

REPORT
OF THE
STUDY GROUP ON
INDUSTRIAL RELATIONS
(Northern Region)



L COMMISSION ON LABOUR

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FOREW

The National Commission on Labour appointed the Study Group on Industrial Relations for the Northern Region comprising Uttar Pradesh, Rajasthan, Punjab, Haryana, Jammu & Kashmir, Himachal Pradesh and the Delhi Administration in its attempt to understand the state of industrial relations in that region since Independence. This was one of the four Study Groups set up for building up a picture of industrial relations in different regions. The Study Group was required to analyse available information and project its thinking on typical labour problems in the area taking into account the possible industrial developments in the region.

The views expressed in the report are the views of the Study 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. In the meanwhile, the report is being published by the Commission with a view to seeking comments on it from persons/institutions interested in industrial relations in the region.

The Commission is grateful to the Chairman and Members of the Study 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 Study Group in reaching its conclusions.

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INTRODUCTORY

The Study Group on Industrial Relations (Northern Region) was set up by the National Commission on Labour under its notification of 22nd June, 1967. The notification read as follows :

2. "The National Commission on Labour appoints the following persons to constitute the Study Group for Industrial Relations (Northern Region)—Areas covered by the States of Punjab, Haryana, Himachal Pradesh, Jammu and Kashmir, Delhi Administration, Rajasthan and Uttar Pradesh. Headquarters : Delhi :—

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The Study Group will, in regard to the subject allocated to it, ascertain facts from available literature on the subject, draw conclusions and suggest solutions to the problems posed by the Group for the consideration of the Commission. The Commission may also pose problems for consideration of the Group from time to time. The Study Group will submit its report as early as possible."

3. The Study Group held seven meetings in all, the first on 2nd August, 1967. The first four meetings were devoted to consideration of issues, discussions and tentative conclusions. The draft report was taken up for consideration in the fifth and sixth meetings and was finalised in the seventh meeting held on 29th and 30th January, 1968.

4. It was not easy for this Study Group to define or circumscribe its own functions. Practically every labour problem can be related, directly or indirectly, to industrial relations—some major problems of industrial relations have baffled solutions for the twenty years after Independence. Though a vast volume of material has been made available to us, they are still not adequate, in some respects for pronouncing views on all matters, with that degree of confidence we would have liked. The group appreciated that it was not expected to start collecting fresh materials through its own questionnaires or by meeting representatives of Government,

employers and workers as this would have involved overlapping with the functions of the National Commission itself, apart from the time factor. Nevertheless, it would have served little purpose if the group engaged itself in merely elaborating the problems and providing just one more source of reading material. We felt that even with the limitations and the vastness of the subject, the group was expected to give its own considered conclusions and recommendations in regard to as many of the problems, as possible, and this is what we have endeavoured to do in Part II of this report.

Chapter 1

GENERAL

1.1 Industrial Relations are basically a problem in human relations, and as such are influenced, if not conditioned, by all the complex circumstances that affect the latter. While the apparent causes of good or bad labour-management relations may not be difficult to classify, the real causes underlying outward and visible signs, over which there is seldom any unanimity have, generally, roots in historical and political factors, socio-economic philosophy and attitudes of the workers and employers. Many times, work-stoppages which can be apparently ascribed to some simple demand—economic or personnel—are found, on a deeper examination, to have complex roots in the social and cultural attitudes of the workers involved. At times, though strikes take place because of certain economic demands, harmonious relations are not necessarily restored even after the monetary benefits demanded are granted to workers. On the contrary, it is also possible that even without the apparent demand being satisfied or conceded, good relations are restored once the deeper cause, be it political, social or economic is properly tackled. A change in the leadership in the workers' union, or a change in the management may radically alter the basic relationship between the management and the workers. As such, a particular state of industrial relations cannot be viewed in isolation from the political, social and economic characteristics obtaining therein nor the remedies to correct certain situations developed without giving due consideration to such factors.

1.2 In concrete terms, the nature of the industrial relations system, its procedural and institutional framework—the trend and pattern of organisation and functioning of the trade unions and employers' organisations, their attitudes etc.,—is conditioned by external factors like the physical and economic features of the area, the pressure of population and the employment situation, the extent of industrialisation, the type of industries developed, the cultural pattern and social stratification of the people inhabiting the area, their

political consciousness, and the policy orientation of the party in power, etc. Often many of these factors are inter-related and the impact of any of these may vary from time to time. The balancing of these factors in a way to evolve a workable system of industrial relations is a very delicate and complex process. And more often than not, it is a result of the inter-play of historical forces, rather than that of a deliberate and conscious effort.

1.3 What are the special features of the States in this region, and how have these influenced the growth pattern of the institutions involved in the industrial relations system? The Northern Region comprises of five States—Punjab, Haryana, Uttar Pradesh, Rajasthan and Jammu and Kashmir and two Union Territories—Delhi and Himachal Pradesh. Jammu and Kashmir enjoys a special status under the Constitution (Article 370)—while the Union Territories of Himachal Pradesh and Delhi have a different administrative set-up. These differences in political relationship and administrative set-up, viz., States, Union Territories and special privileges granted to Jammu and Kashmir have given rise to certain special characteristics which have a bearing on the economy of the region as well as in the institutional developments.

Special Features of the Region

1.4 Broadly speaking, this region is predominantly rural and industrially undeveloped. Whatever industry exists is in the small-scale sector and agro-based, large-scale modern industry being rather scarce.

1.5 In Punjab and Haryana, agriculture forms the most important sector of the economy depending on a developed net-work of irrigation. The economy possesses a strong agricultural base, active small-scale industrial sector and a tertiary sector also depending on the agricultural sector. The industrial development is primarily in the form of the expansion of small-scale industries, and the State leans heavily on non-resource based industries, namely engineering.

1.6 Small-scale industries are well-developed in Ludhiana, Jullundur, Batala, Raipura, Amritsar in Punjab and Sonapat, Yamunanagar, Faridabad and Hissar in Haryana. Practically all the districts in Punjab possess small industries sustained by agriculture and live-stock, while large-scale units are located in a few centres, like Amritsar, Nangal and Surajpur. Public Sector industry has grown in

Nangal (Fertilizers) and Pinjore (Machine Tools). The future development of industry in these States is expected to be mainly in the form of expansion of farm and forest based industries and expansion of light engineering industries, besides the establishment of a few large-scale units to strengthen the industrial base and to bring about overall technological and organisational improvements.

1.7 Uttar Pradesh is characterised by wide regional disparities and levels of economic development. The Eastern Region is marked by high density of population having agriculture as the sole occupation. Of late, however, some large public sector units have come up. The hill districts also constitute a depressed region. The Indo-Tibetan border region of Uttar Pradesh is a large forest area, yet to be systematically and economically exploited. The trend of development of Uttar Pradesh shows a low rate of economic growth. The State has the largest number of sugar factories in India. Ferozabad and Nagina are noted for different branches of glass industry. Uttar Pradesh also produced practically 40% of the total amount of oil seeds in India. Finished oil industry is well developed at Kanpur and Agra. Textile and leather industries have developed in Agra and Kanpur. Perhaps, in no other State in India, do cottage industries occupy such a relatively large position as in Uttar Pradesh. Carpet weaving in Mirzapur, glass bangles industry in Ferozabad, leather in Agra are instances in point. Mirzapur, Dehradun, Rishikesh, Gorakhpur, Ranipur, Varanasi, Allahabad are coming up as new industrial centres, where most of the public sector projects are located. The State has as many as 29 industrial estates, the biggest of these located in Agra, Kanpur and Allahabad.

1.8 The State of Rajasthan is a unique combination of diverse physiographic features, namely, mountains, rivers, deserts, semi-deserts, lakes, plateaus and river basins. Because of the preponderance of the dry region, the State accounts for overall low productivity of agriculture. Presently, it is backward in industrial development. However, the State is rich in mineral resources like copper, zinc, lead, lime-stone, mica, as also agricultural and livestock resources and as such the State holds vast potentialities for rapid industrialisation based on these natural resources. The possibilities of phosphate deposits presently being explored are quite bright which may facilitate the growth of fertilizers plants in future. The major industrial activity in Rajasthan

is confined primarily to the non-factory sector. Among the large scale registered factories, the most important units include cement factories, textile mills, sugar mills and railway workshops. A number of modern industries have come up in Kotah which is fast growing into an industrial complex.

1.9 The States of Jammu & Kashmir and Himachal Pradesh are more or less mountainous regions with limited scope for growth of large sized industrial units. These States have a large forest potential and produce a variety of products of which timber, fire-wood and resin are important. The techniques of extraction and utilisation of timber are still outmoded. The development of horticulture also holds great promise for these territories. Silk and wool weaving which have traditionally been Jammu & Kashmir's and Himachal Pradesh's chief industries, are still important. These, coupled with road building activity, exploitation of forest wealth and mineral resources have provided a sizeable employment. Srinagar is also noted for carpet weaving industry. Prospects of development of tea plantations in Jammu, where a beginning on an experimental basis has already been made and possibility of large phosphate deposits in the State augur well for the State's economy and may mark the beginning of a new phase of industrial development. The State of Jammu & Kashmir also holds good prospects for the development of wood based industries, chemicals, fruit preservation, mineral based industries, tanning and leather goods, light engineering and textiles.

1.10 Although the Union Territory of Delhi occupies comparatively a small area, its importance as a great trade and commercial centre of Northern India has been primarily due to its being the capital city. During the Second World War and particularly after the partition of the country, a number of industries came up, accompanied by a tremendous growth of tertiary sector and essential services. In regard to industrialisation, except in Textiles where some large units are found, by and large the smaller units predominate particularly engineering, hosiery, knitting etc. The remaining industries mainly relate to chemicals, food and drinks etc. It is expected that this trend will continue in future as well.

1.11 A number of large-scale units have been set up in the public sector in all these States. Mention may be made of the Fertilizer factory at Nangal in Punjab and Machine Tools at Pinjore in Haryana ; Heavy Electricals, Antibiotics,

Fertilizers and Railway Locomotive factories in Uttar Pradesh, Precision Instruments and Zinc and Copper Smelters and Atomic Minerals in Rajasthan, Housing Factory and Insecticides in Delhi. Apart from these units of the Central Government, State Governments have also set up a number of industrial projects. This active participation by Governments—Central and State—in the industrial sector as employer has also introduced a new factor into the industrial relations system. Another feature that has become important in recent years in some of the States has been the emergence of the cooperative sector. The attitude of such enterprises to labour and their tendency to seek exemption from provisions of labour laws has come in for much criticism.

Employment

1.12 The States in the region together have a population of about 120 millions, made up of 48.7 million workers and 71.2 million non-workers. The distribution of the working population industry-wise is revealing. Except in Delhi which is essentially an urban area, all the other States show a marked preponderance of employment in agriculture and allied occupations (64 per cent to 80 per cent). Manufacturing industry accounts for only a small proportion of the working population—5 per cent in Punjab and Haryana, 3 per cent in U.P. and 2 per cent in Rajasthan and Jammu & Kashmir; the tertiary sector—trade and commerce, transport and communications—provides employment for another 7 per cent in Punjab, 5 per cent in U.P., 4 per cent in Rajasthan and 2 per cent in Jammu & Kashmir. In Delhi, on the other hand, 20 per cent of the working population is employed in manufacturing industry and 23 per cent in trade, commerce and transport.

1.13 As a result of the implementation of the plans for economic development and the impact generated by the all-round economic activity, there has been a steady increase in the number of factories as well as the numbers employed therein. Between 1957 and 1965, the number of factories and the number of employees has almost doubled in the States of Punjab and Rajasthan; while in U.P. and Delhi, the increase has been somewhat lower—of the order of 70 to 80 per cent. The latest data (1965) on number of factories and workers employed respectively in some of these States are:

4,700	and	1,77,000	in	Punjab
3,400	and	4,00,000	in	U.P.
1,511	and	75,000	in	Rajasthan and
1,332	and	87,000	in	Delhi.

1.14 An interesting feature of the organisation of industry in this region, a feature which has an impact on the pattern and growth of trade union organisation and one which has to be kept in view for the formulation and implementation of the industrial relations system — is the relative preponderance of the small-sized units. While one may not go to the extent of saying that the units of different sizes should have different industrial relations, it is nevertheless true that the nature of the problems in the smaller and bigger units is likely to be qualitatively different, and demanding different types of solutions. The machinery designed for the settlement of grievances, disputes, etc. suitable for large and medium sized units may not be quite workable in small units.

1.15 The average employment size of the unit (in 1965) varied from 36 in Punjab to 118 in Uttar Pradesh. Considering that the average employment in 1965 in all these States was much lower than in 1957 (when it varied from 43 in Punjab to 143 in U.P.) this, perhaps, indicates that during this period more and more small units have been set up.

1.16 In 1964, nearly 61 per cent of the factories in Punjab and Rajasthan and about 40 per cent in U.P. and Delhi employed less than 20 workers; the percentage of factories employing between 20 and 99 workers accounted for another 27 per cent in Punjab, 30 per cent in Rajasthan, 42 per cent in U.P. and 48 per cent in Delhi. If one were to define a small unit as one in which less than 100 workers are employed, almost 90 per cent of all the factories in all these States (with the exception of U. P.—where about 17 per cent of the factories employ more than 100 workers) can be classified as small factories.

Chapter II

TRADE UNIONS AND EMPLOYERS' ORGANISATIONS

2.1 The Organisation of trade unions in the States in this region, with the exception of Jammu & Kashmir, is regulated by the same legal provisions, viz., those contained in the Indian Trade Unions Act, 1926. It is, therefore, only to be expected that the structural development and pattern of trade unions in these States will be more or less on the same lines as obtains in other parts of the country. In most of the States, in earlier stages, the development of the trade unions was very slow and lacked stability and strength. Its progress was hampered mainly because of the absence of effective leadership and also hostile attitude of the local employers. The trade union movement, however, showed rapid progress after Independence partly due to the growing consciousness among the working class and partly due to the initiative taken and encouragement given by political parties; even the present shape of the All India Organisations appeared only after Independence. In Jammu & Kashmir State, however, the development of the trade unions is still in its initial stages.

2.2 Between 1956 and 1965 there was a considerable increase both in the number of unions and their membership. The number of unions on register went up by 85 per cent in Punjab; by 60 per cent in Rajasthan; by 40 per cent in Uttar Pradesh and by about 50 per cent in Delhi. The growth in the union membership also was quite marked—ranging from 38 per cent in U.P. and Rajasthan to 128 per cent in Delhi and 164 per cent in Punjab.

2.3 In spite of the increasing trend observed both in terms of number of unions and membership in the above States, the average number of members per union has not shown any substantial increase over the years; in fact, it has come down in some cases. For example, during the period 1956-57 to 1964-65, the average membership per union came down from 217 to 210 in Rajasthan, from 261 to 246 in Punjab and from 447 to 321 in Uttar Pradesh. In Jammu & Kashmir,

the average membership which was 111 during the period 1950-55 came down to 73 during the period 1962-66. In the case of Delhi, the trend was in the other direction; there was an increase in the average membership from 689 to 1,118.

2.4 Thus, it will be seen that there has been considerable increase in the growth of the trade union organisation in this region. Most observers, however, feel that the movement is still quite weak, quantitatively and qualitatively. Generally, it has covered only some sectors of industry and some areas or centres. The reasons for this are perhaps not different from those that are apparent in other parts of the country though a little more accentuated in this region which is industrially backward. Added to the economic backwardness of the region, other factors contributing to the weakness of the trade union movement have been the illiteracy among the workers, the opposition from the management, the lack of financial resources for the unions, inter-union and intra-union rivalries, etc. The most important single factor that has made organisation of trade unions difficult in the States in this region, has been the predominance of small units, in which the employer-employee relationship is more personal and the position of the employee less secure.

2.5 The statement below gives figures of number of trade unions and their membership during 1962-63 to 1964-65.

State	1962-63		1963-64		1964-65 (P)	
	A	B	A	B	A	B
	(in 000's)		(in 000's)		(in 000's)	
Punjab	418	88	383	73	434	107
Rajasthan	195	47	217	50	257	54
U.P.	951	291	1,039	314	-	-
Delhi	300	267	292	248	289	323
H.P.	16	4	21	3	26	5
	1,880	697	1,952	708	1,006	489

A : Number of Unions

B : Membership

P : Provisional

2.6 In terms of affiliation also, all States/Union Territories except Jammu & Kashmir, follow more or less the same pattern as in other parts of the country. Most of the unions are affiliated to four Central Organisations, viz., INTUC, AITUC, HMS and UTUC. However, it may be mentioned that of late Bharatiya Mazdoor Sangh is also emerging as a Central Organisation of workers, particularly in the States of Delhi, Haryana, Punjab and Uttar Pradesh. In the case of Jammu & Kashmir, the situation is somewhat different. None of these Central Organisations have any following there. However, all the unions are affiliated to one State/Central Labour Union. Also in Jammu and Kashmir there is only one union at the plant level, and more or less there is an absence of industry-wise unions.

The number of unions with membership affiliated to various Central Trade Union Organisations is given below :

Statement showing verified membership of unions affiliated to four Central Organisations as on 31.3.63 in Northern Region

State	INTUC		AITUC		HMS		UTUC	
	A	B	A	B	A	B	A	B
Punjab	107	23,531	47	12,651	5	1,087	—	—
Rajasthan	49	14,894	20	4,175	3	480	1	49
U.P.	182	59,190	76	12,957	41	17,372	34	11,143
Delhi	29	8,934	20	17,688	2	20,439	16	6,050
H.P.	14	1,353	1	19	—	—	—	—
	381	107,902	164	47,490	51	39,378	51	17,242

A : Number of Unions

B : Membership

2.7 The unions in the region, except in Jammu & Kashmir, are also organised at the plant level and on the basis of industry ; confederations have been set up for co-ordinating the activities of the industry-wise unions. It is particularly true of Electricity, PWD, Irrigation, Municipal Bodies, Textile Industries and Printing Presses in Rajasthan, Sugar and Textiles in U.P. and in the Textile Industry of Punjab. There are also some independent unions in the region which are not affiliated to any Central Organisations.

2.8 Here we would like to refer to a special feature that has been evidenced in many of these States, particularly in relation to the centres of small-scale industries. For instance, in Punjab, the pattern of industrial development has had an impact on the forms of unions, particularly in the engineering units. All the manufacturing processes are not concentrated in one place and a number of ancillary units are coming up. This has created peculiar relationship problem between the employer and the work-force. There are generally two kinds of skilled persons working in these units. Highly skilled personnel assisted by a number of semi-skilled helpers, who usually belong to the same village or community and are guided by them. For economic reasons, they prefer to work extra hours or in two shifts. For this purpose they are in collusion, and they join hands in resisting unionisation. Implementation of labour laws also becomes a problem in such small units. But wherever clusterisation of small-scale industries has taken place, be it Jaipur in Rajasthan or Ludhiana or Amritsar in Punjab, Yamunanagar in Haryana, by and large industry-wise unions have come up. In Punjab and Haryana, certain focal points of strong trade unions have developed, for example, Yamunanagar, Ludhiana and Amritsar, but these are still only a few individual cases.

Recognition of Unions

2.9 In the States of Uttar Pradesh, Punjab, Haryana and Delhi to which the Indian Trade Unions Act applies, there is no legal provision regarding recognition of trade unions. Recognition cases are ordinarily dealt with under the Code of Discipline. When a union demands recognition, the State Implementation machinery gets verification of membership carried out in accordance with the procedure laid down under the Code of Discipline. The union found to be most representative is recommended to the employer concerned for grant of recognition. Since there is no statutory force behind the Code, employers often delay grant of recognition. But in case of Rajasthan, under the Industrial Disputes (Rajasthan Amendment) Act, 1958, there is provision for registration of the representative union if certain conditions are satisfied. The main provisions are that if there is only one union in the industry having 15 per cent or more membership, it may be registered as a representative union. If there are two unions or more, then the union having the largest membership is registered as a representa-

tive union. But as the rights of the representative trade unions have not been defined, the provision has not conferred any material benefit.

2.10 Most of the Central Labour Laws have not been extended to Jammu & Kashmir; the State has some of its own Labour Acts including one on Trade Unions. The Jammu & Kashmir Trade Unions Act provides for the compulsory recognition of unions by employers and for registration of one union in one undertaking.

Employers' Organisations

2.11 Several employers' organisations have been formed, mostly on a local or State basis in the main centres of industry in the States in this region also, primarily with the purpose of promoting the business or trade interests of their members. Most of these are registered under the Societies Act. However, with the growth of trade unions and particularly with the establishment of industry-wise unions/confederations, employers have also realised the importance of enlarging the role of their associations to safeguard their interests.

2.12 In Jammu & Kashmir, there is no Central Organisation of manufacturers as such. There are, however, some associations of manufacturers in certain industries like carpet and silk. There are Chambers of Commerce at Srinagar and Jammu which sometimes take up the cause of employers. Some of the important employers' organisations have employed special labour/industrial relations advisers who represent them before Tribunals, conciliation proceedings, etc.

Chapter III

THE PRESENT SYSTEM OF INDUSTRIAL RELATIONS AN ASSESSMENT

3.1 The system of industrial relations as developed in India since Independence can be said to have had two distinct objectives—(1) the avoidance of industrial disputes and work-stoppages and the creation of machinery for the amicable and expeditious settlement of disputes when they arise; and (2) the creation of the necessary atmosphere for the development of labour-management cooperation and harmonious relations through the adoption of a suitable institutional framework for joint consultation, redress of grievances, collective bargaining etc. An elaborate procedural and institutional framework—both statutory and voluntary—has been established under the Industrial Disputes Act, and, later, the voluntary Code of Discipline.

Legal Machinery

3.2 The legal machinery for the settlement of industrial disputes is provided by the Industrial Disputes Act, 1947. However, Jammu & Kashmir and Uttar Pradesh have their own State Industrial Disputes Acts, while in case of Rajasthan the State Government amended this Act by the Industrial Disputes (Rajasthan Amendment) Act, 1958. The amended Act provides for the registration of a union as a representative union and for arbitration of disputes. The definition of the terms 'employer and workman' has been further widened so as to include therein independent contractors and contract labour. The State Government has substituted Section 10 (b) in place of Section 10 (a) of the Central Act which provides for settlement of disputes through arbitration.

3.3 Jammu & Kashmir Industrial Disputes Act has been framed broadly on the model of the Central Act. The main difference is that while the Central Act provides for constitution of Works Committees in establishments having 100 or more workers, the Jammu & Kashmir Act has fixed the limit at 25; also, in the application of lay-off benefits, the

employment figure has been brought down to 25 as against 50 in the Central Act.

3.4 The Uttar Pradesh Industrial Disputes Act differs from the Central Act mainly in regard to (a) the approach as indicated in the preamble to the two acts; (b) Section 3 of the U. P. Act and (c) Section 6-B of the U.P. Act. The preambles of the two Acts seem to indicate that while the approach of the Central Act is one of settling industrial disputes and promoting harmonious relations between employers and workers, the State Act is motivated by a desire to empower the Government to prevent strikes and lock-outs. Section 3 of the State Act gives an elaboration of the powers given to the Government to fulfil the objective of preventing strikes and lock-outs. Section 6-B of the State Act makes special provision for the registration of a settlement arrived at between the disputant parties outside the conciliation proceedings.

3.5 The State Act also provides for two different sets of machinery for settlement of Industrial Disputes—one for the private sector enterprises and the other for the Government and certain cooperative sector undertakings, etc. The machinery for settlement of industrial disputes in the private sector is a combination of conciliation, voluntary arbitration and adjudication. It provides for the appointment of conciliation boards, arbitrators with the consent of both the parties, and labour courts and industrial tribunals. In case of report of failure from the conciliation board, the Government takes the decision on the necessity of reference of the dispute to adjudication. Arbitration provided for under the Industrial Disputes Act is only voluntary. The machinery for the settlement of disputes in the Government undertakings, etc. comprises of Works Councils, Permanent Conciliation Boards, and High-Power Committees. All such industrial undertakings/units employing 100 or more workmen are required to constitute works councils composed of the representatives of the management and the workmen. The functions of such Works Councils are similar to Works Committees under the Central Industrial Disputes Act. The Conciliation Board has similar obligations and rights as those of the Conciliation Officers in bringing about the settlement between the parties. If no settlement is arrived at, the matter is placed before a High Power Committee consisting of the Labour Secretary, Financial Secretary and Secretary of the Department to which the

undertaking belongs. The decision taken by the Committee is final and binding on the parties concerned.

3.6 The relevant provisions of Industrial Disputes Act, 1947, are well known and need not be set out here. However, it may be mentioned that in essentials all the Acts are uniform and stipulate the provision of conciliation, industrial tribunals, voluntary arbitration and, at plant level, setting up of works committee (except in U.P.). The Acts distinguish between ordinary industrial establishments and public utility services and in U.P. between private sector and the public sector as well.

Voluntary Machinery

3.7 Apart from the statutory provisions for the settlement of industrial disputes, several voluntary procedures have also been set up. The most important and significant among these are the Code of Discipline and the tripartite consultative machinery such as the Indian Labour Conference, the Standing Labour Committee and the Industrial Committees. The Code enjoins on the employers and employees the need for strict compliance with their statutory and other obligations; it also provides for the setting up of a grievance procedure for the settlement of day-to-day grievance as also for the recognition of trade unions for purposes of collective bargaining. In what follows, an attempt has been made to assess the extent of utilisation of the machinery provided under the Acts and their effectiveness.

Works Committees

3.8 Works Committees are required to be set up in industrial establishments employing 100 or more workers; as a means for the development of joint consultation and mutual cooperation between the management and labour. Available statistics show that in spite of the legal obligation, they have been set up only in 40 to 60 per cent of the establishments concerned. In U.P., Works Councils are reported to have been formed in 54 Government establishments. Of the Works Committees formed, only a small proportion are said to be functioning effectively, the majority existing only in name. The U.P. Government has withdrawn the provision for constitution of Works Committees in private sector establishments, where they found the system unworkable.

3.9 The main reasons for the failure of the Works Committees have been: the indifference on the part of the

employers to the very idea of discussing with workers or their representatives, and the opposition of the trade unions to the Works Committees which they apprehend would reduce their importance and encroach into their function; the inter-union rivalries which affected the constitution of these Committees and the illiteracy among the workers who were unable to understand the techniques of the meetings etc., also contributed to their ineffectiveness; the lack of authority behind the decisions of the Works Committees was another factor; the attempt of the Indian Labour Conference to demarcate the functions of Works Committees so as to reduce the possibility of conflict between the unions and the Works Committees does not seem to have been entirely successful. It was found generally that the managements often disregarded the decisions of the Works Committees as there is no legal sanction behind them. The matters entrusted to the Works Committees were mostly of a minor/trifling nature and because of lack of interest, meetings too are held irregularly and are often considered a mere formality. All in all, the formation of the Works Committees has amounted to no more than a mere compliance with a statutory requirement.

Conciliation

3.10 The intention of the conciliation system (under the Industrial Disputes Act, 1947 and other State Acts) is to create an atmosphere conducive to settlement of disputes through constitutional means and to attempt to bring about an agreed solution to disputes through mediation. The conciliation machinery can take note of a dispute or an apprehended dispute either on its own or when approached by either of the parties. In certain types of disputes (public utility services, etc.), conciliation is compulsory. Since Independence, the conciliation machinery has been doing useful work, although it has had to cope with considerable workload with an increasing number of disputes required to be handled by the Officers. Statistics show that in 1966 the percentage of the disputes settled (or withdrawn through persuasion) in conciliation was nearly 60 per cent in Punjab, Uttar Pradesh and Delhi and about 40 per cent in Rajasthan.

3.11 Recent trends indicate, however, an unfortunate progressive decline in the number of settlements arrived at through the conciliation machinery. This has been attributed to a growing lack of confidence in this machinery on the part

of one or the other party to the dispute, generally on the part of the employers. An important factor which has had an adverse impact on conciliation is the growing use of legal and technical experts to prepare and argue the cases, particularly on the employers' side. The bigger employers prefer to win their cases on merits in an adjudication, where a proper representation of their case through an expert is possible, rather than submit to a compromise in conciliation proceedings. The parties are clearly becoming more litigation minded. The multiplicity of trade unions affiliated to different political parties coupled with the fact that one party has been in power in most of the States till recently has led to the allegation that the conciliation machinery has worked in a way favouring a particular trade union organisation. The low status enjoyed by the Conciliation Officers and the lack of proper training—initial as well as refresher—are also factors which have rendered the work of conciliation officers more difficult and less acceptable to parties. With the increase in industrialisation and the growth of trade unions, the number of disputes coming up before conciliation machinery has grown enormously in recent years without a corresponding increase in the strength of this machinery. This has led to too much pressure on the existing machinery and often to considerable delay in the conclusion of the proceedings. The increase in labour legislation and the tendency to make the Conciliation Officers responsible for the implementation of the provisions under several enactments has also heavily burdened them with numerous and miscellaneous duties, resulting in less time and less attention to their main function of conciliation.

Adjudication

3.12 The final stage in the settlement of disputes which could not be settled either through bipartite negotiations or through the good offices of the conciliation machinery is reference to adjudication by a statutory authority, such as a Labour Court or an Industrial Tribunal or Industrial Court. Disputes are referred to adjudication on the recommendation of the Conciliation Officer who had dealt with it earlier and the Government have discretion whether to refer or not to refer a case to adjudication. Available data show that the percentage of disputes referred to adjudication varied from State to State—11 per cent in Punjab to 15 per cent in Delhi, 25 per cent in Uttar Pradesh and 37 per cent in Rajasthan.

(in 1966). On the assumption that adjudication is to be used only as a last resort and for knotty problems on which the parties are adamant, it will appear that the numbers actually referred are quite substantial.

3.13 The system of adjudication by Tribunals, Labour Courts, etc., has perhaps been the most important instrument of regulation, in the last 20 years, of wage rates, standardisation, allowances and bonus, working conditions, leave and holidays, social security provisions etc. Such norm-setting which in advanced countries is done through the process of collective bargaining between the employers and the trade unions had to be done by the process of compulsory adjudication in our country, mainly because the trade union movement was weak and in no position to negotiate with the employers on an equal footing. However, this system has been criticised for its unfavourable effects on the trade union movement, on its growth and its attitudes; that undue dependence on compulsory adjudication has deprived the trade union movement of the incentive to organise itself on a strong and efficient basis and has rendered the unions mere petitioning and litigant organisations arguing their cases before tribunals etc. The system of adjudication has also been criticised because of the long delays involved in the final settlement of disputes, particularly where one or the other party chooses to go in appeal against an award. Such delays, it is argued, are themselves responsible for much industrial strife.

3.14 The second objective of the industrial relations system mentioned at the beginning of this Chapter, namely, the creation of the necessary atmosphere for the development of labour-management cooperation through the promotion of suitable institutions, redress of grievances and collective bargaining, is sought to be achieved through a number of voluntary Codes and practices such as the Code of Discipline in Industry, the tripartite consultative bodies like the I.L.C. and the S.L.C. etc. at the Centre and similar bodies at the State level. The Code of Discipline enjoins on the management and the unions certain obligations, most of them already incumbent on the parties under the existing law and convention pertaining to industrial relations. It binds them to seek peaceful ways of settling disputes in preference to that of strikes and lock-outs. Apart from the general exhortation that all obligations under existing laws will be

observed and the procedures made use of, the Code lays emphasis on certain new procedures such as the setting up of a grievance procedure to deal with and settle the day-to-day grievances of workers at the plant level, the grant of recognition to a registered union having the largest membership and the acceptance of voluntary arbitration in preference to compulsory adjudication—"to settle all future differences/disputes and grievances, by mutual negotiations, conciliation and voluntary arbitration."

Grievance Procedure

3.15 Only a few large establishments in these States are reported to have set up a grievance procedure to deal with the day-to-day grievances of the workers. Generally, the employers have shown little interest in setting up a formalised procedure relying more on the existence of ad hoc arrangements. The employees in the small units rarely find the organisational strength to demand the setting up of such procedures.

Recognition of Unions

3.16 No precise data regarding the number of undertakings which have given recognition to a trade union for purposes of collective bargaining are available, for any of the States in the region. It would not be far wrong if one were to say that only a few undertakings have recognised unions and that in the absence of any legal provision for recognition, few employers have shown any keenness to accord such recognition. The dilatoriness of the verification procedures coupled with the attempts by employers to delay the grant of recognition even after the majority status of a union had been established, have often led to frustration and bitterness among the workers. No precise data of the number of unions recognised and the time lag between the first application for recognition by a union and its grant are available in respect of any of the States ; such data, if collected, might yield interesting results.

Voluntary Arbitration

3.17 Although the Industrial Disputes Act contains a provision for reference of disputes to voluntary arbitration, very few employers and workers seemed to take recourse to it. The Code of Discipline reiterated the principle of voluntary arbitration on failure of other methods of settlement but even this has not had much effect. The number of cases settled by arbitration amount to only about 1.5 per

organisation, as between employers and employees, and market for labour is also imperfect so that free and fair collective bargaining is not always possible. Further, generally speaking, both employers and employees in this country lacked the necessary orientation for free collective bargaining. If workers are lacking in education towards responsible trade unionism, many employers and managerial personnel are also ignorant of or lacking in faith in modern principles of personnel management.

3.20 On the whole, it can be claimed, as is indicated by the data relating to industrial disputes, workers involved and man-days lost, that this machinery worked fairly well and helped avoidance and reduction in the number of disputes and time lost.

3.21 There were certain assumptions implicit in the formulation of the industrial relations machinery. The successful operation of this machinery and realisation of the chosen objectives assumed :—

- (i) that the administration entrusted with the task of working this system is adequate.
- (ii) that the participants in industrial production will not adopt evasive attitude.
- (iii) that the economic situation in the country will remain normal.

3.22 The extent to which this machinery has not fulfilled the expectations is not due to any fundamental defect in its structure but due to non-fulfilment of the assumptions. The administration entrusted with the task is inadequate. The level of training of staff is not upto requirements. It is also overburdened with excessive workload. The participants in industrial production often take an evasive attitude as the costs, in terms of money and time, of resolving the conflict are large and the detailed procedure evolved for its functioning is too cumbersome. The economic situation in the country has seriously deteriorated recently due to very sharp price inflation causing collapse of the real value of earnings of workers and more recently due to beginning of recessionary trends in certain industries resulting in mass lay-offs and retrenchments.

Chapter IV

TRADE UNIONS

4.1 The growth of industries and the increase in the number of industrial workers coupled with the general atmosphere in the country favouring the workers' right to organise have helped in the growth of trade unions since Independence. Possibilities of redressing grievances through conciliation and mediation, through labour courts and similar other institutions opened out by legal provisions also helped the growth of trade unions in the initial stages. There has been a steady and substantial increase in the number of registered trade unions as well as the number of unionised workers.

4.2 In spite of this rising trend in the number and membership of trade unions, unionisation has been weak in this region with the possible exception of the State of Uttar Pradesh. The fall in the average membership of unions is a pointer to the fact that the increase in the number of registered unions is evidence more of the mushroom growth of unions rather than of a normal increase in their number. It would also appear that the increase in the number of unions is due more to new rival unions being formed in large units rather than of new unions being formed in small establishments where none existed before. Even trade unions often find it unrewarding to spend time and energy to take up the difficult task of organising workers in small units. The result in the States with predominance of small units is obvious : small units with small numbers employed and often located outside of main industrial centres, have largely remained untouched by trade unionism. Even otherwise, the pattern of growth of trade unions in general has shown several weaknesses, the most important being the preponderance of small unions, financially weak and organisationally unstable. The multiplicity of unions has led to inter-union rivalry and to some extent, their inability to secure recognition from the employers. Such unions are still largely preoccupied with raising demands on a competitive basis and taking part in the proceedings before Conciliation Officers.

Labour Courts and Adjudicators with little time left for their positive role of developing better understanding between employers and workers; much less have they time and resources to devote for the many-sided development of the trade union movement or for looking after the social and cultural interests of their members. Mainly for these reasons, many trade unions have not been able to play a very effective role either as agencies for collective bargaining or for representing and promoting the wider interests of their members.

4.3 We feel that the trade unions should be enabled to play their role better and more effectively if a lasting improvement in labour-management relations is to be brought about. This could not be achieved, without the introduction of certain basic and essential reforms. There is urgent need for improving the quality of the trade unions through a tightening up of the conditions for registration, through a more stringent regulation of their finance, by providing for recognition of a representative union by the employers and, in general, toning up the organisational aspects of trade unions. We recognise that any reform in these directions will have to conform to the democratic framework of our society and not on an authoritarian procedure. To that extent, it will have to take into consideration the historical processes that have moulded the Indian Trade Union movement and structured it into certain patterns. No violent break or wholesale reversal of these trends is possible or desirable. At the same time, certain measures are needed which would help arrest the undesirable trends in the present trade union situation and set the movement on the road to stability and self-fulfilment. Only then can the trade unions be expected to discharge not only their traditional functions of defending and promoting the economic interests of their workers, but also to enlarge and widen the scope of their activities to cover the promotion of the workers' interests in other fields also.

4.4 Keeping these considerations in mind, we suggest in the following paragraphs certain measures in regard to the major issues relating to trade unions.

Registration of Trade Unions

4.5 Under the Indian Trade Unions Act, any 7 persons can form into a trade union and get it registered. This provision has been held responsible for the emergence of too many small trade unions. The provision in the Industrial

Disputes Act which enables any registered union to raise matters before a Conciliation Officer or a Tribunal has further encouraged the tendency for the formation and continuance of small unions. The creation of a large number of small unions is bad not only for the unions themselves but for the movement as a whole; it creates rivalries and to the dissipation of the small funds available to the movement. Moreover, small unions, mostly minority unions, are ineffective in their dealings with employers and do not have the resources necessary to do much for their members. Since they produce no results worth the name, even the members of the unions lose faith in the movement. The growth of small unions can be prevented either by prescribing the fulfilment of certain minimum qualitative standards for registration or by giving the right of representation before Conciliators, Tribunals etc., only to the majority union recognised as a representative union. The latter, while it may render ineffective and ultimately eliminate the small minority unions, will not be an adequate remedy to prevent the emergence of a large number of small unions. Formation of numerous small unions can effectively be prevented by tightening up the requirements for registration of unions, the most important in this regard being to raise the minimum number required to form a union.

4.6 We are not, however, in favour of any step which would interfere with the freedom of the workers to form their own associations. Even with the present low number, (7) required, workers have been finding it difficult to form trade unions as is clear from the fact, that in a large majority of units, workers have not formed unions. At the same time, the minimum number required to form unions in bigger units should be somewhat higher, high enough to discourage any but the genuine unions organiser from getting a union formed and registered, and at the same time not so high to act as a deterrent to the formation of unions in general. Considering that nearly 85% of the factories in this region employ less than 100 workers, a large majority considerably less than 50, seven would constitute a fairly high percentage in a majority of units though not in the case of large units. We suggest that the minimum number should be fixed at 7 persons or 1 per cent of the regular employees in the unit covered, whichever is higher. The formation of multi-plant general unions alone can overcome the difficulty of trade union organisation in small units. In industrial

centres where small units predominate, it will be in the interests of both the workers and the management that industrial/general unions are formed, covering several or all the units in an industry rather than having a large number of small single-plant unions. Where the units are large-sized and the unions are to be organised on a plant basis, the requirement of a minimum percentage will ensure the formation of unions which can be expected to be viable.

4.7 Another direction in which there is urgent need for reform in the provisions of the Trade Union Act is in the matter of the powers of the Registrar of Trade Unions, especially with regard to :

- (1) Cancellation of registration of unions; and
- (2) Registration of election of office-bearers.

At present the registration of a union can be cancelled by the Registrar under Section 10(b) if a union fails to submit the annual return or wilfully contravenes any provision of the Act. The existing provision is too inadequate even if it is strictly applied, which however, is not the case. Moreover, in the absence of provision for recognition and the consequential benefits and rights, the loss of registration tends to be taken lightly in many cases. But this position will change, once unions are assured the rights of recognition and representation under law and when registration is made a basic condition of eligibility for recognition. We feel that empowering the Registrar to cancel registration of unions in specified circumstances and also its proper enforcement will improve the functioning of the unions and improve their quality.

4.8 It is suggested that in addition to the existing provision, the Registrar should have the powers of cancellation of registration of a union for the following reasons as well :—

- (a) Failure on the part of the Union without sufficient cause, to observe the byelaws of the Union, specially those relating to holding of elections of office-bearers ;
- (b) Unions whose registration has been cancelled should be entitled to make an application for re-registration but should be required to pay a heavier fee for registration, say, five times the original fee prescribed for registration;

- (c) As regards appeals against the orders of the Registrar, it would be more appropriate to provide for such appeals to the Labour Court rather than to the Civil Court as at present.

4.9 The position regarding the powers of the Registrar of Trade Unions in relation to the entry of the names of office-bearers of a union also needs clarification whether he is to merely record the changes intimated or whether, in cases of disputed elections, he has the power to enquire into it. With intra-union rivalries becoming quite common, the setting up of some authority to enquire into disputed elections seems necessary. We are not, however, in favour of the Registrar being saddled with this function, which can more appropriately be entrusted to a Labour Court.

The Problem of 'Outsiders' in Trade Unions

4.10 The problem of the outsiders in the trade unions has been a much debated one. Although opinion is divided as to the present role of outsiders in the trade unions and the desirability or otherwise of allowing them to continue, there is unanimity that the outsider—meaning generally the non-worker—has played a vital role in the growth of the movement in India, particularly before Independence. It is also admitted that but for the zeal and fervour of the outside leader the trade unions in India would not have attained even the present stage of development. As regards their present role, it can be argued that the outsider, meaning a non-employee who devotes his full time to trade union work, has a definite place in the trade union organisation today and his elimination therefrom may only weaken the movement, at least till such time as the trade unions throw up their own internal leadership.

4.11 There are certain factors in the present situation which tend to perpetuate the association of the outsider in the unions. These are the general illiteracy among the working class which makes it difficult for a sufficient cadre of internal leaders to emerge, the complicated nature of industry and the legal frame-work which requires the whole-time attention of office-bearers, and above all, the unhelpful, even antagonistic, attitude of some employers and the fear of victimisation. It is also held that as many of the outsiders are of a social status nearer approaching to that of the Managers and Government Officials, these respond better than if approached by the workers direct.

4.12 The real difficulty arises from there being different types of outsiders. At one extreme is a person who has devoted his life to the cause of the working classes, working with a true missionary spirit. On the other may be a leader in a factory who is one previously dismissed from the same unit for serious misconduct. It will be impossible to have words inserted in a law by which the different types can be distinguished. Either all outsiders will have to be eliminated or the present position allowed to continue. What is important is the emergence of 'good' leadership, whether 'inside' or 'outside'. After careful consideration, we feel that the time is not yet ripe for wholesale elimination of outsiders through any legal provision. The sounder method is to build up leadership from among the workers themselves and, in this process, the need of outsiders will gradually decrease and, let us hope, completely disappear eventually.

4.13 However, in order to hasten the process of building up from within, we would favour the reduction in the legal limit of the number of 'outsiders' who can be office-bearers in a trade union to one third of the total. By definition, the term 'outsider' should exclude any person who has worked for a period of at least 5 years in any industry. It should also exclude any person who has been a whole-time trade unionist for at least 5 years. Simultaneously, there should be an intensive programme for educating workers in trade unionism and training cadres in leadership. There can be no better means of developing internal leadership. The workers' education scheme can, and is indeed playing an important role in this regard, by devising suitable courses for the training of trade union workers. The Central Trade Union Organisations should also pay greater attention to sponsor schemes for training workers in trade union work.

4.14 A factor often inhibiting the emergence of inside leadership is the fear of victimisation at the hands of unsympathetic or unscrupulous employers. The present provisions regarding protected workmen, etc., do not seem to provide adequate safeguards against victimisation and there is need for ensuring more protection to office-bearers of trade unions. For this purpose it will be necessary to enact legislation defining, prohibiting and penalising of unfair labour practices. This law should clearly prohibit employers from (a) interfering with, restraining or coercing employees in the exercise of their right to organise and engage in normal trade union activities; (b) dominating or interfering with the forma-

tion of unions or aiding or supporting unions of employees; (c) encouraging or discouraging membership in any union; and (d) refusing to bargain collectively with a union representing majority of employees. The enforcement of the provisions of such a law can be entrusted to a regular tribunal or court. Reinstatement of dismissed workmen, payment of back wages and similar remedies should be made available under the special law to workers who are victims of such unfair labour practices.

4.15 A further issue is in regard to transfers. At present, transfers are the absolute right of management, and normally, this should be so. But there is no denying that a transfer of an office-bearer of a union can be used as an effective weapon of victimisation. We recommend that where a tribunal or Court is satisfied that a *prima facie* case of victimisation has been revealed, the investigation of the propriety of a transfer should not be barred.

Multiplicity of Unions

4.16 As pointed out earlier, one of the factors that has greatly contributed to the weakness in the Indian Trade Union movement has been the multiplicity of unions and the inter-union and intra-union rivalries resulting therefrom. The main factors responsible for such multiplicity are the influence of outside leadership and political parties, the absence of any provision for recognition of a union as a representative union, and the legal provisions which enable any registered union to raise disputes on behalf of workmen, under the Industrial Disputes Act. Broadly speaking, all the three parties under the industrial relations system have contributed to the multiplicity of unions, the trade unions because of their political affiliations and outside leadership, the ideological and personal differences and careerism on the part of some union leaders; the management through its own brand of politics and its efforts to set up company unions, and the Government through its labour policy particularly the provisions relating to the setting up of unions under the Indian Trade Unions Act and the facility given to any union irrespective of its size or quality for appearing in any proceedings before a tribunal or court on behalf of workers. There can be no two opinions on the deleterious effects of such multiplicity. It has resulted in weakening the unions' rivalry, weakened the bargaining power of the union vis-a-vis the management. The only effective and permanent remedy for the elimination of multiplicity of unions is the emergence

of an integrated and unified trade union organisation; this will depend primarily on the efforts of the trade union leadership itself, although the process can be encouraged and accelerated by a helpful attitude on the part of the management and regulation by the Government. Real improvement could be expected only if the unions and the union leaders evolved a common policy of conduct in regard to establishment of new unions and made genuine and determined efforts to avoid multiple unionism. Legal provisions for recognition of a representative union and conferring certain rights and privileges on it would also go a long way towards this objective.

Recognition of a Representative Union

4.17 Next to the principle of independence of trade unions, industrial democracy implies that only trade unions can properly represent the industrial interests of the working class and that the majority union should have the right to sole representation. The principle that workers ought to have the right to organise and to bargain collectively is seldom challenged, although in practice the attitude of the employers has not always been in favour of such recognition. Trade unions cannot become strong or effective if other agencies step in to represent workers' interest, nor will the movement be strong if a number of unions are allowed to represent those interests. From the point of developing strong and effective trade unions and promoting collective bargaining as the most important method of settlement of disputes, recognition of representative union is fundamental. This would also be the most effective method of reducing the multiplicity of trade unions and avoiding the fragmentation and divisions which have been the curse of the trade union movement.

4.18 That the desirability and need for such a provision has been long recognised, is evident from the attempts made from time to time—first in the amendment incorporated (but not enforced) in the Indian Trade Union Act in 1947 and later in the provisions incorporated in the Code of Discipline in Industry. However, the provisions in the Code of Discipline in regard to recognition of unions do not appear to have worked quite satisfactorily mainly because of the resistance from employers to abide by a provision which has no legal sanction behind it. The procedure laid down for the verification of the majority unions, etc. have also led to considerable dissatisfaction. Apart from allega-

tions of partisan considerations entering into the process of verification of membership of the contending unions, the process of verification has often involved long delays leading to frustration and strife. In fact, to day there is a general feeling for evolving a more expeditious and a more acceptable method. We feel that the right of recognition and collective bargaining should be secured to trade unions through law. Unions desiring to secure that right can be required to fulfil certain conditions regarding membership and methods of work. But once those conditions are fulfilled they must be eligible to seek the right to represent the workers. The most important problem that arises in this connection is the procedure for ascertaining which of the many contending unions is the majority union and this indeed is the major bone of contention.

4.19 The Code of Discipline lays down a certain procedure for deciding on the majority union. The laws of certain States also have provisions regarding selection of recognised and representative unions. The State which enacted the earliest legislation on the subject falls outside the region covered by this group. Various suggestions put forward from time to time are well known *e.g.* whether decision should be on the basis of ballot, whether the ballot should be secret or open, whether voting rights should be restricted to union members or to all workers and so on. As many points might be raised in support of each proposition as against it. The subject is one of All India importance and the group does not feel that in the circumstances, it is in a position to make any specific recommendations. We can only stress that some suitable method acceptable to all trade union organisations should be evolved as early as possible and that this will have to be through legislation. Voluntarism has clearly failed and only resulted in the present highly confused state of affairs.

4.20 Once selected, the recognised union should enjoy that status for a period of at least two years and it should have the right to continue to enjoy it beyond this period as well unless its recognition is challenged by a rival union and set aside.

4.21 As regards the rights that should be enjoyed by the recognised union, we will only say that it should enjoy the sole right to represent the employees in the undertaking or industry in all industrial matters. In order to enable the recognised union to effectively discharge its functions as the

sole representative of the workers' interest and as the agency for collective bargaining with the employer, it should be given certain facilities. Among these are, the right to collect membership fees etc., on the premises, to hold meetings, and to put up notice boards and to be represented on all bipartite consultative bodies such as Works Committees, Welfare Committees, Joint Management Councils, etc. Reasonable facilities should also be given to the secretary and/or a few specified office-bearers, of the representative union, to attend conciliation proceedings, adjudication proceedings, etc. without loss of earnings. In particular, we would suggest that the recognised union should be given the facility of check-off. We are not however in favour of the recognised unions being given the right to union-shop.

4.22 One problem that arises in connection with the recognition of the majority union as the sole bargaining agent is the nature and extent of the rights which may be given to the unrecognised unions. The Indian Labour Conference has suggested earlier that unrecognised unions enjoy the right to represent individual grievances relating to discharge, dismissal, etc. of their own members. It may be held that continuance of this right might, to a certain extent, reduce the strength of the majority union. But doing away with this right might amount to coercing every worker to join the majority union whether he likes it or not. On balance, we recommend that the existing limited rights of the non-recognised unions should continue and should also be given legal status.

4.23 In certain modern industries with highly complex plants and technical organisations, workers may organise themselves more and more into category-wise craft unions, a tendency which is already evident and which may grow further. The question may arise whether these craft unions, if they seek the right to representation as the bargaining agent for that category or craft concerned, should be given that right; whether it would conflict with the suggestion that the majority union in a plant or industry should be given the right of sole representation. The consensus at the Indian Labour Conference on this issue was that departmental or category-wise unions should be discouraged. While we agree generally with this view, we do not think it would be prudent to deny recognition to representative craft unions in certain circumstances; nor does it seem to conflict with the proposal for sole representation, as it is quite conceivable to

recognise several craft unions in a plant or industry provided that their respective jurisdictions are clearly defined and steps are taken to eliminate the possibility of overlapping, encroachments and conflicts. However, where there is already a general union functioning, attempts to split and establish category-wise unions should be discouraged by the imposition of suitable conditions such as a high percentage of memberships among the concerned category or craft etc.

4.24 For deciding the majority union, for certifying the recognised union as the bargaining agent, for determining areas of bargaining, for deciding issues of unfair labour practices and dealing with other related matters, it would be desirable to set up a judicial agency independent of the normal labour administration machinery. Such an independent machinery alone will be able to inspire confidence among the rival unions/parties and will eliminate suspicion of favouritism, etc.

Union Security Provisions : Union Shop and Check-Off

4.25 Where unions are fairly well established, one of their legitimate and logical objectives is to bring about a situation in which all workers in the relevant plant/industry/trade belong to the union. Such a situation can be brought about either through pre-entry (or closed) shop or post-entry (or union) shop ; the more common method being union-shop ; *i.e.* where employees are required to become members of a union subsequent to their engagement, although membership of the union is not made a necessary precondition of employment. The problem will assume greater importance when provision is made for the recognition of a representative union. If a union is to be an effective collective bargaining agent and is to fulfil its obligation to maintain peace and order and the agreed momentum of work, it will be better able to do that only if all employees in the plant/industry are subject to its discipline.

4.26 There is also one material factor in favour of closed/union shops. When a trade union, after great efforts, gets certain concessions for its workers both members and non-members of the union are benefited equally. The members who pay their subscriptions are, therefore, paying for the services rendered, not only to themselves but also on account of the ticketless travellers. This causes a just resentment. If with the increased scope afforded to the representative trade unions, through the measures recommen-

ded by us, even larger benefits are secured, the resentment will also increase. Enlarged activities will need correspondingly larger funds and while non-members will still remain untouched, paying members will be called upon to pay more and more.

4.27 In spite of these reasons in favour, we do not consider that the time is yet ripe to attempt any legal measure in the form of either closed or union shop. The appropriate time for considering this will be only after the system of recognising the majority unions as sole bargaining agents has been introduced and amply tried out. In the present circumstances, when even the initial determination of the majority union is fraught with several complications and can succeed only with the active co-operation and good will of the various contending organisations, any attempt to give the benefit of union-shop to the recognised union (which will in effect mean conferring that recognition permanently) is likely to encounter serious opposition.

4.28 Some remedial measure is, however, needed, to remove or at least reduce the anomaly mentioned in para 4.26. We recommend that where a representative union exists in a unit, all workers in that unit should be required to join either that union or any other union of their choice. This recommendation might appear unusual and as if the group itself is encouraging multiplicity of unions. But we feel that if everything works well, this will be only a temporary phase. Once every worker realises that he has to pay for services received, many can be trusted to see that their money is properly invested; and before long they will realise that it is to their advantage to put the money in the union which is in a position to deliver the goods. Union shops may thus be gradually built up without the compelling hand of law.

4.29 In regard to check-off however, we suggest that this should be a facility or a right to be enjoyed by a recognised union, subject to the written consent of the worker concerned. It will no doubt help the union to improve its financial position as well as its organisation.

Formation of National Unions

4.30 While the idea of formation of one union for one industry is a laudable one, the practical difficulties in the way of its realisation seem enormous. The very size of the country and the diversity in the conditions from region to region makes any such attempt difficult; the existence of a

number of rival central trade union organisations is another obstacle. However, the measures suggested by us earlier for the recognition of a majority union as the sole bargaining unit and other measures for the reduction in the multiplicity of units would create the necessary favourable atmosphere for the various recognised unions in an industry in an area or region or even at the national level to come together into larger unions for purposes of effective collective bargaining with the employers at the corresponding level.

Rates of Subscription of Union Membership

4.31 A perusal of the finances of trade unions in this region would show that the large majority of them have incomes of less than Rs. 500/- per year. The large majority of unions have no funds worth the name and cannot pay even for regular clerical assistance, let alone be able to employ whole-time office bearers or technical experts to assist them in negotiating with employers or carrying out research and studies to back up their claims. It can well be understood that unions with such meagre resources could be in no position to run the union efficiently, or provide any worthwhile services to their members.

4.32 A basic reason for the financial weakness of most Indian Trade Unions has been the small membership strength and the small contributions required of their members. Because of mutual rivalries and attempts by rival unions to attract more members, the unions' subscriptions are often fixed at as low as 0.25 paise per head per month and it is perhaps not quite uncommon that even these are not regularly paid or collected. Further, much energy and time of the officebearers of the union are spent in collecting the fees from members every month. Only a financially sound trade union can have the proper arrangements and can get the qualified expert services to take part effectively in any process of collective bargaining. If the unions are to become self-sufficient and strong, it is imperative that they become financially viable, and should have regular sources of income through membership subscriptions and not depend too much on *ad hoc* sources like donations, etc. The old argument that the Indian worker is poorly paid and cannot afford to pay anything but nominal fee for his trade union membership is not quite convincing today when the workers' wages as well as his trade union consciousness have considerably increased.

4.33 The time has come when a bold departure has to be made if the unions are to get out of the vicious circle of low subscription rates, poor finances, weak unions and inability to deliver the goods. We consider that a payment of a minimum of 1 per cent of the wages of a worker (basic wage + D.A.) subject to a minimum of Re. 1/- p.m. as monthly subscription would be quite within the paying capacity of the ordinary Indian worker. If the union leaders can convince the workers of the need for their joining the union and the benefits that the union can secure for its members, there would be no resistance from the workers' side to paying subscriptions at a reasonable rate. In certain sectors of industry or certain areas, it should be possible for the unions concerned to collect a higher rate of subscription. Payment of proper rates of subscriptions would also help indirectly in the toning up of the working of the union. When the worker makes a reasonable payment he is more likely to take interest in the affairs and activities of the union; he will also expect a reasonable return from the trade union. The union leaders also will have to be more alert in attending to the workers' genuine grievances and secure redress. Since this will involve hard trade union work and is time-consuming, it will become difficult for trade union leaders to be the office-bearers of several unions as is sometimes the case at present. This, incidentally, will help to eliminate another obstacle in the way of consolidation of unions.

Employers' Organisations

4.34 In the system of industrial relations, the employers' organisation is the counterpart of the trade union. The legal definition of a trade union under the Trade Unions Act, in fact, covers employers' associations also. There is, however, a basic distinction between the two. Workers who associate together for common dealings with their employer or employers are almost invariably organised in a trade union. The employer, on the other hand, is already an organisation deriving strength from collective resources and collective action and sufficiently well-equipped with a labour or personnel department to meet trade unions on equal terms. Employers associate not merely for purposes of dealing with labour matters, but also to deal with trade matters, that is, technical matters, supplies, Government controls, cooperative research and even price fixation. The extent to which the labour side of the employers' organisation is developed depends on the extent of involvement of these associations

in collective bargaining and in the prevention or settlement of disputes in general. These associations have generally come into existence in response to situations created by the trade union action. In the absence of any effective procedures for collective bargaining at the national level in our country, the employers' associations at the centre have so far been dealing only with the representation of employer interests at the tripartite bodies and in advising their constituents in legal matters relating to the conduct of proceedings before adjudicators, tribunals, etc.

4.35 With the development of collective bargaining at the regional or national level, there will be a greater incentive for the employers' associations to equip themselves adequately to deal with various aspects of labour management relations; so that they are in a position where individual employers are able to draw upon the advice, guidance, technical services and assistance from the associations. Only then, when the Central Organisations are in a position to render active and valuable help to their constituents in industrial relations matters—will they be in a position to get their decision/commitments (on behalf of the employees as a body) willingly accepted and implemented. It would be desirable if employers also are organised on an industry-wise basis with regional or local organisations, depending on how collective bargaining develops. We consider it desirable that registration should be made compulsory in the case of employers' organisations also as already prevails in the case of trade unions.

Chapter V

INDUSTRIAL RELATIONS

5.1 We have noted in an earlier chapter that the present industrial relations policy of the Government, while it may have fulfilled the purpose of settling industrial disputes and to some extent in avoiding work-stoppages through appropriate procedures and machinery, has not been quite as successful in achieving the positive aspect of creating the necessary atmosphere and institutions and procedures necessary for good and harmonious labour-management relations ; that this failure was due largely to the undue emphasis on compulsory adjudication and the comparative neglect of collective bargaining. In the overriding presence of compulsory adjudication, few opportunities were given to or availed of by the machinery for bipartite joint consultation and collective bargaining to come into its own.

5.2 No system, however carefully designed, can entirely eliminate industrial disputes and conflict. But it can be so devised as to reduce the areas of conflict and to provide machinery for dealing with any differences or disputes that may unavoidably arise. In other words, while conflicts may arise, there should be arrangements to effectively deal with them. An analysis of the causes of industrial disputes in recent years seems to show that personnel matters i.e. disputes relating to recruitment, promotion, dismissal etc. and those relating to wages and bonus have accounted for the largest number. Whatever be the reason specified in the demand charter, much of the industrial conflict in recent years could perhaps be ascribed to certain general causes, such as the deteriorating economic situation, the galloping inflationary price rise, the non-implementation of agreements and awards, the atmosphere of apprehension in regard to the introduction of automation etc.

5.3 Whatever be the causes of disputes, most of them can be amicably settled, given goodwill and a desire to come to a settlement on the part of the employers and the employees. It is in this context that we attach importance

to procedures which will promote bipartite consultations and collective bargaining between the parties.

5.4 We feel that the time has come for a radical shift in the emphasis in our industrial relations systems, if it is to successfully strive for the realisation of the positive role assigned to it. There should be effective provision for joint consultation at the plant level and for the redress of day-to-day grievances. There should be provision for recognition of a majority union as the sole bargaining agent so that all disputes and demands can be considered and settled through collective bargaining. Government's role should be more in the realm of conciliation and mediation and less in the form of adjudication.

5.5 The most effective method for preventing industrial disputes and developing cordial labour-management relations would be by devising suitable and appropriate means and arrangements at the enterprise level for dealing with day-to-day grievances, and for resolving possible conflicts and frictions. Rules for recruitment, promotion etc. should be framed so as to eliminate industrial grievances—which when left unattended to, might accumulate and explode. When collective bargaining is fully developed, the constitution and functioning of a proper grievance machinery becomes a part of the collective agreement between the parties. Even otherwise, there should be a grievance machinery adopted in all undertakings—big and small. The pattern would naturally be different for big and small units and will have to be tailored to suit their requirements. In a small unit where there is, or should be, greater direct contact between the manager and the workmen, no elaborate procedure may be needed, or practicable; but some short procedure which enables the worker to approach the manager with his grievance should be devised and encouraged. In bigger establishments, there may be provision for a more elaborate procedure with a reasonable number of steps. An expeditious redressal is the essence of a proper grievance procedure. The time limits for the consideration of the grievance application at each stage should be reasonably short and should be strictly adhered to. The provisions in the model grievance procedure adopted by the 16th Session of the Indian Labour Conference can perhaps form the basis, with suitable modifications.

5.6 The first step in any good industrial relations system should be the existence of a proper and effective line of communication between the management and the

employees. Much of the conflict in labour-management relations arises because of misunderstandings and mutual suspicions. Hence the importance of proper communications to explain to the workers the how and why of any action taken or proposed by the management, and to apprise the management of the view-point of the workers. The supervisor at the shop-floor level is a key figure in this regard and should be recognised as an important channel of communication.

5.7 We consider that the personnel/labour officers have an important role to play in promoting and maintaining good labour-management relations. For them to be able to function effectively it would be necessary that they are properly trained and enjoy the status and independence to take decisions in their own sphere.

5.8 The need for the setting up of some machinery to promote joint consultation and amity and understanding between the workers and the management has long since been recognised. The Works Committees under the Industrial Disputes Act and the Scheme for Joint Management Councils are both steps in the direction of securing such joint consultation. In practice, however, both these institutions have failed to produce the impact expected, mainly because the right atmosphere of labour-management relationship was absent. The specific reasons for the failure of the Works Committees have been mentioned in an earlier Chapter.

5.9 The fact that these committees were constituted without reference to the trade unions in the establishment not only robbed them of workers' participation and interest, but often made them the object of the unions' opposition. The Works Committees can function effectively if workers' representatives thereon are appointed/elected in consultation with the recognised union in the establishment. A beginning can be made by laying down that the recognised union should have the right to nominate 50 per cent of the workers' representatives on the Works Committee. A clear demarcation of the spheres of activities/functions of the Works Committee and the union(s) will also help. The Works Committee should function mainly as a consultative machinery, a medium of information, an agency through which an efficient line of communications is established between the workers and the management. It can also be given certain administrative powers/functions

in regard to welfare, etc. and in its allotted sphere its decisions should be binding. But it should not be burdened with the functions of settling grievances or bargaining with the employer; these are functions which fall in the spheres of the grievance machinery and the recognised trade union respectively. The Works Committee shall have no power to deal with disputes concerning regulation of employment terms which is normally to be handled by trade union organisation according to the established procedures.

5.10. As regards joint management councils which are intended to give the workers an increased share in the affairs of the industry/unit and a sense of participation, the progress so far achieved, has not been reassuring. Under the present scheme which has been in force for nearly a decade, joint management councils have been set up in about 150 industrial undertakings in the country so far. The number of units having such councils is only ten. None of the large undertakings either in the public sector or the private sector has yet constituted a joint management council. Studies made into the working of these councils seem to show that their functioning has not been satisfactory. Some of the factors which have made such councils unattractive to most employers and unworkable in others have been :

- (a) Progressive employers who already have a system of consultation with their workers through a recognised union, works committee etc. find the joint management councils in its present form superfluous ;
- (b) Managements are generally averse to having a multiplicity of joint bodies such as the works committee, production committees, safety committee and so on ;
- (c) In undertakings in which industrial relations are not quite cordial and even bodies like the works committee, grievance procedure, a recognised union etc. are absent, joint management council cannot be expected to function satisfactorily;
- (d) Even the trade union organisations do not seem to be enthusiastic about the Joint Management Councils.

5.11. We feel that it is a matter which should be left to mutual agreement between the employer and the unions. Such an institution can function effectively only in an

atmosphere of good labour-management relations and mutual trust and goodwill.

Conciliation

5.12 Even with the development of collective bargaining, the conciliation machinery will still have an important role to play. If the transition from compulsory adjudication to collective bargaining is to be orderly and smooth, there will be need for conciliation machinery of a high order. The conciliator's job is to find a way or ways in which the parties may settle their disputes by mutual agreement. It is not part of his duty to pronounce on the merits or demerits of a dispute and he must never make or allow himself to be led into making pronouncements which the parties might interpret as representing the basis on which he, the conciliator, thinks the dispute ought to be settled. That is the role of an arbitrator. So long as he has these limitations in mind and provided that his role is properly understood by the parties, the conciliator may put in any suggestion which occurs to him and which he thinks the parties might be willing to adopt as a basis of an agreement.

5.13 If the conciliation machinery is to function effectively—(a) it should be manned by well-trained officers in adequate numbers; (b) the officers should be empowered to enforce attendance of parties before them on production of required documents; (c) stages and time limits for disposal of conciliation work may be laid down. It is also necessary that the officers of the conciliation machinery should be allowed to concentrate their attention on their main functions and not be burdened with miscellaneous duties as is happening at the moment. To enable them to function more effectively and play their role even in relation to big managements the conciliation officers should enjoy suitable status and emoluments. There should be facilities for enabling them to learn new techniques in conciliation and mediation through refresher courses, etc.

Adjudication

5.14 The relative merits and demerits of collective bargaining and compulsory adjudication as alternative methods of regulating industrial relations and settling industrial disputes have been long debated. Our own industrial relations system has been based on the acceptance of the adjudication as the final means of settlement of disputes although the desirability of promoting collective bargaining

and the need for increasing application of it has been recognised and stressed. In practice, however, the system has weighed heavily in favour of compulsory adjudication. The availability of compulsory adjudication has almost completely inhibited the development of collective bargaining.

5.15 The reliance on compulsory adjudication was justified on grounds of necessity as well as expediency; the poorly organised trade unions were not in a position to bargain effectively with employers on a footing of even near-equality; compulsory adjudication would provide the balancing factor, and also help strengthen the trade union movement, and the needs of planning and economic development require continued and unhindered production and industrial peace; which may be endangered if the field was left free for collective bargaining. The experience of the past two decades, however, has amply demonstrated that these expectations have not by any means been fulfilled.

5.16 One has to admit that in the complex economic and political situation we are in today, it is no longer possible to rely exclusively either on collective bargaining or on compulsory adjudication as the basis of our industrial relations policy. The requirements of national economic policy make it imperative that State regulation has to be resorted to even when collective bargaining is the main method of regulation of labour management relations. Thus, it has to be a combination of both, with increasingly greater scope for and reliance on collective bargaining.

5.17 The growth of collective bargaining, however, requires certain preconditions such as a literate working class, strong trade unions and also a willingness on the part of the unions and the management to a system of settlement through compromise and negotiation. Acceptability of collective bargaining also becomes difficult if the parties have already become used to a system of compulsory adjudication as is the case in our country. Thus any violent change replacing adjudication by a system of collective bargaining would be neither practicable nor desirable. The process has to be more gradual and phased. To start with, during the first phase, the attempt should be on bringing about a greater acceptance of collective bargaining and restricting the availability of compulsory adjudication while at the same time promoting measures for the growth of strong trade unions and giving them powers and rights for recognition and negotiations with the management. During the period of transition,

the State may hold the ring, but without being tempted too often to enter the ring. It should be only in exceptional cases where the merits of the situation justify it and when public services or the general welfare is threatened by the continued strife that the State may step in and refer the matter to adjudication. The success of this system would, however, depend on the restraint and self-control that the Government can and does exercise in a given situation. The position can be reviewed after say, ten years, when the second phase could be started. During this stage, compulsory adjudication should be available even as a last resort, only in certain specified economically important industries and public utility services.

5.18 *At the same time, there will be certain sectors of industry where one cannot visualise the growth of strong trade unions capable of taking over the functions of collective bargaining in the near future. In such cases the State should continue to have the responsibility of laying down statutorily certain minimum conditions of employment regarding wages, working hours, leave, security etc. This perhaps would lead to certain amount of disparity between industries which are unorganised and where law has prescribed only the minimum conditions and others in which strong trade unions exist and are capable of negotiating and obtaining better conditions, but such a disparity is perhaps inevitable in any system.*

5.19 *In the preceding sections of this part of the report, we have made a number of recommendations and suggestions as to directions in which certain changes are to be made in existing laws. We have also dealt with certain other matters which in the light of experience should now be regulated through legislation. We recognise that legislative compulsion, at the best, is only an unavoidable evil and more recourse to voluntary methods should be encouraged, thereby correspondingly reducing resorts to courts and litigation. All these recommendations apply equally to any other part of India as well. Whatever the legal position, it would be wise as far as possible, if labour problems are not subjected to State boundaries. Nevertheless, every region will have some problems needing greater attention. In the light of some of the special characteristics of this region, described earlier in this report, we now make the recommendations on a few such problems.*

5.20 *The region is predominantly agricultural and*

statistics of the growth of industry show that this position will continue for quite a long time to come. Though it has been recognised that protective legislation and standards should not be the monopoly of industrial labour alone, the fact remains that little has yet been done for agricultural labour. There is obvious need for stepping up plans for improvement of working and living conditions of agricultural labour, in this region particularly. The rapid growth of small industrial units in several parts of the region, sustained by agriculture and livestock, is another factor for our stressing this greater attention to agricultural labour. Some differentiation between industrial and agricultural labour is inevitable and justified also, due to the greater stress and strain and other conditions in which industrial labour works. But a growing increasing disparity between agricultural labour and workers employed in semi-rural industries will create problems and difficulties in years to come.

5.21 It is often urged that one reason for not enforcing protective legislation for agricultural labour is because of the difficulties in the way of implementation. We do not consider this an adequate justification. Even in respect of other labour laws, there has been nothing like cent per cent implementation. Yet the laws have, by and large, served their purpose. Matters could also be made easier, if instead of making out a big list of ameliorative measures and effecting none, a modest beginning is made in regard to at least one or two matters. The Minimum Wages Act, enacted two decades ago, has still not been fully implemented in regard to workers in agriculture. The hopes to secure homestead plots for landless labour have still a long way towards realisation.

5.22 We have stated earlier that small units predominate in this region and this feature continues. There is no reason to think that this will not continue for many years to come. Many of these units being in remote or isolated areas, the workers have not been able to form trade unions worth the name. Larger unions have difficulties in admitting these workers into their fold as rendering of effective services to such workers in such scattered units may prove impracticable and too costly. Further, as we have noted, the workers in these units have also their own reasons for preferring to be outside the trade unions. Similarly, many of the very small units may not be covered by some of the labour laws or the more elaborate forms of machinery

described earlier which are more suited for the larger units. Even in many cases which are covered, practical difficulties could make it impossible for the workers in the small units to get the full benefits. In theory, everybody is equal in the eye of law. But in practice, one cannot expect the workers in a small unit employing, say, ten workers, to have the money and other resources to fight out their claims through a series of courts right up to the Supreme Court.

5.23 The situation just described is no different from what prevailed even in the large industries half a century ago. Trade union movement was in its absolute infancy and workers were weak. Putting up of demands, collective bargaining etc. were unheard of. Grievances and hardships had to be pocketed as any complaint might have entailed loss of job. As everything was outwardly calm and quiet, managements did not worry about setting up any machinery to encourage mutual consultation or consideration of grievances. No wonder then, that when trade unions were established, the workers' attitude swung to the other extreme. Similarly, it would be a short-sighted policy to think that nothing need be done in regard to labour in the small units merely because some are outside the purview of the law, workers are weak and unorganised and there are no trade unions to bother about. The preferable and long sighted view should be to attempt to give workers in these small units some simpler machinery as a substitute for the ones which those in larger units get through their trade unions and other formal bodies. We repeat this recommendation though we have already touched on it earlier. Such a machinery will have to be voluntary and can be successful only if the managements themselves take an active part in its establishment and functioning. The obvious and simplest form of machinery in small units will be informal periodical meetings between the proprietor/manager and his workers for an exchange of views. Such a personal touch would make it easier to bring about an understanding and appreciation of each other's problems. If the managements adopt a humane and progressive attitude to the problems and the needs of labour, they would undoubtedly be rewarded by lasting industrial peace and increased productivity. Indeed, if this form of machinery works well, they may become even more effective than a mere application of a labour law. For instance, let us assume that all units are required, by law, to notify rules relating to recruitment, promotions, etc.

In a small unit of a few workers of equal grade, such rules may prove redundant and of little value. Instead, the workers may rather prefer a personal explanation from the manager if they feel that one among them was arbitrarily given an increment in pay, and it is on such minor issues that grievances could start building up.

5.24 We do not think this question of setting up informal consultative machinery in small units has received adequate attention in the past. We recommend that it should do so in future. Though the machinery will be voluntary, the State Labour Departments and Inspectorates could give a helping hand.

Chapter VI

SUMMARY OF RECOMMENDATIONS

1. The trade unions should be enabled to play their role better and more effectively if a lasting improvement in labour-management relations is to be brought about. (4.3)

2. The minimum number required to form a trade union should be fixed at 7 persons or 1 per cent of the employees in the unit covered whichever is higher. (4.6)

3. In addition to the existing provision, the Registrar should have the powers of cancellation of registration of a union for certain other specified reasons. (4.8)

4. The setting up of some authority to enquire into disputed elections of union executives seems necessary. We are not, however, in favour of the Registrar being saddled with this function, which can more appropriately be entrusted to a Labour Court. (4.9)

5. It does not seem necessary to attempt the wholesale elimination of outsiders through any legal provision. The sounder method is to build up good leadership from among the workers themselves and, in this process, the need of outsiders will gradually decrease and may completely disappear eventually. (4.12)

6. We favour the reduction in the legal limit of the number of 'outsiders' who can be office-bearers in a trade union to one third of the total. (4.13)

7. It will be necessary to enact legislation defining, prohibiting and penalising unfair labour practices. (4.14)

8. Real improvement in regard to multiplicity of unions and inter-union rivalries, could be expected only if the unions and the union leaders evolve a common policy of conduct in regard to establishment of new unions and made genuine and determined efforts to avoid multiple unionism. (4.16)

9. The right of recognition and collective bargaining should be secured to trade unions, through law. (4.18)

10. For the determination of the majority union for purposes of recognition, some suitable method acceptable to

all trade union organisations should be evolved as early as possible; and this will have to be through legislation. (4.19)

11. The recognised union should enjoy the sole right to represent the employees in the undertaking or industry in all industrial matters and general disputes. (4.21)

12. The recognised union should be given the facility of check-off subject to the written consent of the workers concerned. (4.21)

13. We are not in favour of the recognised union being given the right to union shop. However, where a recognised union exists in a unit, all workers in that unit should be required to join either that union or any other union of their choice. (4.27 & 4.28)

14. The existing limited rights of the non-recognised unions should continue. (4.22)

15. For deciding the majority union, certifying the recognised union as the bargaining agent, for determining areas of bargaining, for deciding issues of unfair labour practices and dealing with other related matters, it would be desirable to set up a judicial agency independent of the normal labour administrative machinery. (4.24)

16. Trade Union subscription should be fixed at a minimum of 1 per cent of the wages of a worker (basic wage + D.A.) subject to a minimum of Re. 1/-p.m (4.33)

17. It would be desirable if employers also are organised on an industry-wise basis with regional or local organisations depending on how collective bargaining develops. Registration should be made compulsory in the case of employers' organisations also, as already prevails in the case of trade unions. (4.35)

18. There should be provision for recognition of a majority union as the sole bargaining agent so that all disputes and demands can be considered and settled through collective bargaining. Government's role should be more in the realm of conciliation and mediation and less in the form of adjudication. (5.4)

19. The most effective method for preventing industrial disputes and developing cordial labour-management relations would be by devising suitable and appropriate means and arrangements at the enterprise level to ensure proper communications and for dealing with day-to-day grievances, and for resolving possible conflicts and frictions. (5.5)

20. There should be a grievance machinery adopted in all undertakings—big and small. (5.5)

21. Proper channels of communication between management and employees should be developed. The supervisor at the shop floor level is a key figure in this regard and should be given due importance as an important channel of communication. (5.6)

22. Works Committees should be made more effective. In its allotted sphere, its decisions should be binding. But it should not be burdened with the functions of settling grievances or bargaining with the employers. (5.9)

23. The setting up of joint management councils is a matter which should be left to mutual agreement between the employer and the unions. Such an institution can function effectively only in an atmosphere of good labour-management relations and mutual trust and goodwill. (5.11)

24. Even with the development of collective bargaining, the conciliation machinery will still have an important role to play. To enable this machinery to function more effectively, the conciliation officers should enjoy suitable status and emoluments. (5.12 & 5.13)

25. In the complex economic and political situation we are in today, it is not possible to rely exclusively either on collective bargaining or on compulsory adjudication as the basis of our industrial relations procedures. (5.16)

26. Collective bargaining should be given primary importance as the method for settlement of industrial disputes. (5.16)

27. The requirements of national economic policy make it imperative that State regulation has to be resorted to even when collective bargaining is the main method of regulation of labour-management relations. (5.16)

28. The attempt should be to bring about a greater acceptance of collective bargaining and restricting availability of compulsory adjudication while at the same time promoting measures for the growth of strong unions and giving them recognition as agents for collective bargaining. (5.17)

29. There is need for stepping up plans for improvement of working and living conditions of agricultural labour in this region particularly. Matters could be made easier if instead of making out a big list of ameliorative measures and effecting none, a modest beginning is made in regard to one or two matters. (5.20 & 5.21)

For the purpose of setting up informal consultative machinery in small units should receive greater attention. Such machinery may be voluntary, but the State Labour Department and Inspectorate could give a helping hand. (5.24)

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