. For industries for which Centre is the appropriate Government for labour management relations, the Payment of Wages Act and the Payment of Bonus Act are its responsibility. So is the administration of Minimum Wages Act in relation to the scheduled industries which are under the supervision of the Centre. For a larger area under all these pieces of legislation, however, implementing arrangements have to be made by State Governments. Statutory Corporations administer the Employees' State Insurance Act, the Employees' Provident Fund Act and the Coal Mines Provident Fund and Bonus Act. The legislation on welfare is administered partly by organisations specially created by the Central or State Governments by respective statutes. Administrative Departments also share this responsibility in many cases. For instance, the funds created for the benefit of workers in mica, coal, iron ore and manganese mines etc., are utilised on the advice of Committees specially set up for the purpose and so are the arrangements under State Governments for the administration of labour welfare, where similar funds have been built up under a statute. Miscellaneous legislation is mainly the responsibility of the Central and/or State Governments.

#### IV

10. The passing of legislation and accepting certain

resolves in bipartite or tri-partite meetings and parcelling them out to different agencies for implementation can hardly provide the desired benefit in real terms to the working class if the spirit of legislation is inadequately understood and the resolves accepted at the national level do not reach the units where they are expected to operate. This fact has been recognised from time to time in the reports presented to Parliament by the Central Government and presumably also in similar reports presented to the respective State Legislatures. The Planning Commission in presenting its Plans to the country has emphasised this crucial aspect in almost every report. These statements require to be reviewed.

11. The First Plan, while laying down the framework of labour policy, referred specifically to the administrative aspects of enforcement and implementation. The Plan called for proper equipment and training of supervisory staff, the technicians and labour welfare officers and a review by joint committees at various levels of "developments in industry and working conditions and other matters of common interest." It recommended the appointment of standing conciliation boards for cases involving major issues<sup>2</sup> and stressed the need of employing sanctions for securing due observance of awards/decisions of the tribunals<sup>3</sup>. On working conditions the First Plan stated :

"In order to get the best out of a worker in the matter of production, working conditions require to be improved to a large extent. The Factories Act, 1948, the Indian Mines Act, the Plantations Labour Act, 1951 and the proposed Central legislation for regulating conditions of work in shops, establishments and motor transport services, have this common object and are sufficient for the purpose. The emphasis in the next five years should, therefore, be on the administrative measures needed for the implementation of such legislation."<sup>4</sup>

The plan then gives details of the steps to be taken for improving conditions in factories and plantations. No mention was made about the mines, since it was presumed that what was said for factories would apply *mutatis mutandis* to mines also.

12. The Second Plan in commenting generally on the operation of its predecessor showed satisfaction about the changes which took place in labour conditions and in the process gave credit to employers and workers in this respect.

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1. First Five Year Plan	— page	576
2. " " " "	— page	578
3. " " " "	— page	579
4. " " " "	— page	586

While taking note of low industrial unrest it went on to state :  
 "Much of what has been said in regard to labour policy in the First Five Year Plan holds good as a basis for the future. However, in the light of the socialist pattern of society, within which setting the Second Five Year Plan has been framed, suitable alterations in labour policy require to be made."<sup>1</sup>

At the same time it brought to surface somewhat inadequate implementation and enforcement of awards and agreements. It commented on the absence of provision for enforcing compliance of directives contained in awards other than those involving financial recoveries. Reinstatement of an employee or provision of an amenity awarded by a tribunal could be flouted by the employer :

"The only remedy against employer in such cases is to prosecute him under the Industrial Disputes Act, 1947, but this remedy is ineffective as the maximum punishment is only Rs. 200/- for the first offence and Rs. 500/- for subsequent ones."<sup>2</sup>

Thus while the approach in the First Plan was on persuasion, the Second talked of deterrent penalties. This change in approach was probably, because, though improvement did take place in working and living conditions of labour between 1951 and 1956 partly as a result of increasing consciousness among workers, favourable price situation and not too difficult an employment situation and partly because of enlarging the base of labour legislation, implementation was not as effective as it should have been. Many useful suggestions were made in the First Plan for giving a social content to the requirements of law in the process of implementation. It would appear that this hope of planners could also not be fulfilled during the period the Plan was operative.

13. When the new Government took power after the second general election in 1957, the Minister for Planning, Labour and Employment made a statement to the effect that policy of his Government would be oriented to implementing adequately the legislation which has been already passed and avoiding as far as possible passing new legislation. In his inaugural address at the 15th Indian Labour Conference, which followed shortly and which recommended a package deal for workers, the Labour Minister referred to the growing indiscipline in industry, the cause for which could be traced to "the

1. Second Five Year Plan—page 572.

2. " " " " —page 575.

sins of omission and commission of the management concerned.”<sup>1</sup> In the meeting of the Standing Labour Committee, which followed, the Minister reiterated the emphasis on implementation; the committee recommended the setting up of implementation and evaluation cells in different States to supplement the work of a similar cell proposed to be set up at the Centre.<sup>2</sup> Code of Discipline was also hammered out in the meanwhile to its final shape through tripartite discussions. And yet as this constructive task was being undertaken, industrial unrest was showing a marked rise.

14. About the end of 1959, the Code of Discipline, as adopted by the central organisations of employers and workers, was debated on various platforms interested in finding out ways for improving industrial relations. Implementation and Evaluation Cells were set up at the Centre and in a number of States. This machinery consists of an Evaluation and Implementation Division and a Tripartite Implementation Committee at the Centre and Evaluation and Implementation Committees in the States. The important functions of the E. & I. Committee are to examine the extent of the implementation of the various laws, agreements and awards, to fix responsibility in cases of their violations, to consider cases for out-of-court settlements, to review the working of the Code of Discipline and to maintain a two-way exchange of experience between State level Committees and the Central Committee. While the functions as envisaged for the cells were wider, in its actual operation, mainly because of complaints about non-observance of the Code, the cells directed their activities more to see that the Code was implemented in its proper spirit. It is possible that this emphasis on the progress of the Code was mainly because under the Code any case of non-implementation could be taken up for discussion. Whatever the reasons the general impression was that the Implementation and Evaluation Machinery was meant only for the supervision of the Code. Public forums also devoted their ire or praise to the working of the Code. It is in this atmosphere that the thinking on labour policy in the Third Plan began. In taking note of the criticism the Third Plan stated :

“The failure to implement awards and agreements has been a common complaint on both sides and if this were to continue, the Codes would be bereft of all meaning and purpose. A machinery for implementation and evaluation has, therefore, been set up at the Centre and

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1. Proceedings of the Indian Labour Conference-15th session pp. 4-5.  
2. Tripartite Conclusions 1942-62—page 109.

in the States to ensure observance by the parties of the obligations arising from the Code and from laws and agreements.”<sup>1</sup>

A somewhat inconsistent statement appears on the next page, though it is possible to reconcile it by widening the obligations under the Code. The Plan states :

“The development of industrial relations in the Third Five Year Plan rests on the foundations created by the working of the Code of Discipline which has stood the strain of the test during the last three-years. A full awareness of the obligations under the Code of Discipline has to extend to all the constituents of the Central organisations of employers and workers, and it has to become more a living force in the day-to-day conduct of industrial relations.”<sup>2</sup>

15. The Industrial Truce Resolution adopted in November, 1962 during the Chinese aggression was a further attempt to strengthen the bipartite arrangements over the whole area of industrial relations. The tripartite discussions in the last five years have, therefore, been both in relation to the Code of Discipline and the Industrial Truce Resolution.

16. Towards the end of 1965 the Panel on Labour Policy constituted by the Planning Commission discussed various aspects of labour problems with a view to recommending to the Commission the approach to labour in the Fourth Plan. One of the sub-committees appointed by it considered the area of administration and welfare. Arising out of its recommendations the paper endorsed by the Labour Panel stated :

“In future, emphasis, should be laid more on effective enforcement of existing labour legislation rather than on enactment of new labour laws.”<sup>3</sup>

This means that a full circle was completed in about 9 years, because exactly the same sentiment was expressed by the Labour Minister in 1957. Elucidating the point the Panel added that there was need for a comprehensive examination of the whole question of labour administration in the country because :

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1. Third Five Year Plan—page 252
  2. Third Five Year Plan—pp. 253-54
  3. Planning Commission Paper (not published)

“ the problems of labour administration have not been reviewed in detailed manner, in spite of the marked changes which have occurred in the size and the composition of the labour force and legislative measures undertaken to protect the labour interests.”<sup>1</sup>

17. Following this thinking the Draft Outline of the Fourth Plan stated more specifically that the analysis of labour administration problems should be in the following direction :

“Three sets of problems of implementation will call for special attention during the Fourth Plan. Firstly, there is room for considerable improvement in the administration of the legislation which has been enacted for the protection, safety and welfare of industrial workers. In the second place, important schemes such as works committees and joint management councils have made very limited progress. It is necessary to orient both workers and employers to these changes and find ways of meeting the practical problems which have been encountered. Finally, there are several directions in which execution of programmes which have large bearing on the welfare and prospects of workers need to be strengthened, for instance, workers’ education, provision of facilities for imparting higher skills and training to workers, social security and labour research.”<sup>2</sup>

## V

18. The arrangements made by the Central and State Governments for the enforcement of the legislation may now be discussed. At the highest policy level, Labour and Employment is an independent Department at the Centre. In the States the pattern varies; at times Labour is tagged on with Industry and in some cases it goes with other Departments. There is no uniformity in the pattern, though in the evidence recorded by the Commission so far, a plea is made by employers that wherever possible the Minister of Industries should also hold the Labour portfolio. If for some reasons, this is not possible, at the level of Secretary to Government at least, the Department of Industry and Labour should be under one charge. There is also a suggestion that since a greater part of the work of Labour Department is concerned with industrial relations or matters which have a bearing on the subject, the name ‘Labour Department’ should be changed

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1. Planning Commission paper (not published)  
2. Fourth Five Year Plan—A Draft Outline, page 387



to 'Industrial Relations Department'. The logic for the suggestion of changing the name is that by calling it 'Labour Department' the staff of the Department is so conditioned psychologically that it has to look to the interests of labour first. This conditioning is at times harmful to promoting better industrial relations. *How the change in nomenclature of the Department or its combination with the Department of Industries will affect labour administration is a matter on which the Working Group may like to make suggestions.*

19. For administering the policies laid down and offering advice from time to time for modification in policy, the State pattern may differ from place to place. That is why the arrangements of the Centre are discussed in some detail.

20. In a majority of cases, as pointed out earlier, administration of labour laws is the responsibility of the State Governments, the Central Government exercising advisory and co-ordinating functions. Thus while factory inspectorates are appointed by the States, the Director-General, Factory Advice Service and Labour Institutes (who was till recently designated as 'The Chief Advisor of Factories') deals with all matters which help him to understand the working of the Factories Act and the rules made thereunder. The Directorate seeks to keep itself posted with problems of implementation from the State Factory Inspectorates and on that basis advises Governments about the action to be taken, keeping in mind the all-India picture. The Central Labour Institute and its regional counterparts which have now started functioning are expected to strengthen the technical content of the advice rendered by the organisation. The Directorate General of Employment and Training has the same functions in regard to the administration of the Apprentices Act, 1961 and the Compulsory Notification of Vacancies Act, 1959. Both in the training and employment aspects the organisation has been given research wings, which help the Directorate General in understanding the latest developments in India and in other countries. Labour Bureau, Simla, helps in setting standards for socio-economic enquiries to be undertaken to understanding labour conditions, as also co-ordinating information on Consumer Price Index Numbers which have for some time become an important area of debate in industrial relations not so much between employers and workers, but between Government on one side and employers and workers on the other. The Chief Labour Commissioner's Organisation stands on a different footing. Though it has no co-ordinating or advisory functions

It has recently started training courses for State Government officials concerned with the settlement of industrial disputes.

21. The machinery for enforcement of labour laws at the Centre consists of the following Departments/Organisations. These deal with the implementation of various statutory and other provisions in the undertakings coming within the purview of the Central Government :-

- (i) *Directorate General of Employment and Training* ; which deals with the Administration of Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Apprentices Act, 1961;
- (ii) *The office of the Chief Labour Commissioner* : which deals with a variety of labour Acts like the Industrial Disputes Act, 1947, Industrial Employment (Standing Orders) Act, 1946, Minimum Wages Act, 1948, Payment of Wages Act, 1936, Payment of Bonus Act, 1965 and administers the Workmen's Compensation Act, 1923, Maternity Benefit Act, 1961, etc. Apart from these the Office has responsibility of verifying the membership of registered unions to determine the representative character of all-India trade union federations.
- (iii) *Office of the Coal Mines Welfare Commissioner, Dhanbad* : which administers the Coal Mines Labour Welfare Fund and Bonus Act, 1947; there is a similar set up for Mica and Iron Ore Mines.
- (iv) *Office of the Chief Inspector of Mines* : which implements the Mines Act, 1952.

Apart from these, the Statutory Corporations set up by Government like the Employees' State Insurance Corporation and the Office of the Central Provident Fund Commissioner have their respective responsibilities for administration of social security arrangements.

22. All States have set up organisations for the administration and enforcement of the various labour laws which are in force within their territories and for the collection, compilation and dissemination of statistical and other information relating to labour. All States have appointed Labour Commissioners for the purpose of administration of labour laws and welfare activities in their respective areas. In the discharge of their functions, Labour Commissioners are generally assisted by Joint Labour Commissioners, Deputy Labour Commissioners and/or Assistant Labour Commissioners and Labour

Officers. Most of the States have also appointed (i) Chief Inspector of Factories and his inspectorate; (ii) Chief Inspector of Boilers and his inspectorate; (iii) Commissioner for Workmen's Compensation under the Workmen's Compensation Act, 1923 and (iv) Registrar of Trade Unions under the Indian Trade Unions Act, 1926 for administering the respective pieces of legislation. The Labour Commissioner often combines the functions of some of these officers enumerated above. In several States, the Labour Commissioner is also the Registrar of Trade Unions under the Trade Unions Act and the Chief Inspector of factories. But the practice of separating the posts of Labour Commissioner and the Chief Inspector of Factories has now been increasingly in vogue. In some States the Chief Inspector of Factories is an authority independent of the Labour Commissioner and in others the latter exercises his supervisory jurisdiction over the former. Under the Industrial Disputes Act, appropriate Government are required to set up the conciliation and adjudication machinery. The conciliation machinery consisting of the Labour Commissioner, Deputy Labour Commissioner and Assistant Labour Commissioners plays a vital role in maintaining industrial peace and prevention and settlement of disputes. The pattern of this part of the administrative machinery differs from State to State depending upon the industrial development in the State as also the stage of development of employers' and workers' organisations.

23. In the current context as also of the future when industrial development is likely to acquire a tempo and labour is likely to become more and more aware of its rights and privileges, persons required for manning the labour administration machinery may have to be equipped for new tasks; there will have to be an increasing number of them. This is one of the warnings being sounded in the evidence before the Commission. It is also being mentioned that the task of the labour administrator in industrial democracy is not merely to see to the compliance with the legal provisions under the various Acts. It is more to create the necessary atmosphere in which the obligations and responsibilities under law are understood and accepted, and to create the necessary consciousness for the observance of these provisions. It should also promote the activities and arrangements which aim at improving the efficiency of implementation of statutory obligations. While it is true that in this area more than any other, the social and political environments in the community as a whole will be

reflected in the attitudes of employers and workers, it is equally possible that with increasing organisation of labour it will set pace as to what should happen in the community. And it is this possibility that will have to be kept in mind in equipping personnel for labour administration.

24. Yet another part, but a separate one, of the industrial relations machinery will be industrial tribunals at various levels. It is not the intention to cover them in this discussion.

25. For reasons stated, *it will be useful if each Working Group, for States which it would cover, supplies information about the present structure of labour administration in a chart showing responsibilities of various designations and the number of officers in position. In the same chart if the 1947 position is also indicated, a view can be taken as to how the machinery has been developed in response to the needs of the situation between 1947 and 1966.*

26. Barring the Indian Trade Unions Act, 1926 the provisions of most of the labour laws impose one obligation or the other primarily on the employer. These obligations may be in regard to conditions of service, working conditions, maintenance of sanitation and hygiene, up-keep of the work place, remuneration to workers, welfare facilities, safety measures, notification of vacancies, training of apprentices and the like. Each one of these obligations affects different employers differently. Implementation of the legislation in this field particularly depends on the willing acceptance or otherwise of such obligations by the employer. To understand the limits of this acceptance an analysis of the procedure for evolving labour policies by the Central and State Governments is necessary. The Central arrangements are discussed below in some detail, since it is understood that these obtain with some minor variations in different States also.

27. In the Indian system, the evolution of most of labour legislation or voluntary arrangements has been through tripartite consultations. Certain measure of willingness on the part of Governments, Central and States, employers, public sector and private sector, large and small, and workers could thus be presumed. Since as stated earlier, a major responsibility for implementation is rightly fixed on the employer, it may be useful to discuss that component of the tripartite first. Communications within an employer's organisation being what they are, it is possible that the limits of acceptance or compliance with the provisions of the law will vary depending upon the nature and extent of consultation.

within the employer's organisation, the size of the employing unit, its location, the closeness of the employer with the central organisation, apart from his capacity to provide the minimum facilities required by the Act. Specifically it may also mean, approaching the employer group sectorwise or according to size, and also according to whether the sectors and sizes excluded from the tripartite could say that obligations accepted by employers' organisations need not be necessarily binding upon them. Since this argument was at one time heard from the public sector, arrangements have recently been made to give the units under it a proper representation in the tripartite. The problem of size has however not been solved. Small units can still argue that obligations cast on them on the same basis as those on large-size units make their working uneconomic. Even so, a majority of employers would accept these obligations, though, in their assessment the obligations, at least some of them, may be an avoidable burden. No one presumably wants to be on the wrong side of the law. In a minority of cases it is possible that law is objected to both in its letter and much more so in spirit. It is these cases which make news and create an impression of ineffective implementation. At least this is the impression which employers wanted to convey to the Commission so far. (The problems of small units and the public sector are separately discussed later.)

28. A factor which is important in getting full benefits of labour legislation for workers and which is missing in the Indian situation is strong and united trade union movement. Even where unions are strong, their strength is currently used for securing more and more real benefits to workers. It is doubtful whether working conditions come in as an area where unions are prepared to argue with employers for getting redress. Only in cases where a demand is made by an employer for adjusting work-load will complaints regarding working conditions from unions come to the employers' notice. Excepting cases of non-implementation where money or employment is involved, trade unions are often reluctant to approach employers for enforcing compliance.

29. This apart, there is the general problem of communication and limits of acceptance in unions also; somewhat more complicated perhaps because of shifting loyalties to a union among the rank and file of workers. Also as in the case of employers, many workers' organisations are either independent or affiliated to federations other than those invited for

tripartite consultations. Within the limit placed by Government on federations of a minimum membership to qualify for consultations, this problem will continue to remain unless trade union unity which has eluded union leaders so far becomes a future reality.

30. On the side of Government again, the problems posed can be discussed in a similar way. Certain obligations are accepted by Government but when it comes to giving a concrete shape to them, there have been cases where Government has faltered giving the impression that what has been suggested by one Ministry cannot necessarily be the view of the Government, though in tripartite meetings the Ministry is looked upon as the representative of the Government. This may happen within a Government, Central or State. But the problem of communication may also be as between the Labour Ministry at the Centre and Labour Departments of the State Governments. But by and large this latter problem has not been faced so far in any significant form, though one need not take it for granted that this will not arise at all.

31. It is within these limits of acceptability that implementation of labour policy i.e. labour administration, has to be viewed. Legislation and voluntary agreements have to be treated differently in this context. Whether there is acceptability or not, legislation has to be followed, since most of the legislation does contain provisions for imposition of penalties and prosecution for non-observance of obligations ; not so is the case with the latter. A view is often expressed that the writing of penalties in a legislation gives it the character of persecution—prosecution in case of non-compliance. Labour legislation being mostly social in character, it should develop its sanctions through the process of education. According to this view, persuasive methods yield better results and they should be adequately used. The other view is also equally strongly put forward, namely, that irrespective of penalties which exist in the law today legislative requirements have been by-passed ; penalties laid down not being deterrent enough. Employers and agencies for implementation are often alleged to be hand in glove with each other. And in this allegation, because of the light penalties imposed by judges, when a default against an employer is established, even officers of the judiciary are not excluded. *It may be useful to examine in each State how many of the cases of non-compliance reported to Government are actually sanctioned for legal action and in cases where default has been established in the court, the nature of penalties imposed for such default. The*

·general impression one gets particularly in discussions with the labour groups is that for various reasons prosecutions are not frequent nor are penalties such as would deter the recipients of these penalties from defaulting again.

32. Cases have been brought to the notice of the Commission where after legal action has been initiated by officers in consultation with Government, Government has for unknown reasons, changed its mind and officers have been asked to withdraw prosecution. Such cases may be rare, but their occurrence is disturbing. Apart from the impression of *vacillation* on the part of Government, which such withdrawals create, they have a bad psychological effect on the officers at whose instance the prosecution was initially launched. A plea on behalf of such officers that prosecution when sanctioned should be allowed to take its course unhampered if the implementing authority has to retain its respect in the public eye would presumably have weight. *It would be useful to know from Government in the region the frequency of such withdrawals.*

33. But whatever be the machinery for detecting non-implementation and the nature of the penalties, once non-implementation is established, it goes without saying that just as the framework of legislation and voluntary arrangements is developed through a tripartite effort, supervision over implementation should also have a tripartite character, though of a different type. This aspect is now being increasingly realised by the consultative institutions created by Governments. Indeed, tripartite discussions are, in recent years, devoting much more time to implementation than they used to before. The main responsibility for observing compliance with law/awards/settlements/agreements, as stated earlier, will be of the employer, though such of it as is required to be borne by workers' organisations will acquire significance in time to come. The role of Government will continue to be important particularly in the matter of creating/strengthening a permissive type of machinery to which complaints could come for redress. While such an arrangement will work where the industry, both labour and management, is organised, in small units and in unorganised sections of workers, greater vigilance on the side of Government will still be necessary. Problems of labour administration in such units, as have been brought to the notice of the Commission so far, arise for the following reasons :—

(i) In many matters small units are given exemption

based on the number of employees engaged. Such exemption is reported to be exploited by the employer by showing a worker-strength below the exemption limit even when the number of employees is such as would take him outside the exempted category.

- (ii) In small units, breaches of the Factories Act, particularly, are quite common. It is alleged that at every step some provision or the other of the Act gets involved. There may be violations even without the management being conscious of it. Workers either do not care about the violation of these provisions. As a consequence, there is no pressure from workers for their implementation.
- (iii) The inspecting staff as referred to earlier is inadequate.
- (iv) In many cases smaller units are dispersed over a wide area making inspection difficult.
- (v) Financial difficulties at the employers' end also come in the way of implementing labour legislation. As most of these units operate with limited funds, there is a pressure on the management to utilise these funds in more productive channels.
- (vi) Because of different laws being administered by different authorities, the entrepreneur-manager has to satisfy these diverse authorities. On many occasions this becomes difficult, as the time involved can be put to better use by the manager.
- (vii) The employer may try to evade inspections and often obstruct the work of the inspectorate. Record may not be maintained properly. In many cases, because of the standard of the education of the entrepreneur, the significance of maintenance of records may not even be understood.
- (viii) Except in the case of a dispute with management, workers rarely bring to the notice of the labour inspectorate violations of legislative provisions. Workers themselves are ignorant of the statutory protection they have; in many cases where this is known, they may not care to avail of it.

34. It has also been urged that the Commission should distinguish between cases of genuine hardship in small establishments and those where an employer is wanting to



deny workers the benefits available under the law by subdividing his unit into smaller parts in order to evade legal provisions. In the former case an employer may be wanting to operate on a small scale as a matter of necessity; in the latter, the intentions of the employer are not above board. It should be the responsibility of labour administration to see that remedies should be tried out for avoiding such evasions.

35. Another area where difficulties are alleged to have been experienced is units in the public sector. The argument that public sector undertakings are not based on profit motive and are socially oriented has been advanced to seek exemptions from certain legal obligations. In some cases the argument is that the privileges enjoyed by workers in totality are better than those enjoyed elsewhere. Neither of these arguments can be a valid justification for seeking exemptions from specific legal requirements, which in most cases lay down the minimum requirements only. If what the undertaking has already provided more than meets the legal requirement, the question of seeking exemption would not arise at all in the case of provisions relating to safety, working conditions, welfare, sanitation etc. nor can exemptions be justifiably sought from certain specific provisions on the ground that in regard to certain others, the establishment has provided much more than the legal requirement. Profit or loss has to be worked out on the basis of costs which take into account the requirements of legislation. The argument that public sector units should operate on no profit basis itself is also untenable on the consideration that public undertakings are expected to create a surplus which helps them to develop further. In fact the surpluses from such undertakings have been considered to be one of the sources of plan finance. The social-orientation argument again cannot be stretched too far in favour of claiming exemptions under labour legislation because by hypothesis, labour legislation itself has a social-orientation. The stretching of this argument would mean that what is given to labour as a matter of right by legislation is denied under the spacious argument that the total output of the public sector has to be generated on socially-oriented considerations and labour should not claim what is due to it under statute. Also when this differential treatment was advanced on behalf of the public sector at the time when a total view was taken in the Second Plan, it was made clear that, ".....administrators handling such undertakings have to be specially

watchful of labour interests''<sup>1</sup>. This emphasis was reiterated in the Third Plan.<sup>2</sup>

36. In spite of the declared objectives of Government, public sector plants appear to have been managed in such a way as to attract a good deal of criticism in this respect. This matter came up for discussion in a number of meetings which the Labour Ministry held with the heads of public sector undertakings in 1962, 1963 and 1964. The Estimates Committee in its 52nd Report (1963-64) recommended that a periodical review by the administrative Ministries and the Ministry of Labour and Employment is necessary to ensure that the undertakings comply with labour laws. The heads of the public sector undertakings also, conscious of the need to give special attention to this problem, recommended in 1963 that 'there should be an annual review of the position regarding the implementation of labour laws in the public sector undertakings. At the plant level, such reviews should be conducted by the State Labour Commissioner or the Chief Labour Commissioner in co-operation with the General Manager and at the Government level, jointly by the Ministry of Labour and the Employing Ministries concerned.'

37. Case studies of industrial relations and implementation of labour laws in public sector undertakings undertaken by the Implementation and Evaluation Division of the Ministry of Labour and Employment<sup>3</sup> suggest that the position concerning implementation of labour legislation in public sector undertakings has been generally satisfactory, but some instances of inadequate observance of safety and welfare provisions have been noticed. It was found that the defects noted are neither intentional nor were they major lapses; they could be rectified with some more attention. While these arrangements are expected to improve the situation over time the fact that investigations were necessary to establish whether public sector units observe their statutory obligations is itself a comment on the state of affairs in them. It is reported that managements are faced with procedural difficulties in obtaining financial and other sanctions from their principal in distant places, a disadvantage not suffered by private under-

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1. p. 572 Second Five Year Plan- Also see p. 577.

2. pp. 253 and 273.

3. Such case studies have been completed in 20 public sector undertakings. Five studies are in progress. To provide a comparative picture the Implementation and Evaluation Division has conducted similar studies in a few selected units in the private sector also.

takings. There is also the difficulty of following a policy suitable in one area for fear of its repercussions elsewhere. The managements are therefore a bit hesitant to take early decisions and often express their helplessness. It is stated that given the necessary authority and the will on the part of local officers to exercise that authority, a great deal can be done to eliminate causes of conflict. In addition, among the suggestions which have been made to improve the situation are (i) strengthening of personnel departments, (ii) fuller use of the services of labour officers and conciliation officers, (iii) prompt attention to the grievances of workers, (iv) greater recourse to voluntary arbitration in the settlement of disputes, (v) satisfactory promotion procedures and (vi) effective working of the machinery of joint consultation. *On the basis of information available the Working Group may examine the suggestions and advise how they could be implemented.*

38. The responsibility for administration of labour laws is shared between the Centre and State Governments. As mentioned earlier, at present, the administration of labour laws for Mines, Railways, Banks, Life Insurance Corporation, etc. falls in the sphere of the Central Government, whereas all undertakings other than those coming under the Central sphere will be under the State jurisdiction. The growth of new industries like steel and oil, mostly in the public sector and located in several States, has given rise to certain new problems in labour administration. Some of these industries fall in the State sphere but are under the management of Central Government or of a Corporation set up by the Centre. To avoid complications which are likely to result in the event of non-uniformity of working conditions according to practice in different States, a demand has arisen that industrial relations in these industries should be brought within Central jurisdiction. It is also suggested that certain fields now falling under the jurisdiction of the Centre should appropriately be transferred to the State machinery. For instance, mica mining is an industry for which the appropriate Government will be the Central Government, but a factory processing mica under the same management and in the same neighbourhood will be supervised by the State Government. It has been contended that bringing both these within the purview of the same authority, preferably in the State sphere, would make the enforcement more effective. Under the present arrangement, it is possible in the case of disputes arising in the case of such composite units that industrial relations machinery

set up by the Centre and the concerned State may take a different view and create conditions under which management would be difficult. Cement/iron and steel is another instance where authorities can be different; cement/steel factory will be under State jurisdiction whereas the raw material for the factory i. e., quarry/ore, a part of the composite unit, will be under the Central authority. *The Working Group may consider how problems in labour administration of this nature can be best handled.*

## VII

39. One may now deal with more specific areas of labour administration. Realising the importance of the subject, Shri Ram Centre for Industrial Relations devoted its Second National Seminar on Industrial Relations in a Developing Economy to 'The Administrative Dimensions of Labour Laws'. The Seminar had a fair representation of employer and trade union groups with participation by Central and State Government officials and persons academically interested in labour problems. Since the conclusions of the Seminar may be of interest to the Working Group, they have been appended to this paper (Appendix I)

40. In discussing the problems of administration, apart from the working of the various offices under the Ministry/Department of Labour, the Ministry/Department itself has been a subject of some comment. Some observations on this point have already been made. It has been suggested in the evidence before the Commission so far that Labour Ministry/Department though it may have the last word in labour matters in theory, has to bow down very often to the dictates of Ministries which are considered to be of a more prestigious type. Conflicts arise due to the very nature of the functions of the Labour Ministry/Department with either the employing departments or departments of Finance, Industry etc. The experience in States narrated mainly by trade unions is that in such conflicts the Labour Department is helpless. In matters where departmental undertakings are involved, the Department of Labour is singled out for criticism as if it is not a part of the Government. It is also claimed that in many cases the Labour portfolio is held by a junior Minister and in case a senior holds it, he will be given other portfolios. In either case interest of labour suffers, because of lack of weight attached to the views of a junior or inadequate attention paid by the senior Minister to the work of the Department.

41. Two important functionaries in Government at the official level dealing with labour are (i) the Secretary to the Department and (ii) the Labour Commissioner. In many States, Labour Secretary also attends to the work of other departments entrusted to him. Here again, because of the somewhat heavier responsibilities in these other departments, labour matters at that level acquires secondary importance. Added to this, the entrusting of Labour Commissioner's office to a service officer makes it difficult to establish a continuity in that office because of the officer's eligibility for transfer which again is detrimental to problems of labour administration. What is true of the labour portfolio at the Ministerial level is also alleged to be true at the level of Labour Secretary/Commissioner. Because of the thankless task which the Labour Secretary/Commissioner is required to perform, this has turned out to be an unwanted responsibility. It is possible that in many States continuity is maintained of the person who has been entrusted with Labour Commissioner's responsibility. *But it would be useful if the State Governments provide information about the changes which have taken place both at the level of Labour Secretary and the Labour Commissioner in the last 10 years. If such information establishes the point that Labour Commissioner is under frequent orders of transfer, could the Working Group make suggestions as to how continuity should be maintained?* It is also claimed that as a result of the inadequate status given to Labour Commissioner within the hierarchy of services, the officials dealing with labour develop somewhat of an inferiority complex in dealing with matters connected with other Ministries/Departments. *It will be useful to examine this point also.*

42. Apart from the Labour Department proper, there have been comments/criticisms regarding the working of industrial tribunals, delays involved in getting disputes settled thereon, the personnel of tribunals and the manner of appointment of these tribunals and also the authority which should be mainly concerned about these appointments. Since these are matters which are being examined separately, no detailed reference seems to be necessary.

43. Another aspect which is organisationally more connected with the office of Labour Secretary and Labour Commissioner is working of the Factory Inspectorates. In this case also the comments range from inadequacy of the inspectorate and this is accepted on all sides, to the basis on which the inspectorate should function in

the years to come. Since this matter also is under a detailed discussion separately, the Working Group may not deal with it. A separate paper is being drawn up on the basis of material supplied by Chief Inspectors of Factories of different States. This will be sent to the Working Group for such comment as it would like to make.

44. Then there is the larger area of comment/criticism which more directly concerns the office of the Labour Commissioner—the work relating to settlement of disputes and registration/recognition of unions. Observations have been made on the inadequacy of inspectors under the Payment of Wages Act and the ineffective way in which Minimum Wages legislation has been administered. But by and large, the major portion of criticism is on the working of the conciliation machinery. This aspect requires to be gone into in some detail.

45. The comments on conciliation machinery—which have been brought before the Commission—fall mainly under the following heads : (i) delays; (ii) attitude of parties towards conciliation; (iii) the inadequacy of conciliation machinery; (iv) the quality of personnel; (v) the power of conciliation officers; (vi) the assessment of the working of the machinery; and (vii) suggestions for improvement. These are discussed below in that order :

(i) Delays.

46. Ineffectiveness of conciliation machinery is sought to be established both by employers and workers because of delays involved in the process. For workers "justice delayed is justice denied". On the employers' side delay becomes objectionable because it allows pressures to be built up and in a way coerces the employer into a settlement. This question requires to be examined from all angles. There is, on the other hand, the argument that all delays may not necessarily be bad. It is possible that even as a dispute is pending before a conciliator, parties get together and try to settle it outside the conciliator's chamber. Whether the fact, that the dispute is with the conciliator, itself encourages parties to get together and settle the matter will have to be decided in the light of the generality of such settlements. But the various causes of delay require to be gone into. It often happens that when a conciliator handles a case he has to seek information from the parties. On many occasions the compilation of such information disturbs the time schedule of the conciliator. On other occasions adjournments are sought both by employers and

workers. Such postponement is by mutual consent, and probably the period of postponement is not taken into account for counting the period during which conciliation has to be compulsorily completed. There are, however, a fair number of cases where one of the parties seeks time and the other acquiesces into this adjournment though without formally agreeing to it. *When delays are thus analysed according to causes, it may be possible for the Working Group to take a view of how such delays could be avoided.*

47. A conciliation officer does not have any authority to give something which is in the nature of a binding on both the parties. Clothing him with such powers may attract other consequences which are detrimental to his functions on the one hand and to the dislike of the parties which appear before him on the other. He has, therefore, to use his powers of education, persuasion, identification and transformation to see whether he could effect a reasonable determination of the points in dispute. In many cases he has to educate both sides, and equally himself, about the real nature of the demand; and all educative processes do involve an element of delay. Attempts have been made through tripartite decisions and also through instructions by Governments from time to time to reduce these delays. *It may be worthwhile to examine the consequences of this pressure for reducing delays on the efficacy of conciliation. Of the cases handled by conciliators will it be possible to say in how many the officer did not get credit for settlement because the time element worked against him?*

(ii) Attitude of parties towards conciliation.

48. The common complaint has been that conciliation proceedings are merely a hurdle to be crossed over for reaching the next stage of the industrial relations machinery. This attitude to conciliation is not uncommon, it is argued, within the conciliation machinery itself. It is also stated that the width of interest and depth of understanding which can make conciliation a success is conspicuous by its absence in the personnel handling conciliation proceedings. This is a comment coming both from employers and workers and is somewhat inconsistent with the argument on delays put forward by them. It seems to be an unduly harsh assessment of the pains which the conciliation officer may be taking in settling a dispute, though it may happen that by judging the attitude of parties the officer may be closing a case too soon for the liking of one party or the other.

49. It often happens that since conciliation is a formality

to be gone through, parties do not send persons who have a final say in the termination of a dispute. Very often representatives who attend on behalf of either side are briefed merely to bring the officer's suggestions to higher seats of authority in the respective organisations to seek further instructions and act merely as postmen. This frustrating experience can go on endlessly ; all the time parties themselves suggesting adjournments for valid reasons. On occasions as pointed out earlier, labour organisations enter conciliation and delay proceedings merely to build up public pressure for their demands or for resisting demands made by the other side. Same may be the case with employers.

50. There are also instances when parties have their genuine internal difficulties for reaching settlement in conciliation. While the award of an industrial tribunal can be a sufficient justification for claiming relief under the tax laws, voluntary agreements with the unions or settlements through conciliator's effort do not have the same immunity from taxes. Shareholders also may accept more readily a tribunal award than an agreement by management or settlement in conciliation. A trade union with a marginal advantage over its rival in terms of its influence on workers may find it convenient not to agree to a fair compromise which is liable to be exploited by its rival. It is also on record that awards by tribunals are preferred to 'consent awards' for the same reason. There may be cases on both sides where an employer, by insisting on going to the next stage in the industrial relations machinery, has actually incurred a heavier burden on himself than what the conciliation officer had suggested by way of compromise or a union had to remain satisfied with a more unfavourable contract than the one which it rejected at an earlier stage. *It may be useful for assessing the real nature of the attitude of parties to cite instances within the knowledge of the Working Group where these may have occurred.*

(iii) The inadequacy of conciliation machinery.

51. The inadequacy of conciliation machinery has been complained of on all sides—Government, employers and workers. The obvious difficulties of strengthening the machinery are mentioned by Government, whereas the approach on the side of employers and workers has been that in this important area of implementation of labour legislation inadequacy of officers should not be tolerated. As pointed out earlier, if it is possible to indicate for each State how the industrial relations machinery has been strengthened in response to the



number of cases to be handled by this machinery, some conclusions could possibly be reached. In suggesting this course, its limitations have been recognised. It is accepted, for instance, that mere comparison of cases can be no guide to increasing the number of officers. Workload has also to be judged in relation to the increase in other responsibilities of these officers as well as the intricacy of cases they have to handle as well as the demand content of each. *If some assessment of this aspect is readily available, it will be useful.*

(iv) The quality of personnel.

52. Apart from the question of numbers, the quality of personnel engaged in this work has also been a subject of comments. It has been argued that conciliation tends to be mechanical because the officer does not have any important suggestion to offer during the course of the proceedings. He has inadequate knowledge of the industry as also of law, though in fairness to conciliation officers it has been said that for the law which they are required to administer i.e. the labour law in general, the knowledge of the officers is not inadequate. What is deficient, according to employers, is legal discipline which an officer will get only if he has undergone legal training. It is a point for consideration whether this is a very serious handicap in appreciating the weight of facts tendered in evidence. In many cases conciliation officers have been found wanting, it is said, in the philosophy of conciliation itself. In this region of comment there can be considerable amount of vagueness and the so-called philosophical aspect of the officer's work can as well be ignored. But a more far-reaching criticism has come from some employer and worker groups. In their view even where conciliation officers are in adequate numbers, have the right qualifications and proper perspective in judging matters they have to deal with, the machinery has proved ineffective. This may be out of deep seated prejudice for Government interference on the part of a section of employers on the one hand as also because of the advocacy of direct action on the side of many unions. Whether there should be some intervention or not by a public agency is, at this stage, an open question. But if it is ultimately decided that some intervention is necessary, *it would be useful if the Working Group could suggest some steps for improving the quality of conciliation machinery.*

(v) The powers of conciliation officers.

53. A part of the alleged failure of the conciliation machinery has been attributed to lack of powers of a

conciliation officer and inadequacy of his pay and status within the hierarchy of Government vis-a-vis the parties which are required to appear before him. It has been suggested that apart from enhancing his powers by way of securing attendance of parties at the proceedings and production of documents and the like, the status of the officer requires to be enhanced. And one way to judge the status is through his pay packet. In considering this latter argument, it may be worthwhile assessing the effect of any recommendation about salary adjustment on the resources available to Government for labour administration. It is likely that these will continue to remain inelastic for a long time. Possible success of special pleading on behalf of a set of officers will depend on Government's assessment of the total repercussions of the steps it will take on other comparable services. The other consideration to be taken into account may be that even if Government is in a position to improve pay scales of these officers, will this improvement by itself bring the parties, the officer is dealing with, to the discussion table? If lower salary is the main consideration, there will always be persons, with whom the officer wants to negotiate, beyond the reach of his improved emoluments. The same argument can be advanced in case of additional powers to be given to conciliation officers. Perhaps production of relevant documents could be secured through this process as also the presence of an unwilling person. But whether the mere presence of the latter will be of any help in conciliation is again doubtful.

(vi) The assessment of the working of the machinery.

54. About the assessment of the utility of conciliator's work there has been a mixed reaction. In this connection statistics can be a better guide. A detailed analysis of the working of the industrial relations machinery at the Centre undertaken recently (Appendix II) shows how arguments about the ineffectiveness of the machinery can be untrue. In reply to the statistical argument, it has been suggested that in many cases where success is reported through conciliation, parties themselves reach an agreement outside the conciliator's chamber and seek his endorsement in order to make it binding on workers who may not be parties to the agreement through the union which has hammered it out. *While this could be an important limitation in understanding the weight of the statistics as may be available with Governments, it will be useful to bring them together just the same in order to see whether*

*some assessment of conciliator's work could be made on that basis.*

(vii) Suggestions for improvements.

55. Some of the suggestions for improving the machinery have already been referred to. Others which have been repeatedly mentioned are : (a) the conciliation officer should have powers to adjudicate in regard to disputes in small units or in matters which do not involve high stakes ; (b) the officer's assessment about reference of a dispute to adjudication should be respected ; (c) the implementation of settlement reached in conciliation should also be the responsibility of the same officers. (b) and (c) would mean that a conciliation officer should combine in himself the functions of a conciliator, adjudicator and implementator. *These are also points which the Working Group may like to consider.*

56. There seems to be a practice in some States to seek conciliation officer's confidential reports about the attitude of the parties towards his effort to bring about a settlement. In some cases these reports are brought to the notice of the parties. The result is that a frank assessment of the case at conciliation stage through reports which are not to be made public becomes difficult ; and so does the future work of the officer because his attitude towards one party or the other, howsoever objective it may be, gets known and the party commented against nurses a grievance which is not healthy for future settlement of disputes. Even a more difficult situation is created when a conciliator seeks to settle a dispute in a public undertaking. In such cases, when the dispute is not settled, the officer's comments on the attitude of management or trade union concerned in it are sent through the Labour Department and the Employing Department to the same officer, about whose attitude the report is made, for comments. If the report is in favour of management, conciliator's comment on worker's representatives is made known to workers to buy peace. In some cases, it is complained by workers that the officer against whose attitude conciliator has taken a stand is given a chance to plead his case without the knowledge of the conciliator and this plea gets accepted *ex parte* because of the alleged weakness of the Labour Department/Ministry. In the process the position of the conciliation officer gets weakened still further. *Working Group may consider whether this situation prevails in the region and if it does how it could be remedied.*

57. Discretionary powers which vest with Government

have come in for a major share of criticism. Their misuse has been commented so adversely by trade unions that some went even to the extent of suggesting that existing powers of Labour Department should be curtailed. Their claim is that the discretion which vests in the Labour Department is used to labour's disadvantage. A more general complaint, however, seems to be that the Department uses its discretionary powers to protect trade unions of particular brand. In the case of other unions, Governments, have on many occasions reserved for themselves the right of judging the merits of each demand and referring only some of them to industrial tribunals and withholding others. The implication is that in case of unions which do not find favour with Government, it is only the minor demands which go in for adjudication, if at all. They also feel that either the entire charter of demands should be sent to adjudication or none. In any case, before deleting any demand from a reference, unions should be allowed an opportunity to say before the highest Governmental level why the demand was made.

58. At pre-conciliation level, the administrative discretion is involved in the matter of treating the dispute—whether to encourage informal mutual settlement or without such encouragement even decline conciliation proceedings or accept the dispute in conciliation. At higher levels of Government, there is discretion whether to declare a particular industry a public utility service for the purpose of Industrial Disputes Act and the discretion to amend/modify an award. Reference or non-reference of a dispute to a particular agency has its impact on industrial relations, influencing union policies, employers' attitudes, problems of inter-union rivalries, nature of political influence of trade unions, employers and so on. In a number of cases there are demands for instituting a Court of Enquiry. But these are generally rejected; the grievance in such case being that the public is not adequately educated about the merits of the case. This, however, does not appear to be a serious argument.

59. It has been argued with equal force that the alleged misuse of discretion is not a reality. If certain demands get left out, it is because there may be existing agreements/settlements/awards governing them. It may also be that as a matter of prestige such demands are put forward again by rival unions even before the awards/agreements etc. run their course. Since questions of prestige of this type cannot be a guide for governmental action, selective references may take

place and with justification. The argument about "favoured" unions is also not reported to be valid. In every debate on demands for grants, this point is made in the Parliament by members of the opposition and refuted by Government with statistics at its command. (The same may be the case with State Legislatures.) In fact, many trade unions have put forward a plea that the so-called "favoured" unions have been getting a raw deal at the hands of Government in the sense that because of the instrument of agitation which is always in the hands of unions alleging step-motherly treatment, Governments have, at times, found themselves shy of granting references to tribunals where they are due in case of the "favoured" unions. Some statistics have already been received from the States which have been visited so far by the Commission. *It should be possible for others also to supply information which will put the alleged discrimination in its proper perspective.*

60. One argument which has been put before the Commission from the Government side is that at the secretariat level decisions have been taken purely on merit. The rules of the game which have been settled in tripartite meetings are followed. Cases where discretion is wrongly used at a level higher than the secretariat are indeed rare. But it is such rare cases which perhaps strike headlines, so to say. They become more an issue of prestige. The situation is made worse by public men, who are near the seats of power, claiming that their word will be listened by Government more readily and improving their popularity thereby. There is also a feeling among workers, justified perhaps, that it is always wise to approach Government for references through persons known to those in power. In fact, when rise in membership of one trade union federation in a State was brought to Government's notice, the reason mentioned for this rise was precisely this. *It may be necessary for the Working Group to examine this issue on the basis of facts available with different State Governments.*

61. Discretionary powers with Government operate, it is alleged, more harshly against labour in the case of public sector undertakings, especially where the Central Government is involved. Delays in Central Government in processing such cases by the concerned State Government, if it happens to be the appropriate authority, add to dissatisfaction inherent in the situation. Many cases arise where the State Governments do not act without a signal from the Centre. And at

the Centre, the procedures of consultation are so rigid that the formalities take a long time. In the last three years, the Ministry of Labour at the Centre have taken steps to expedite the process of clearing such references but the full effect of these steps is yet to be felt. Even after these formalities are gone through, unions allege that in a majority of cases, it is the view of the employing Departments which prevails. Merely to cut out delays, one State Government has suggested to the Centre that the convention of consulting the Centre before making references to adjudication in central public sector undertakings located in that State will not be respected if delays occur beyond a certain limit.

62. Cases have been reported that discretion has been used even against the registration of unions though such registration does not give any special powers in terms of recognition to persons who seek to come together. On occasions, issues which are not germane to registration, like the observance of the Code of Discipline, Industrial Truce Resolutions, etc. are raised in order to delay the issue of a certificate and even to deny it. This refusal to register seems to be, if true, going beyond the provisions of law and much more so against its spirit.

63. Administrative discretion is stated to be used very liberally and sympathetically, according to some employers, at the level of the Registrar of Trade Unions to accommodate unions by and large. Another area of implied administrative discretion is in the verification of union membership before deciding whether a dispute may or may not be taken into conciliation. For a union, a reference to conciliation is a matter of great concern as this gives it a lease of few years. But the scrutiny for a membership certificate being done at a low level and with all possibilities of subjective manipulations entering in it, leaves room for discontent. Also instances would not be lacking, it is alleged, where the same demands put up by two or more unions have been referred only in the name of a 'favoured union'. This might have had its effect on the growth of only a certain brand of trade unions in the country.

64. The qualitative character of administrative discretion may vary from region to region depending upon the nature of administrative traditions prevailing there and the political group in power. *A pertinent question in this regard is : "How far would it be satisfactory to leave important and strategic areas of industrial relations to the subjective factor of individual*

*official/governmental discretion ?” A corollary of this would be: How far could this be codified, if at all ?*

65. Even against the background of inadequate interest shown by unions for enforcing compliance with awards/agreements etc., which are of a non-monetary character, there is a plea that unions should function as supervisors for implementation of labour laws and enforcing compliance with awards. If this plea is accepted, situation will perhaps improve only in the organised sector of industries and it is this sector which has a comparatively better record of compliance with legislation and the obligations consequent on such legislation than units which fall into the category of unorganised sector of industry. The problems of this sector have already been posed earlier. *Arising out of this need, can a solution be the expansion of the administrative set-up for enforcement commensurate with the growth of the small scale or unorganised sector of industry and concentrating on this area in preference to the comparatively larger units where by assumption the workers should be expected to take care of themselves ? The guidance of the Working Group on this point will be useful.*

66. A point mentioned in the course of evidence before the Commission so far is that a good part of labour legislation may not be self-enforcing. Labour organisations may not be equally strong everywhere to enforce compliance. But for reducing the burden on implementing authorities, the Commission should consider the possibility of giving workers' organisations the statutory authority to approach courts direct for redress. The present arrangement under which the parties have to approach courts only through Government causes avoidable hardship to unions. It also leaves room for a charge that Government's discretion is used in its political interest.

67. Argument about giving unions an authority to approach tribunals direct rests on the assumption that unions can successfully play this role. A point which requires consideration is *whether in the present context of multiplicity of unions and rivalries among them this power will lead to vexatious prosecutions. Also assuming that trade union unity will be secured, will it be worthwhile to give this power to parties ?* The possible argument against this is that one may have to pass even through this process to make the parties realise that in terms of organisational build-up such vexatious proceedings do not pay. There will have to be an arrangement by which such powers could be exercised only by the

representative union, except in case of individual complaint, but this again raises the basic question of how the representative union should be named. Also it would not be appropriate for the Government to divest itself of its responsibilities in this matter. It is therefore understood that the arrangement by which unions should go to tribunals direct should be permissive and not exclusive.

68. The inadequate compliance with the provisions of Shops and Commercial Establishments Act has been voiced everywhere by workers. The complaint is that because of its administration by local bodies, where the voice of owners of the establishments is stronger than that of workers, prosecutions are hard to come by. This complaint received a mild support from officials of some Corporations also. The same objection is valid *a fortiori* to the proposition that the implementation of the Minimum Wages Act in agriculture should be left in the hands of Panchayats. *The working group may examine these points also.*

69. For several years now there have been periodic discussions about the working of implementation and enforcement machinery and the best method of improving it. These discussions have revealed certain common factors which are responsible for inadequate implementation of labour laws in most of the States. While evaluating the working of the labour administration and enforcement machinery, one has to distinguish between two types of problems faced by the administrator. Firstly, there are certain difficulties which are due to the prevailing legal provisions themselves; then, there are problems which arise not out of the legal provisions but due to other physical and environmental factors. Lack of power to call for certain records or to compel attendance at proceedings etc., fall in the former category and so do cases where delays occur as a result of differences in interpretation of awards/settlements/agreements as between employers and workers. The remedy in such cases is amendment of law or some expeditious arrangement for interpreting disputed points. On the other hand, delays due to inadequate staff, overburdening of the existing staff with multifarious duties, difficulties of transportation, accessibility to premises etc. fall in the second category and can be remedied at least partially by administrative action. *It is this kind of general administrative problems that will be discussed in the Working Group.*

70. Most of the State Governments have been complaining of lack of financial resources to augment their inspection.



and enforcement staff. Although the need for such strengthening has been fully appreciated by the labour department as well as the other departments, Central or State, it has not been possible in most cases to translate this need into a reality because of financial stringency everywhere. The inadequacy of staff and their being over-burdened with several duties has resulted in delay in completing conciliation proceedings and the inspectors not being able to inspect the undertakings as frequently as may be necessary. At present conciliation proceedings drag on interminably, causing hardship to and discontent among the parties, particularly the workers; the Factory and Minimum Wage Inspectors are hardly able to visit each factory even once in a year and a large proportion of the total number of establishments do not get visited even once in 2 or 3 years. Such a state of affairs is admittedly unsatisfactory but can be remedied only if adequate additional staff is appointed. It has been suggested by some of the States that the Central Government should share a part of the expenses involved in the implementation and enforcement of labour legislation. *This point may be examined in the broad national setting.* It has an important bearing on many points which have been made on improving the tone of labour administration viz. improving the status of officers, providing them with adequate transport, facilitating frequent exchange of ideas between and within the Central and State cadres comprising the implementation machinery, training arrangements for them, and so on.

71. Finally, there is a suggestion that in order to minimise political influence on the industrial relations machinery, it may be advisable to have a Central Cadre of Industrial Relations Service to which the Central and State officials should belong. These officers could be transferred from the State to the Centre and vice-versa. *This point should be considered in the Working Group in all its facets.*

## APPENDIX I

### CONCLUSIONS OF THE SEMINAR\* ON ADMINISTRATIVE DIMENSIONS OF LABOUR LAWS

The first session was devoted to the *Working of Government Organisation that administer Labour Laws*. In this session the Seminar took five sets of problems that may be summarised under the broad heading of (i) the use of discretion, (ii) delay in labour judiciary, (iii) the implementation of the Minimum Wages Act, (iv) the implementation of some of the provisions of the Factories Act, and (v) the effectiveness of conciliation machinery, and (vi) the social aspects of labour legislation.

2. The use of discretion is unavoidable. Even in case of judicial decisions, discretion plays an important part. In the administration and executive field, it assumes an even greater role. It was clear that discretion cannot be taken away from the administering authority, especially when the human element, as in the case of industrial disputes, is pronounced.

3. However, administrative discretion should be used in as objective a manner as possible. Full disclosure of facts which form the basis of the decision for reference or non-reference of a dispute may bring a check on the arbitrariness in the exercise of discretion. The very fact that all the facts are to be made public will encourage precision and objectivity.

4. One of the unintended consequences of full disclosure of facts may be increased litigation. Many of the facts which may form the basis of report and the reasonableness of the opinion itself would be justifiable, and there would be greater tendency to move the courts. The danger of increased litigations cannot be minimised, but for the sake of greater objectivity this risk is worth taking.

5. With regard to the fear that many a time the conciliation officer's report is not complete, it is possible that an individual officer has his own worries and limitation. However, if in practice the parties are heard by the Government before a decision on the conciliation officer's report is taken regarding reference of a dispute to adjudication, the risk of some facts

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\*The Second National Seminar on Industrial Relations in a developing Economy (7-11 May, 1966) sponsored by Shri Ram Centre for Industrial Relations, New Delhi.

being missed or misrepresented will be lessened, although discretionary element in this decision itself would be there.

6. The Government must follow a consistent policy in the exercise of discretion. The intention of the law is not peace at any cost, but a consideration for equity and fair play. The best industrial relations situation is one where a fair balance is maintained between the parties. If this objective is not fulfilled, the purpose of the law is defeated. Difficulties in striking a balance between the objective of the situation and political objectives may sometimes be serious and Government should, in such a case, rise above political objectives.

7. Where discretion rests in the officer, he should be free to use it. There should be no extraneous pressure or consideration while exercising this power. Some guidelines for use of discretion may be evolved. Some measure of consistency in the manner of exercise of discretion in similar situations may be a good guide, though for a variety of reasons similarity of situations itself may not be so obvious. In the exercise of discretion a wrong emphasis must be avoided. Most often, there is an obsession with immediate peace, and this may lead to miscarriage of justice.

8. On the question of delay four issues were posed for discussion : (i) Can judicial procedures be improved to minimise delays ? (ii) Will improvement of the personnel of the tribunal reduce delay ? (iii) Should the right of appeal be controlled to reduce delay ? (iv) Can we suggest that without going to the courts, disposal of the cases can be speeded up ?

9. A study of cases which are disposed of quickly may be fruitful in this connection. Also, the attitude of the contending parties themselves towards the reference of disputes is an important area for enquiry.

10. About the procedures, improvement may be brought about by (1) prescribing a time limit for disposal by the tribunals ; (2) requiring the tribunals to deal with the cases on the lines of sessions trials ; and (3) giving appellate powers to the High Courts. It would also help if the parties in disputes were induced to co-operate in speedy disposal of cases and not seek adjournments. Besides there also appeared to be a need for an increase in the number of judges.

11. The practice of appointing retired judges, and the lack of attraction for these positions on account of status and remunerations offered, account a great deal for slow pace of work. This situation can be improved by (1) elevation of the status of the tribunal personnel to that of a High Court:

Judge, (2) appointment of persons in the active service only and (3) provisions for technical assistance to the tribunals to help arrive at scientific decision. Persons from active service would be under the joint control of the High Court as well as the State Government. They would also have an incentive for going up through good performance.

12. If the High Courts are associated in the framing of rules for the working of the Tribunals, the working may improve.

13. A significant point that emerged related to the possibility of expeditious disposal of cases even under the present procedure. Instances were cited where many quick disposals were made, as contrasted to excessive delay and it was pointed out that the rate of disposal is improving. This laid a focus on the personnel of the tribunals.

14. The implementation of the Minimum Wages Act was considered under three heads : (a) delay in fixing minimum wages, (b) administration of minimum wages and (c) measures for expediting both the decision making process and implementation of the wage norms.

15. In as much as the Act is meant to cover the sweated and unorganised industry, its extension to the organised industries may be avoided. This will have the effect of reducing the burden on administration. However, the Act does not provide for de-notification of an industry, once it is included in the schedule.

16. Delay in wage fixation can be reduced through (a) a judicious selection of committee members, (b) extending adequate secretarial aid through data collection and (c) fixing a time limit for arriving at a decision. Use of the notification provision of the Act in certain cases may also reduce delay.

17. The enforcement of the Act suffers due to inadequate staffing in the Labour Commissioner's office, faulty work assignment to the inspecting staff, and the problems inherent in covering a vast area by the enforcement machinery of minimum wages.

18. A set of separate inspectors exclusively for the administration of the Minimum Wages Act may improve matters. The need for some such arrangement was specially felt in the case of agricultural labour. Local village agency or block development staff can suitably be employed for the implementation of this Act.

19. Trade unions can fruitfully collaborate with the Government machinery in helping the enforcement of notified wages. In general the usefulness of educating the employees, the employers and others concerned, and inducing them to abide by the norms was stressed. Instances were cited in support of successful working of this process.

20. Skilled workers get more than the minimum due to their bargaining power based on skill. In case of semi-skilled and unskilled workers, the lack of economic power forces them to accept less than the minimum. It might, therefore, simplify matters if the minimum wages are fixed for the unskilled category only. This by itself would not lighten the task of the enforcing machinery, though it will ease the task of the wage fixing machinery.

21. Even prosecution may not help as penalties are not heavy.

22. Despite limitations of varied character, conciliation machinery was rendering a very useful service. A large number of cases referred to it were settled by the conciliation officers. Nevertheless, they could and should be enabled to achieve more. Indeed if the pressure on the labour judiciary is to be reduced to any significant extent, the conciliation officer must assume greater responsibility for settling disputes referred to them. The status of conciliation officers should be fully commensurate with the important tasks they were performing. They should be provided with training and educational opportunities for improving their skill in human relations and other fields of interest. Frequent exchange of experience among conciliation officers in different States might lead to gradual improvement in their overall performance.

23. The basic goal towards which the administration should move is the strengthening of collective bargaining based on stable bipartite negotiations between unions and management. Ultimately, the objective of industrial peace can be achieved in a frame-work of industrial democracy and when both parties develop ability of mutual confidence and reassurance in their ability to handle problems without third party interference.

24. There was evidence of unevenness in the compliance to its provisions in different parts of the country. In some States, the violations of the Factories Act were rather infrequent. This was probably due in part to strong trade unions and partly to the practice of giving wide publicity to the prosecution proceedings against the defaulting firms.

25. The Factories Act was reformatory rather than punitive in character and the function of the administration was to gradually enforce it through a combination of persuasion, pressure and prosecution. However, the problems of implementing the Factories Act are of an entirely different nature for small firms. Sometimes the enforcement of this Act bristled with practical difficulties of a rather intractable nature. The Seminar was therefore unable to recommend positive measures for speedy enforcement of the Factories Act on small firms.

26. In the session devoted to the *Problems covering Implementation of Labour Laws at the Enterprise Level* several interesting problems were discussed. The legislative framework had prescribed procedures which encouraged their use and to that extent hindered the growth of voluntarism. Thus the trend would be the growing effectiveness of one method at the expense of the other. The facile assumption that the two could be mutually complementary at best and neutral at worst was open to serious doubts.

27. The personnel departments in large concerns have grown immensely in size and status. This trend is likely to continue and will probably be conducive to better compliance with labour laws. Accordingly it merited further encouragement.

28. The Labour Welfare Officer under the Factories Act had to perform difficult chores and frequently found himself caught between opposite fires. A person appointed by the management must remain loyal to it. Indeed he cannot do otherwise. Therefore the Government might consider the desirability of modifying the legal provisions for the appointment of such an officer.

29. Though absolute compliance costs of labour laws may have increased, the rise has not been of a nature which would pose a problem to the industry. In fact the percentage of labour costs as compared to other costs may have even become lower.

30. Trade unions can be the watchdogs for the implementation of labour laws. Accordingly it might be desirable to develop a suitable organisational structure for co-ordinating the interests of trade unions with those of the Governmental machinery.

31. Strikes are not always bad. While these have to be avoided in the interest of production, often strikes have laid

the foundation of sound bipartite relationship. Indeed the sanction of strike has traditionally been used in support of agreements reached between the two parties. Without the former the latter are unlikely to thrive.

32. Trade unions rivalry cannot be attributed entirely to the legal system. The latter no doubt permits it but its causes lie deep. Under the present circumstances the phenomenon of inter-union rivalry is not likely to be eliminated, nor is it desirable to suggest either legal or administrative measures for suppressing it. All the parties concerned should search for practical ways and means for living with it. The remedy lies in developing sanctions from the sides of law, administration and public opinion for recognising unions which are known to have the largest membership of workers without curbing the constitutional rights of minority unions in any way. This is necessary for strengthening the collective bargaining system in this country which alone can in the long run mitigate the severity of this problem.

33. The verification procedure for union membership followed by the Centre came in for some detailed discussion in another session. While there was a general satisfaction about the verification procedure, internal evidence, at times, revealed that verification machinery could be more objective and the investigation that is undertaken in respect of some federations could be more impartial. If complaints against the verification are few, it is because in the initial stages of verification some federations found the machinery to be somewhat irresponsive. To some extent lack of response in the Government machinery was due to the vastness of the machinery through which the work was done, but it was the experience that if complaints were brought to central authority, they were investigated.

34. However, the larger question was in regard to verification which would lead to recognition of unions at the plant level. Many instances were quoted as to how the administrative arrangements in this area were defective

35. While certain elements of the code of discipline had given satisfaction, there were others where the experience was not happy. The code specified certain 'do's, and 'don'ts'. In regard to 'don'ts', most of these were provided in legislation and perhaps because of these there was a satisfaction; but in respect of specific performance of others the experience was not happy. A basic question which came in for mention was whether the parties to the code had entered into those

arrangements with all the frankness that was required to make it a success. Each party saw some advantages in the code and agreed to it, but in course of implementation difficulties arose mainly because of other clauses the effects of which were different for different signatories to the code.

36. In the area of voluntary arbitration, a considerable educative effort was needed. There is not only a paucity of literature on the subject, but also inadequacy of persons who will enjoy confidence of both the parties. In this context, the efforts made by the Academy of Arbitration as also by Central Government in arranging to have a tripartite body set up for promotion of voluntary arbitration were taken note of.

37. There should be strong emphasis on the building up of such voluntary arrangements at the unit level and thereafter seeking suitable instruments at the top. A part of the failure of voluntarism is due to the fact that this aspect has been ignored. Some defects in the evaluation and implementation machinery that has been set up at the State level were mentioned and a general point which was accepted was that a person invited for the membership of this machinery should have a representative status.

38. Voluntary arrangement can succeed only in an atmosphere where voluntarism has been "built in" in the industrial relations system. To expect the voluntary approach to work in an atmosphere of mutual distrust will not be proper. This is at the root of the problem of failure of voluntary efforts by the parties whether it is at the level of Government, the employers or workers.

39. Cases arise where parties had reached an agreement, but for securing the acceptance of all workers it was necessary to bring in the conciliation machinery. This inhibited the voluntary approach. This again links with the general question of recognition of representative union to which adequate reference has been made elsewhere in the report.

40. It is important to recognise that the J.M.Cs. are not a substitute for bargaining. A recognition that a union has a role in representing the workers will go a long way in the healthy development of such councils. The basis for the successful working was that both the management and the union should enter into the J.M.C arrangement in the spirit of working it. The unanimous decisions of the council should be implemented and it was a pre-condition of success that the terms and conditions of employment must be settled to the satisfaction



of parties before the J.M.Cs. start operating. This again links up with the question of union recognition.

41. The effective operation of Joint Management Councils in the public sector was an area where adequate effort has not been forthcoming from the Government.

42. In the context of future for improving working and living conditions, the efficiency of the unit concerned and in general, of both management and workers, voluntarism can play an important part. In the sphere of productivity it has a significant role, but even here a mere emphasis on voluntarism in a situation where the basis for it does not exist will not be proper.

43. Whether it is a piece of legislation or a voluntary arrangement between parties, its effectiveness seems to vary with the time for which it maintains its novelty to the users. The conciliation machinery set up under the law, industrial tribunals, and other instruments in the earlier stages of their work went on unhampered till they reached a point when employers/workers felt the need for introducing a change in their outlook through intervention by superior seats of justice. Voluntary arrangements have had the same fate.

## APPENDIX II

### WORKING OF THE CENTRAL INDUSTRIAL RELATION MACHINERY

In many cases, the conciliation machinery has succeeded in bringing the parties together to the negotiation table and settling matters even without reference to formal conciliation proceedings. The parties concerned have generally been satisfied with the functioning of the conciliation machinery. However, some complaints have been voiced regarding the delay involved in conciliation proceedings, lack of objectivity etc.\* In this connection, it may be useful to study the working of the conciliation machinery as on the basis of available data. In the absence of detailed information from State Governments, generalisation has to be avoided, but fairly complete records are available about the working of conciliation machinery at the Central level i.e. of the work done by the office of the Chief Labour Commissioner and his regional counterparts. The object of presenting this analysis is by no means to generalise on the basis of the Central experience about the utility or otherwise of the Conciliation Machinery at work, but to provide in a limited way a frame-work within which information, when available from the State, could be usefully presented. Also since the Central Machinery caters to the needs of a substantial section of industrial workers, a study of its functioning would by itself be useful in understanding the utility of the set-up.

The Central Conciliation Machinery was set up in 1945 in pursuance of the recommendations of the Royal Commission on Labour. Its main functions were to prevent and settle industrial disputes, to enforce labour laws and also to look after the welfare of the workers falling within the purview of the Central sphere which includes, *inter alia*, major ports, railways, mines, oil fields, banks and insurance companies. It administers the following labour laws in so far as their enforcement is a Central responsibility.

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\*Similar complaints have been voiced in the memoranda sent by employers' and workers' organisations to the Planning Commission to help it in the task of evolving a labour policy for the Fourth Plan.

- (a) The Industrial Disputes Act, 1947.
- (b) The Industrial Employment (Standing Orders) Act, 1946.
- (c) Payment of Wages Act 1936 (Railways and Mines)
- (d) Chapter VI-A of the Indian Railways Act (Hours of Employment Regulations)
- (e) The Minimum Wages Act, 1948 in respect of scheduled employments falling with the Central sphere.
- (f) The Employment of Children Act, 1938 in Railways and Major Ports.
- (g) The Coal Mines Provident Fund and Bonus Schemes Act, 1948.

A function which has been added on to this organisation is to advise Government on representative character of trade union federations.

The Central machinery verifies the membership of the different federations for purpose of giving them representation on National and International Conferences and Committees. The promotion of statutory and non-statutory welfare measures in Central sphere undertakings (excluding coal and mica mines) as well as the fixation and revision of Minimum Wages under the Minimum Wages Act are taken care of by the Central machinery.

In what follows, a series of tables are presented to enable the reader to draw his own conclusions. No attempt is made to interpret the tables except where some write-up is necessary for a proper understanding of figures or for avoiding misunderstandings.

Taking the question of industrial disputes first, the following table gives the number of disputes handled by the Central Industrial Relations Machinery (C.I.R.M.) during the period 1959-64 in the various Central sphere undertakings.

TABLE I

Number of Industrial Disputes referred to the Central Conciliation Machinery in 1959-64

	1959	1960	1961	1962	1963	1964
1	2	3	4	5	6	7
Major Ports	496	504	560	426	543	761
Mines	2618	2728	2828	2594	2868	3906
Banks	866	610	427	431	636	491
Insurance Companies	103	89	72	88	108	109
Defence Establishments	106	75	31	29	17	16
Others	248	250	265	177	150	130
Total :	4437	4256	4183	3745	4322	5413

Note :—The figures for the years 1959 and 60 are for financial years 1959-60 and 1960-61. For others, unless otherwise stated, it is Calendar Year. There is thus an element of incomparability and overlapping for entries in columns 2, 3 & 4, but this is not of much consequence for the present analysis.

The number of disputes handled by the Central Machinery has shown a substantial rise only in 1964. It has increased by nearly 22% in 1964 as compared to 1959. In the intervening years, it was less. During 1962, the number of disputes was particularly low for reasons which are now well-known. Further, more than 50% of the disputes handled related to mines. The number of disputes relating to major ports and banks range between 10 to 15 per cent each in each year. There is also evidence to show that the number of disputes in mines and ports have a tendency to increase over the years, whereas in banks, the tendency is towards a decline.

Not all the disputes that are referred to the C. I. R. M. are fit for intervention by the C. I. R. M. In 1959, nearly 1,005 disputes (as much as 23% of the total number of disputes) were considered unfit for intervention by C. I. R. M. But in subsequent years, the number of such frivolous disputes declined considerably. It was about 7% in 1960 and 2% in 1961, 62 and 63 and was less than one per cent in 1964. This is an indication of the restraint being exercised by the parties concerned before rushing to the C. I. R. M. with their problems.

Of the disputes in which the I. R. M. intervened, some were settled without reference to formal conciliation proceedings, while in some others, formal conciliation proceedings had to be instituted. In a majority of cases, the disputes are settled without legal formality. The disputes that were settled both formally and informally at conciliation proceedings during 1959-64 have been tabulated below.

TABLE II  
No. of disputes settled through Conciliation Proceedings,  
both formal and informal

Industry	1959	1960	1961	1962	1963	1964
1. Major ports	283	435	458	337	432	641
2. Mines	1586	2038	2194	2158	2314	3091
3. Banks	369	425	290	327	498	366
4. Insurance Companies	66	61	43	62	79	87
5. Defence Establishments	51	39	27	22	16	13
6. Others	182	198	203	143	120	104
7. Total :	2537	3196	3215	3049	3459	4292
8. Total number of disputes in which IRM intervened (excludes those considered unfit and pending)	3047	3802	3765	3514	3944	4914
9. 7 as % of 8	83	84	85	87	88	87

A perusal of the above table would show that nearly 85 to 90 per cent of the disputes are settled through conciliation. The case studies have also revealed that in quite a number of cases the conciliation machinery has succeeded in amicably settling the disputes. This is indicative of the major role that is being played by the industrial relations machinery in bringing about peace in industry. Judging by the number of disputes settled by the C.I.R.M., it is safe to conclude that it has maintained its effectiveness over the years under study.

The following table gives the number of cases where formal conciliation proceedings were held, the number of cases where it was unsuccessful, and of the cases where it was unsuccessful, the numbers which were referred to adjudication.

TABLE III

Number of cases settled without reference to formal conciliation proceedings, number referred to formal conciliation proceedings, the number of failures and the number referred to adjudication

Number of cases	Years					
	1959	1960	1961	1962	1963	1964
1. No. of disputes settled without reference to formal conciliation proceedings	1916	2503	2395	2353	2658	3246
2. Referred to formal Conciliation Proceedings	1131	1299	1370	1161	1286	1669
3. Out of (2), those which ended in a failure at conciliation stage	510	606	550	465	485	661
4. Of those in (3), the number referred to adjudication	64	49	161	129	137	244
5. (3) as % of (2)	45.1	46.7	40.1	40.1	37.7	39.6
6. (4) as % of (3)	12.5	8.1	15.8	27.7	28.2	36.9

The above table indicates that the number of cases settled without reference to formal conciliation proceedings is substantially more, in many cases as much as 120% more, than the number of cases referred to formal conciliation proceedings. The percentage of cases where conciliation was not successful has generally declined in recent years as compared to the earlier years. Of these where conciliation was reported to have failed, the percentage of cases that were referred to adjudication has shown an increasing trend. This is significant in the light of the emphasis being laid in recent years on the need for settling disputes through mutual conciliation and without recourse to adjudication. While the increase in the number of disputes referred to adjudication may bring some satisfaction to the workers in their quest to get disputes referred to adjudication, how far the liberal attitude of the

I. R. M. in recommending disputes to adjudication is in line with the policy of promotion of collective agreements is open to debate. The number of disputes referred to adjudication under the joint application of the parties concerned under section 10(b) of the Industrial Disputes Act (1947) has increased. But side by side with the increase in the percentage of disputes referred to adjudication, there is also an increase in the number of disputes in which arbitration was acceptable to parties. But much of these increase, in the number of disputes referred to arbitration, is under the voluntary agreements like the Code of Discipline and the Industrial Truce Resolution rather than under the provisions of Section 10 A of the I.D. Act. The number of disputes referred to arbitration under the Code increased from 5 in 1962, to 149 in 1963 and 185 in 1964.

Another way of judging the performance of the CIRM is through a study of the time taken for the settlement of disputes. The following table gives the relevant data.

TABLE IV  
Time taken for Disposal of Disputes 1960-64

YEAR	Percentage of disputes disposed of				Total number of disputes
	Within one month	Between 1 & 2 months	Between 2 & 4 months	Beyond 4 months	
1960	57.1	37.9	4.5	0.5	3802
1961	82.9	15.0	1.8	0.3	3765
1962	92.8	6.5	0.6	0.1	3514
1963	87.2	11.6	1.6	0.1	3944
1964	71.1	22.5	6.0	0.4	4914

It will be seen that nearly 95% of the disputes are settled within the course of just two months. The percentage of disputes settled within a month was only 57.1 in 1960. It went up to 92.8 in 1962. In 1964 it has gone down to 71.1 per cent.

Apart from conciliating in disputes, the I. R. M. has succeeded in a number of cases in intervening in strikes and in bringing about settlements or in averting strikes by timely action. In 1964, the CIRM intervened in 315 cases of actual or threatened strikes and succeeded in bringing about settlement of strikes or prevented strikes from taking place in 281

cases. The corresponding figures for 1960-63 are given below :—

TABLE V

Year	No. of cases in which IRM intervened either to prevent work stoppages from taking place or bringing to a close stoppages where they already happened	As against (2), the No. of cases where the I. R. M. succeeded in preventing or bringing them to a close work stoppages.
1	2	3
1959	293	259
1960	143	143
1961	186	181
1962	232	224
1963	135	133

Another aspect of work of the I. R. M. is to examine complaints about the non-implementation of awards and settlements arrived at under the provisions of the I.D. Act. The following table gives information on the number of awards received each year, the percentage of awards implemented or in the process of implementation, and the percentage of awards not implemented due to appeal to higher courts.

TABLE VI

## Implementation of Awards and Settlements Requiring Implementation

Year	No. of awards received	Percentage of awards settled or in the process of settlement	Not settled due to appeals to higher courts
1959	191	85.9	11.0
1960	174	85.6	10.3
1961	187	86.1	7.0
1962	202	80.2	7.9
1963	202	84.7	8.9
1964	267	75.7	4.1

It will be seen that a major portion of the awards received, nearly 85% (except for 1962 when it was 80 and 1954 when it was 76), are implemented during the year itself. In some cases, implementation is not possible because of appeal before high courts. As against 11 per cent of the cases going in for appeals in 1959, corresponding percentage in 1964 was 4.1. It is not possible to discern any trend in the percentage of



cases in which appeals were filed although in recent years the percentage of such cases is less as compared to 1959-60. Almost all cases of settlements are implemented during the year itself.

Often complaints have been voiced that the implementation machinery is not impartial in its dealings with different Central Trade Union Federations. To understand the strength of the complaint, it will be useful to analyse the number of disputes raised by the various unions and how they have been dealt with. The following table gives the number of disputes raised by the various Central Trade Union Federations as percentages of the total number of disputes in which the IRM actually intervened in the different years.

TABLE VII

Number of disputes raised by various Trade Union Federations as percentage of Total Number of Disputes enquired into by the IRM in 1959-64.

Union	Years					
	1959	1960	1961	1962	1963	1964
1. Total No. of disputes enquired into by IRM (Excludes cases not fit for intervention).	3432 (100)	3972 (100)	3926 (100)	3669 (100)	4231 (100)	5367 (100)
2. The disputes raised by A.I.T.U.C., I.N.T.U.C. etc., as % of total No. of disputes at (1)						
I.N.T.U.C.	31.1	29.1	32.0	32.6	28.3	31.6
A.I.T.U.C.	19.7	21.2	18.9	20.8	14.2	21.7
H.M.S.	8.5	9.8	10.9	10.7	13.9	13.4
U.T.U.C.	3.5	3.9	3.7	2.9	3.1	3.5
Unaffiliated unions	36.5	33.4	33.2	32.5	40.3	25.2
Individual members	0.7	2.6	1.3	0.5	0.2	4.5

From the table it will be seen that a majority of the disputes handled by IRM have been raised by unions not affiliated to any of the central trade union federations. Except for the year 1963, it seems there is a tendency for the share of disputes raised by the unaffiliated unions to decrease. On the other hand, the share of disputes raised by H.M.S. affiliated unions is on the increase. The percentage of disputes raised by I.N.T.U.C and A.I.T.U.C. have remained more or less constant, the former accounting for above a third of the total

number of disputes and the latter for about a fifth. However, between the A.I.T.U.C and I.N.T.U.C., in relation to the verified membership of the Federations, the disputes raised by A.I.T.U.C. are more. The percentage of disputes raised by individual members who are not members of any trade unions is quite small except for 1964 when it accounted for 4.5 per cent.

An idea about how the trade union federations have fared in conciliation proceedings can be had from the following table which gives the number of cases which were settled at conciliation proceeding, either formally or informally, as % of total number of cases handled by I. R. M. for the years 1959-64.

TABLE VIII

Number of Disputes settled informally or formally at Conciliation Proceedings as percentage of total No. of disputes (excludes pending cases unfit for intervention) handled by Industrial Relations Machinery 1959-64.

Unions	Years					
	1959	1960	1961	1962	1963	1964
INTUC	85.5	85.4	85.8	86.9	84.4	89.5
AITUC	88.7	83.6	84.9	86.7	89.4	85.5
HMS	69.2	87.5	88.3	94.1	91.9	92.4
UTUC	71.8	64.2	66.2	82.4	86.2	86.0
Un-affiliated unions	82.8	83.5	86.2	84.5	88.2	86.0
Individual Workers	95.8	96.9	95.7	88.9	83.3	100.0

The percentage of cases settled through conciliation is generally the highest in the case of disputes raised by individual workers and minimum in the case of disputes raised by UTUC affiliated unions. In the case of H. M. S. the percentage of cases settled at conciliation level shows a tendency to increase. To some extent this is also true of U. T. U. C. unions. In respect of others, no trend is discernible. To understand the extent to which the various Trade Union Federations rely on formal procedures, it will be useful to see the number of disputes where formal conciliation was resorted to. The position is as revealed by the table in the next page

TABLE IX

Number of disputes where formal conciliation was resorted to as percentage of total number of disputes (excludes pending and disputes unfit for intervention) handled by IRM—1959-64.

Unions	Years					
	1959	1960	1961	1962	1963	1964
INTUC	36.8	36.2	40.0	32.4	33.8	31.0
AITUC	23.4	29.9	46.3	29.0	32.9	33.1
HMS	62.7	30.8	29.0	28.3	31.4	34.6
UTUC	34.5	46.4	46.9	35.3	24.8	26.9
Unaffiliated unions	38.9	36.8	29.4	37.7	32.7	43.9
Individual workers	12.5	6.1	6.4	38.9	33.3	3.3

As compared to the unions, individual workers seem to take lesser recourse to formal procedures (except in 62 and 63). Otherwise no definite conclusion emerges in respect of others.

An idea about the extent to which the IRM has succeeded with the various Trade Union Federations in bringing about settlements in formal conciliation proceedings can be had from the following data :

TABLE X

Number of disputes where formal conciliations were held but which ended in failures as percentages of total number of cases taken up for formal conciliation (1959-64)—Federation-wise.

Unions	Years					
	1959	1960	1961	1962	1963	1964
INTUC	39.2	40.4	35.3	40.4	46.2	34.0
AITUC	48.5	54.9	32.6	45.8	32.2	43.8
HMS	49.1	40.5	40.2	20.8	25.9	22.0
UTUC	81.6	77.1	72.1	50.0	53.1	34.9
Unaffiliated unions	44.3	44.8	47.0	41.0	36.1	49.5
Individual workers	33.3	50.0	66.7	28.6	50.0	14.3

In the case of HMS and UTUC, a greater percentage of cases is settled at formal conciliation stage in recent years.

In regard to the complaint that the Government often acts partially in referring disputes to adjudication, a study of the following figures would be useful.

TABLE XI

Number of disputes that were referred to adjudication as % of  
the number of disputes that failed at conciliation  
(1959-64)—Federation-wise

Unions	Years					
	1959	1960	1961	1962	1963	1964
INTUC	29.1	17.4	22.5	46.0	47.0	58.2
AITUC	11.9	8.9	22.6	33.7	33.3	57.0
HMS	15.5	5.1	18.2	31.8	48.1	61.5
UTUC	4.5	8.9	13.3	21.4	75.0	50.0
Unaffiliated unions	12.9	9.3	18.8	29.4	46.0	52.0
Individual workers	—	—	—	—	—	—

It will be seen from above that up to 1963 the percentage of cases referred to adjudication is more in the case of INTUC unions as compared to others. However, in 1963, the position is different.

No. 3(49)/3/68-NCL  
Government of India  
National Commission on Labour,  
D-27, South Extension, Pt.-II.

New Delhi-3, the 19th July, 1968.

**Subject :** Re-constitution of Regional Working Group on Labour Administration (Western Region)-Areas covered by the States of Maharashtra, Gujarat and Madhya Pradesh.

**Ref :** Govt. of India, Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) Resolution No. 36/14/66/I & E dt. the 24th December, 1966.

In supersession of its Memorandum No. 3(49)/3/67-NCL dated the 28th December, 1967, the National Commission on Labour re-constitute the Regional Working Group on Labour Administration (Western Region)-Areas covered by the States of Maharashtra, Gujarat and Madhya Pradesh and appoints the following persons on the re-constituted Regional Working Group :-

- |   |                           |
|---|---------------------------|
| 1. Shri D. G. Kale,<br>Commissioner of Labour,<br>Govt. of Maharashtra,<br>Commerce Centre, Tardeo,<br>Bombay-34. | Member                    |
| 2. Commissioner of Labour,<br>Gujarat State, 0-12 New<br>Civil Hospital Buildings,<br>Asarva, Ahmedabad-16.       | Member                    |
| 3. Shri M. M. Khar,<br>Commissioner of Labour,<br>Govt. of Madhya Pradesh,<br>Indore (M. P.)                      | Member                    |
| 4. Shri L. N. Shandilya,<br>Deputy Labour Commissioner,<br>Govt. of Madhya Pradesh,<br>Indore (M. P.)             | } Member-<br>Secretaries. |
| 5. Shri P. J. Ovid,<br>Assistant Commissioner of Labour,<br>Government of Maharashtra,<br>, Tardeo Bombay-34.     | }                         |

~~2003-04~~ The Working Group will hold one meeting in each of the Headquarters of the States of Maharashtra, Gujarat and Madhya Pradesh. The Labour Secretary of the State, where the meeting is held will preside over the meetings.

The Working Group will examine the paper prepared by the Commission on the subject of Labour Administration, covering the present administrative set-up for implementation of labour laws, its effectiveness and related problems. It will add to/amend/modify or reject the conclusions reached in the light of experience in the States in the Western Region. (Maharashtra, Gujarat and Madhya Pradesh). The Working Group will submit its report as early as possible.

(P. D. GAIHA)  
DIRECTOR

To :

Labour Secretaries & Labour Commissioners concerned and Member Secretaries of the Working Group on Labour Administration (Western Region).

Copy forwarded to :-

1. The Accountant General, Central Revenue, New Delhi. The Officers of the State Governments who are Members of the aforesaid Working Group will draw their T.A./D.A. from the same source from which their pay is drawn in accordance with the rules applicable to them.
2. The Treasury Officer, Parliament Street, New Delhi.

(P. D. GAIHA)  
DIRECTOR

Copy also forwarded for information to :-

1. Chairman and Members of the National Commission on Labour.
2. Special Assistant to the Chairman, National Commission on Labour.
3. Private Secretary to the Minister of Labour & Rehabilitation, New Delhi.
4. Secretary to the Ministry of Labour, Employment and Rehabilitation (Department of Labour & Employment) New Delhi.
5. All Officers in the National Commission on Labour.

(P. D. GAIHA)  
DIRECTOR