Workers' Participation in Management: Experience and Expectations

DR. C. J. SAMUEL*

Workers participation in Management is not a new phenomenon to the students of industrial relations. The first theories of social change to gain widespread interest during the last 100 years were those of the Marxian Socialists. They believed that the only way of democratising the industry was by changing the relationship between producers and the means of production. The Social Reformist Movement which developed towards the turn of the Nineteenth Century and the early part of the Twentieth, sought to bring about this change by demanding nationalisation, that is, state ownership of the means of production. They wished progressively to eliminate the control of industry by private capitalists. The theory that there is a relationship between industrial democracy and efficiency was advanced at the time of the First World War. Under pressure to achieve greater productivity, many governments gave new powers to workers and their representatives. Joint Production Committees and Councils appeared and functioned in many branches of industry. While most of them disappeared after the War, they reappeared in different forms during the Second World War. After the Second World War, the policy of nationalisation, adopted by a number of countries provided for still more participation by workers. The nationalised companies became “Public Property” and hundreds of thousands of workers became “government employees.” The employer could no longer be seen as the traditional private capitalists, sweating his workers; it was quite possible for him to be a member of the trade union or a political leader of the workers involved. This created new con-

* Reader, Department of Law, University of Poona, Pune.
cepts in such enterprises of labour-management relation. In particular, it seemed possible for managers and workers to find a common language, to understand one another’s needs, to consult with one another and to work together for the same end.¹

In one form or other the concept of workers participation in management has been introduced and experimented in almost all industrialised nations during the last six decades. In West Germany, the Free Trade Union demanded co-determination in its tenth congress held in 1919. Works Council Law was passed in 1920. Today co-determination is the form of workers participation there. It has the statutory base in the Co-determination Act 1976 and Works Constitution Act 1972. In Yugoslavia, Workers’ Council, Management Board, Director, Local Peoples Committee are all parts of workers’ participation in management. It was in 1950 that the basic law introducing workers management was passed in Yugoslavia. In France, Workers Participation has been a spontaneous movement. The World War II shattered the French economy. Quite a good number of industries had to be wound up. The Workers formed their production committee and management committees. This movement was legalised by the Government, making it obligatory for all the industrial units employing 50 or more workers to form works committees under the Government Ordinance of 1946. In Israel too, the movement was initiated by the trade union - the General Federation of Labour (Histadrut) in 1948 with the formation of modern Israel. Workers’ Participation in Israel has been introduced in 5 schemes. At the enterprise level, workers’ committee, joint production committee, plant council and joint management board. In England, Workers Participation in Management has come into existence immediately after the Whitley Committee signed its report on July 1, 1918. The Committee’s report aimed at achieving close co-operation between workers and the management in two different ways, viz. (i) Joint Industrial Councils and (ii) Works Committees consisting representatives of management and workers in individual establishments. The Dutch System of co-determination has existed since 1971, and is required in all companies with a minimum capital of 10 million guilders.

and employing at least 100 workers. The system was proposed in 1969 by the Social-Economic Council which considered it desirable that both employers and share-holders should have confidence in the members of the supervisory council. But direct representation was rejected and a system of co-option was recommended in order to give a greater degree of homogeneity while giving owners and workers an equal opportunity to determine the number of members on the Board. The Danish Companies Act, 1973 gave the employees of the Companies, with an employment of at least 50 employees, the right to elect two members to the Board of Directors. In Sweden, voluntarism had been the critical word for many years. The Democracy at Work Act which became effective on January 1, 1977 replaced the old voluntary system and made it obligatory to place workers' elected directors on the Board. In Norway, the legislation of 1973 provided for 'company assemblies' with one third workers representation. In the U.S.A. collective bargaining is much widely used as the chief means for industrial democracy. However, the communication and consultation system which existed in 1920's is still in vogue in the American industry. In India, workers participation in management is almost in the pattern of the U.K. system and is in vogue since April 1, 1920.\(^2\) It will be seen from the types of workers participation in management experienced in the several countries that there is no precise meaning to the term workers' participation in management. Its meaning and scope vary from system to system and nation to nation. Participative management, industrial democracy, workers participation, co-partnership, co-determination, co-management are all related terms.

**Workers Participation in India - A Historical Perspective**

The industrial unrest which followed the close of the War led to an examination of methods adopted in Great Britain. Among these, the institution of works committees received attention at an early stage. In 1920, the Government of India, while starting joint committees in their presses, directed public attention to the possibilities of the idea being introduced in private enterprises. About the same time committees were formed by

Messers Tata at Jamshedpur and in at least one of the larger Railways. A committee appointed in Bengal in 1921, at the instance of the Legislative Council, to consider the causes of and remedies for industrial unrest, gave warm support to the idea: At the Buckingham and Carnatic Mills in Madras, a works committee was formed in 1922 under the name of the Workpeople's Welfare Committee. It was started by the management with the object of securing closer contact with the workers by the discussion and settlement of matters affecting their interests. ³

Encouraged by the result of the functioning of works committees in Tata Iron & Steel Company, Jamshedpur and Buckingham and Carnatic Mills in Madras the Royal Commission on Labour has suggested formation of works committees ⁴ and recommended broad guidelines in the following lines:

“What needs emphasis here is that, where there is a trade union, the employer should seek its collaboration and cooperation in the establishment and working of these committees, which should not be regarded or used as rivals to its influence. It is idle to expect that a committee, intended to forestall and prevent effective organisation on the part of workers will secure their confidence to any large extent. We are anxious that prejudice shall not prevent trade unions from securing the facilities necessary for their development, but it will be generally recognised that the employer has the right of exercising his own judgment as to the bonafides of a particular trade union. The workers representatives should have facilities for separate as well as for joint meetings; such meetings should ordinarily count as working time. The range of subjects should be as wide as possible. Finally and most management must be in sympathy with the idea and determined to do his best to make the committee a success. A manager (or other officer) with the will and ability to appreciate the workers point of view is the biggest asset, a committee can have. Where a suitable labour officer has been secured, he will naturally play a large part in the

³. Id., at p. 335.
⁴. Id., at p. 342
working of the committee. His position should enable him to see that the workers' case is adequately presented and he can act as their advocate when he is convinced that remedial measures are required. It is preferable that he should not act as the spokesman of the employers on the committee; this duty is best discharged by the manager or some other officer."^5

These recommendations remained in the report without giving a trial for over 15 years. The first attempt towards joint consultation was made in the Bombay Industrial Relations Act, 1946. Section 48 of the BIR Act provides for the constitution of joint committee for an undertaking or an occupation under the following circumstances:

(a) with the consent of the employer and the registered union for the industry for the local area.

(b) if an application is made by the registered union to the State Government and if the State Government directs, irrespective of the consent of the employer.

However, no joint committee shall be constituted in respect of an undertaking or occupation where there is no representative union unless not less than 15 per cent of the employers are members of a registered union. The number of members a joint committee shall consist of will be determined by the rules made by the State Government. Half of the members shall be nominated by the union from among the employees in the undertaking or occupation concerned, in the prescribed manner. The other half shall be appointed by the employer concerned.6 Decision of the respective representative union is binding on union and employer.7

The Industrial Disputes Act, 1947 in Section 3 provides for the formation of works committees in all industrial establish-

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5. Ibid
7. Section 53 of the Act.
ments employing 100 or more workers. The objectives of the works committee were to 'promote' measures for securing and preserving amity and good relations between employer and workmen and to that end to comment upon matters of their common interest or concern and to ensure to compose any material differences of opinion in respect of such matters. This being the object with which the works committee has been created by the Act as a statutory functionary, it is essential that the authorities who undertake the formation of such works committee as contemplated by the Act and not a Committee to subserve certain exclusive sectional interest.

It has been provided that the works committee shall consist of at least equal number of representatives of workmen and representatives of the employers. Malhotra assessed the experience of works committee and observed:

"In certain cases, works committee have functioned quite successfully to the mutual advantage of workmen and their employers in avoiding serious and difficult situations like litigation, strikes and lockouts, etc. Some of the factors that have generally contributed to the success of works committees are: (a) existence of co-operation and cordial relation between workers and the management and also Trade Unions, (b) sympathetic attitude by management, especially in encouraging workers to put forward their grievances and suggestions, (c) foresight of managements in having prior consultation with the works committees before bringing any changes in respect of welfare measures, service conditions etc., (d) higher education standards amongst workers, and (e) framing of model constitution and bye-laws for the works committees. On the other hand, there have been formidable difficulties in the smooth functioning of the works committees some of which are: (a) lack of appreciation on the part of the management and the workmen's representatives of the functions and significance of the committees;

8. These Committees are analogous to the Joint Production Committees in the United States, Russia and Britain. See ILO Publication, Studies and Reports A. No. 42 p.1.
(b) illiteracy and lack of understanding among the workers, especially those employed in backward areas; (c) disinclination of workers on the committee; (d) too high an expectation by workers from their representatives who being unable to satisfy the high expectations become unpopular and are disinclined to serve in the committees; and (e) lack of co-operation of the trade union leaders and in some cases even their opposition to the constitution and functioning of the works committees on account of the fear that their own representative character will cease if works committee function."

Various reasons have been given for their failure. The real reason lies in the fact that while there is no change of heart or outlook on the part of either the employees or the workers, the constitution of the works committees has been made a statutory obligation. Works organisation have attributed the failure to the unhelpful, resentful and even obstructive attitude of employers. They have also alleged that the unsatisfactory methods of election of workers' representatives, and the attempts of the management to secure the return of only persons of their choice, have contributed to it. Employers on the other hand attribute the failure to lack of co-operation from the trade unions. Whatever may be the reason, the fact remains that the hopes entertained in the works committees as a means of reducing industrial strike and misunderstanding and of resolving differences have not been fulfilled. 11

As on 31st December 1980 works committees were functioning in 588 establishments. 12

Besides the statutory measures, the Government of India endeavoured to promote workers involvement in the management areas. The Industrial Truce Resolution adopted by the Tripartite Conference held in 1947 has gone a step further and aimed at promoting labour management co-operation. The industrial policy resolution of 1948 also expected workers involvement in industrial management. The First Five Year Plan empha-

sised the need for encouraging works committees. The Industrial Policy Resolution of 1956 adopted by the Government of India advocated joint consultation between workers and employers as a means to maintain industrial peace and to improve industrial relations. The Governments have taken keen interest in the setting up of JMCs. The Third Five Year Plan has reiterated the policy of setting up of JMCs in all industrial undertakings where-in a certain number of workers were employed. A Study Group was set up by the Union Minister of Labour in order to investigate and report the working of the JMCs in 1962. It recommended that more stress should be laid on workers’ education, involvement of the middle management personnel and still more emphasis on sharing information. It was admitted that both ‘Works Committees as well as joint management-councils’ have failed in India. A number of reasons were cited for their failure but no concrete steps were taken to overcome the difficulties or change the pattern of participative structure.

After the declaration of national emergency in 1975, the Government of India made another effort to revive the system of participative management. This time the effort was to suggest ‘Shop Councils’ or ‘Consultative Committees’ as a measure of workers’ participation. Shop Councils have been introduced in October 30, 1975 in industrial units employing more than 500 employees and were required to constitute a Shop Council for each department or shop depending on the strength of employees working in departments and shops. The shop councils will have equal representation of employees and employer. The representatives of both the employers and employees would be persons from the Unit concerned. The employer would decide the number of shop councils and the number of the members in the Shop Council, in consultation with the workers or their unions. All the decisions of the Shop Council would be on the basis of consensus, but either party might refer the unsettled matters to the Joint Council for consideration. Every decision of a Shop Council would be implemented within a month and unless other-

wise provided in the decision itself a compliance report would be submitted to the Joint Council. The Shop Council would meet as frequently as necessary, but at least once a month. The functions of the Council would be to increase production, productivity, and overall efficiency of the Shop or Department and assist management in achieving production targets. Joint Councils were also required for every industrial unit employing 500 or more employees for the undertaking as a whole. The function of the Joint Councils was similar to that of the Shop Council. Joint Councils would meet at least once in three months. The Joint Council would deal, inter alia with matters relating to: (1) optimum production, efficiency and fixation of productivity norms of man and machines for the unit as a whole; (2) functions of a Shop Council which have a bearing on another shop or the unit as a whole and (3) matters emanating from Shop Councils which remain unsolved. Shop Councils and Joint Councils proved to be successful modes of participation during the national emergency.

Another scheme for workers participation in management in commercial and service organisations in the public sector having large scale public dealings and employing at least 100 persons was announced in January 1977. The issues thrown up by the working of the 1975 schemes was discussed at a Tripartite Labour Conference held in May 1977. On the recommendation of the conference, a committee on workers participation in management and equity, consisting of representatives of central organisations of employers and trade unions, some of the State and professional institutions of management was appointed in September 1977 under the Chairmanship of the Union Minister of Labour. This Committee favoured adoption of a three tier system of participation, viz. at the corporate level, plant level and shop-floor level. The committee laid down detailed functions of the various councils at shop-floor, plant and corporate levels. Its recommendations with regard to workers' representation in the Committees is at variance with the one laid down in section 3 of the Industrial Disputes Act 1947. The Committee recommended that workers representatives at the

15. See Supra. n. 8.
participative forums should be elected through secret ballot. It also recommended that an organisation be set up both at the Centre and the State to muster the implementation of the scheme as also to review its working. These recommendations though laudible, did not go through the implementation process.

**IDENTIFYING REASONS FOR THE FAILURE OF THE SYSTEM**

Every industrial relations system, no matter what its form, is a sub-system of the whole Social System. Hence its substance can only be understood within the frame work of that social environment from which it stemmed and within which it functions. There are a number of factors responsible for the failure of workers participation in Management.

1. **The Trade Union set-up:**

   If industrial democracy is to work effectively, a strong and sound trade union movement has to be built up. The situation in this regard leaves much to be desired. Political rivalries which often come in the way of settlement of disputes, lack of resources, disunity among the ranks, multiplicity of trade unions and lack of bargaining strength are the major ills that afflict trade unions in the country today. Except in the case of a few powerful organisations which have developed tradition and maintain high standard of efficiency and integrity, main unions in this country have lagged behind, and some or all these ills prevail in the trade unions today in varying degrees. The reasons for the present maladies are many, but it is clear that the laws relating to unions and industrial relations, based largely on condition obtaining in totally different times, require change. One of the cardinal reasons for a weak trade union movement is the apathy on the part of the government to give legislative sanction for recognition of trade unions.

   The problem of recognition of trade unions has been a lay debated question. As early as 1931, the Royal Commission on Labour stated that recognition of a trade union “may mean much

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or may mean nothing" and insisted that "the fact, unions consist of only a minority of employees, is no adequate reason for withholding recognition. Similarly the existence of two or more rival unions is not in itself a sufficient ground for refusing to recognise any or all of them. The Indian Trade Union Act, 1926, provided for the registration of trade unions, but did not include any legislation for their recognition by the employer. Though the Act was amended in 1947 to compel an employer to recognise a union under certain conditions, the amendment has not been so far enforced. That the need for a provision for union recognition has been realised is evident from the provision in the Bombay Industrial Disputes Act 1938 and its successor the Bombay Industrial Relations Act and certain other State Acts (Madhya Pradesh and Rajasthan). 17 The need for a provision for recognition of union was stressed in the Second Plan. 18 Because of the desire to go slow on legislation, recognition was provided for on a voluntary basis in the code of discipline. The National Commission on Labour thought a central legislation desirable in this regard and stated:

"It would be desirable to make union recognition compulsory under a central law, in all undertakings employing 100 or more workers or where the capital invested is above a stipulated size. A trade union seeking recognition as a bargaining agent from an individual employer should have a membership, of atleast 30 per cent of the workers in the establishment. If it is for an industry in a local area, the minimum membership would be 25 per cent. Where more unions than one contended for recognition, the union having a larger following should be recognised.

Serious differences exist, however, on the manner in which the following of a union is to be determined whether it should be by (a) verification of the fee paying membership of the unions or (b) election by secret ballot. The issue has long been debated in Central and State Legislatures, tri-

partite forums and public platforms but without reaching unanimity.”

This explains the reasons for multiplicity of Unions, a weak point in industrial democracy.

2. National Wage Policy

The question of wage policy is of great concern to labour, management and Government. Of all the problems that face the worker, that of wages is the most pressing and persistent. His earnings have the greatest significance for him, as they primarily determine his standard of living and that of his family. This is particularly so in India where indirect benefits by way of social services and social security are very limited. That these questions loom large before him is easily testified by the fact that most of the disputes in which he is involved centre around problems of wages. Michael compiled the percentage of wage disputes over the total disputes for ten years thus:

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A great variety of systems of wage payment have been developed in different industries in different countries. All these, however, may be regarded as variants or combinations of two fundamental systems, namely, payment by time and payment by results. Between the lower limit set by the minimum wage and the upper limit set by the living wage the actual wage will be paid to a worker, which will depend on several factors, such as the productivity of labour, the prevailing rates of wages, the levels of the national income and its distribution and the place of the industry in the economy of the country. So far as the

19. National Commission on Labour (1969) p. 329. Strikes in the recent years in the issue of recognition of trade unions has grown in alarming proportion both in number of work stoppages and in terms of the duration.
minimum wage is concerned, the most important, if not the all important, factor to be taken into consideration is the needs, at a given level, of the worker and his family. In the country, where there are still large number of workers in the unorganised sector of industry and in agriculture, the first step in the direction of a general levelling up of incomes and the improvement of the standard of living is the fixation of minimum wages at a level which will provide not only for the mere physical sustenance of the worker but also for some measure of education, medical requirements and amenities so as to preserve his efficiency. Therefore, the establishment of a national "minimum wage," namely, a wage below which no wage earner in the country should be paid, assumes special significance. The question was considered by the Central Advisory Board in April 1954. The concensus of opinion was that a beginning should be made towards fixing the national minimum wage. The Board felt that in view of the large differences in the economic conditions and the wage levels existing in various states and regions, provision should be made for the fixation of different minimum wage levels on the basis of appropriate area wise and employment wise classification. These recommendations are yet to be implemented. 22 To sum up the objective of a good wage policy it is apt to quote Giri 23 "A national wage policy must aim at establishing wages at the highest possible level, which the economic conditions of the country permit, and it also ensures that the wage earner gets a fair share of the increased prosperity of the country as a whole resulting from economic development." The Boothalingam Panel which submitted its report in May 1978, has suggested a minimum wage applicable to workers throughout the country. The study proposed a target of national minimum wage of Rs. 150 per month at 1978 prices, to be achieved in about seven years. To begin with, a national minimum wage, below which no regular employment will be permitted, is to be fixed at four rupees per day of eight hours of unskilled work for an adult or Rs. 100 per month. Revision is to be made every two years until the target of Rs. 150 per month is reached and thereafter every three years. The Third Pay Commission (1970-73) for the Central Government

23. Id., p. 218.
employees had also made certain attempts to workout the need based minimum wage. The Commission has worked out the need based monthly minimum wage of Rs. 314 to all workers. That the actual monthly wages of individual workers have been far below the need based minimum is apparent from the table (A).

In the absence of a national minimum wage for the organised sector, the rule that is followed is the capacity of the industry to pay. As laid down in Express News Papers v. Union of India, the relevant criterion should be the capacity of the industry in a specified region and to take as a guide a fair cross-section of that industry in the same region. When determining the capacity of an industry to pay, the tribunal must take into account the following factors meaning the elasticity of the demand for the product of that industry, the possibility of tightening up the organisation so that the industry could pay higher wages without difficulty and the possibility of increase in the efficiency of the lowest paid worker resulting in increase in production. The shocking figures of man days lost (given below in table B) in strikes and lockouts point out the dissatisfaction of the workers in so far as wages and dearness allowance are concerned.

As stated elsewhere, over one-third of the man days lost are on wage disputes. A substantial number of strikes lasted for several months and quite a few of them were settled at last conceding the demands for substantial wage hike. The present four month old textile workers strike in Bombay involving 2.50 lakhs workers also related to wage demands. It is illogical to propagate the concept of workers participation in management when there are concrete reasons for confrontation as against the expected co-operation.

THE ATTITUDE OF THE GOVERNMENT: PRECEPTS VERSUS PRACTICE

Any experiment in the industrial sector, to create an atmosphere of good labour management relations will have its
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<td>3300</td>
<td>2831</td>
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<td>3429</td>
</tr>
<tr>
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<td>2321</td>
<td>3040</td>
<td>3047</td>
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<tr>
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<td>2776</td>
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<td>3374</td>
<td>2615</td>
<td>4779</td>
<td>6135</td>
<td>5468</td>
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</tr>
</tbody>
</table>

Note:—The data given in the above table relate to workers earning less than Rs. 400/- p.m. upto 1975 and from 1976 onwards relate to workers earning less than Rs. 1000/- p.m.

Source: Labour Statistics (Government of India) 1977

Impact more on the public sector than on private sector undertakings. This is so because the percentage of public sector employment to total employment has ranged between 58 to 70 per cent in all the years. In 1951 there were only 5 public sector units with total investment of Rs. 29 crores. In 1961 there were 48 units with a total investment of Rs. 953 crores. In 1971, the number of units increased to two fold, 97 units and the investment grew five times, Rs. 4682 crores. In 1976 the government’s role in industrial sector touched an all time with 129 units with a total investment Rs. 8973 crores. The average daily employ-
### Table B:

<table>
<thead>
<tr>
<th>Year</th>
<th>Strike</th>
<th>Lockout</th>
<th>Total</th>
</tr>
</thead>
<tbody>
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<td>1970</td>
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<td>20563000</td>
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<td>1971</td>
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<tr>
<td>1973</td>
<td>13862000</td>
<td>6764000</td>
<td>20626000</td>
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<tr>
<td>1974</td>
<td>33643000</td>
<td>6619000</td>
<td>40262000</td>
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<tr>
<td>1975</td>
<td>16706000</td>
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<td>21901000</td>
</tr>
<tr>
<td>1976</td>
<td>2799000</td>
<td>9947000</td>
<td>21901000</td>
</tr>
</tbody>
</table>

Source: Labour Statistics 1977 (Government of India)

ment in Public Sector undertaking in 1976 was 13363000 against 6844000 in the same year in private sector industries. Public Sector employees are those workers who are working in the companies owned or managed by government including the nationalised banks. The employees of the departmental undertakings such as Post and Telegraphs, Defence Industrial units and various other Government Departments are government employees while the employees of public corporations and companies are public sector industrial workers. In matters like working conditions, payment of wages, industrial relations and social security, the enactments applicable to industrial labour in general apply to industrial employees of the Government also. However, all labour enactments do not apply to the industrial employees of the Government; for instance, the industrial employment (Standing Order) Act 1946 does not apply to workers to whom “the Fundamentaland Supplementary Rules, Civil Service (Classification, Control and Appeal) Rules, Civil Services (Temporary Services) Rules, Revised Leave Rules, Civil Service Regulations, Civilians in Defence Services (Classification, Control and Appeal) Rules or the Indian Railways Establishment Code or any other rules or regulations that may be notified in this behalf.

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by the appropriate government in the official gazette, apply. Similarly, Payment of Bonus Act, 1956 contain special provisions excluding or restricting the realm of that Act to public sector in certain cases.

Besides these differential treatments for public sector employees which of course, twist the scale to the side of the public sector employers, certain other practices prepare grounds for perpetual discontentments among departmental employees. In this area we may include trade union rights, the right to go on strike, the procedure and settlement of dispute etc. Even where the existing labour legislation is applicable to these departmental employees, exemption have been obtained from enforcement of certain provisions of labour enactments. The general atmosphere prevalent in public sector and departmental industries is best summarised in the following statement:

"The top boss of a public sector industrial unit is not empowered to initiate any commitments unlike in the case of a private industrial unit, even though his intentions are the best. He is expected only to sent his recommendations to higher authorities who need not necessarily be directly connected with the unit. While the industrial Dispute Act enables labour to seek constant wage revision upwards and bonus on profits, and because of this factor, no private sector management could get away with immunity in the matter of any unilateral changes, the public sector managements enjoy considerable amount of immunity from labour pressures in such matters. For one thing, very often Industrial Disputes Act is not applicable or is so administered by the State Government in favour of the public sector management that in effect labour has no recourse but direct action. Excepting very belated and posthumous Probes by Public Committees or Estimates Committees, Public Sector Managements enjoy the freedom of immediate accountability to any one. Secondly very few of the top public sector executives enjoy some authority have any long standing relation with the industry to which they are

placed because they are usually administrators put in charge of industrial undertakings only for a specified period. Before they get well acquainted with the unit and its environments, they are liable to be transferred to some other sphere. These perennial factors influence the labour management relations a great deal especially when major questions are involved. Thus there prevails an incompetence for exercising proper authority on the part of the top executive. It is inconceivable that in such circumstances workers’ participation can be gainfully employed in public sector undertakings.

**Conclusion:**

A stable industrial relations system leads to (1) mutual acceptance of the legitimacy of each other’s role and (2) mutual perception of interdependence. It creates a sense of belonging in the workers and a patronising responsibility in the management. A stable industrial relation system presuppose the existence of (a) a strong trade union movement (a) a need based minimum wage. While former may be realised by a legal frame work for recognition of trade unions, the latter namely a need based minimum wage and the wages at the higher levels of wages, may and can be introduced by convenient and just phasing, keeping in mind the extent of the capacity of the


28. The National Commission on Labour observed: When the system of union recognition becomes an accepted practice, both managements and unions will themselves gravitate towards greater cooperation in areas they consider to be of mutual advantage and set up a J.M.C See Report p. 345.

29. Although the breakup of the total time loss is not available according to the causes of disputes for the whole period, it would not be unreasonable to assume that the trend in time loss would be considerably influenced by disputes relating to wages and cognate issues they constitute nearly 40 per cent of the total number of disputes even now (see N.C.L. Report p. 223) Wage rates and differentials have a functional role in sustaining and developing the structure of society and thus merge with other elements of economic and social policy (N.C.L. Report p. 227).
employer to pay the same. This has to be a pragmatic process which the wage fixing authorities will have to keep in mind. It is illogical to think that in public sector undertakings the labour management relation would be conducive to result oriented 'Workers Participation in Management' so long as the industrial employees in those undertakings are not treated on par with the labour in private sector undertakings in the application of general labour laws and practices. This condition is in addition to those relating to recognition of trade unions and a need based minimum wage discussed earlier. It is expected that those conditions for successful industrial democracy will be met first before we introduce ideas like workers participation in management.