CHAPTER VII

CONCLUSIONS AND RECOMMENDATIONS

Importance of Coal in the Indian Economy

Coal is the most important source of commercial energy in India. According to the report of the Working Group on Energy Policy set up by the Planning Commission, coal accounted for 65 per cent of commercial energy generated in the country during 1978-79. The rapid increases in world oil prices since 1973 compelled the Government of India to make a complete reassessment of the importance of coal in the national economy.

The outlay on coal which was Rs.110 crores in the Fourth Five Year Plan had to be raised to Rs.1025 crores in the Fifth Plan. In the Sixth Five Year Plan the outlay earmarked for coal in the public sector is Rs.2573 crores. The entire industry except a few captive mines of the Tata Iron and Steel Company is in the public sector. The Coal India Limited and its subsidiaries and the Singareni Collieries Company employ nearly 7 lakh workers. The Coal India is by far the biggest employer in the public sector.

State of Industrial Relations in the Coal Industry

With the nationalisation of the coal industry in 1973,
industrial relations were expected to improve. These expectations, however, have not been fulfilled. Analysing the causes for stagnation in the production of coal during the Fifth Plan period, the Planning Commission found that apart from shortage of power and bottlenecks in the movement of coal, labour unrest, absenteeism and deficiencies in internal management were the major constraints. The loss of man-days due to industrial disputes in the coal industry which was 3.3 lakhs during 1975, has been between 16 to 18 lakhs during 1978 to 1980. Absenteeism in the coal industry which was 12.7 percent during 1965 had shot up to 19.7 percent in 1977 despite nationalisation. The loss to the industry due to this phenomenon cannot be estimated in precise terms but there is no doubt that the situation is grave when about 1.2 lakh workers under the Coal India and its subsidiaries are absent from work on any single day. Apart from the direct loss in terms of value that would have been added had the workers not been absent, the magnitude of indirect loss due to dislocation of production can only be imagined. Industrial relations in the coal industry, therefore, are in bad shape and require immediate attention of workers organisations,
management and Government.

Wages in the Coal Industry

Wages matter most to all workers and for that reason, the contribution of differences over wages to industrial strife can be more than any other single factor. Trade unions, employers and Government had to pay a lot of attention to evolving a just and proper wage structure over the years before a system encompassing the entire coal industry could be achieved. Prior to nationalisation, ownership of the industry was in diverse hands and there were substantial differences in the wage structure. The first move to bring about uniformity in the wage structure was made when the All India Industrial Tribunal was constituted in 1954. The principle of participation of managements and trade unions in the determination of wages was introduced for the first time in the coal industry with the setting up of the Wage Board in 1962. Apart from a Chairman and two other independent members, the Wage Board had three representatives each of employers and workers.

The Nature of Industrial Disputes in the Coal Industry

In 1973 a Joint Bipartite Committee was constituted
for negotiating on wages for the entire coal mining industry in the country. This for the first time in the history of the coal industry, introduced the principle of bipartite collective bargaining for wages. The agreement evolved by the Committee remained in operation for four years till the end of December, 1978. The Second Joint Bipartite Committee for the Coal Industry was constituted in September 1978. This Committee was responsible for evolving the National Coal Wage Agreement-II which was in force from 1st January, 1979 to December, 1982. Apart from covering all aspects of wages, the agreement also incorporates other matters such as underground allowance, leave, national holidays, house rent allowance, etc. The bipartite National Coal Wage Agreements have succeeded to a considerable extent in reducing areas of friction as far as wages, allowances and related matters are concerned. While in industry in general, differences over wages contribute to 26.0 percent to 42.1 percent of industrial disputes, in the coal industry differences over wages account for 9.5 percent to 10.4 percent of industrial disputes. On the other hand, while differences over personnel matters
accounted for 19.6 percent to 31.9 percent of disputes in industry in general, in the coal industry as much as 68.6 percent to 70.2 percent of the disputes arose over personnel matters. Therefore, while position on the wage front is satisfactory, industrial relations on the personnel side of the coal industry are in bad shape.

Inadequacies of Internal Grievance Management

The Code of Discipline in Industry which was evolved in the 16th Session of the Indian Labour Conference, requires management and unions in every industry to set up a mutually agreed grievance procedure which will ensure speedy and full investigation into grievances with a view to arrive at settlement. With almost the entire industry in the public sector and with bipartism established for nearly a decade, one would expect the coal industry to have a well established system of grievance procedure. This study showed that neither the Coal India nor its subsidiaries had evolved any systematic and effective grievance management arrangements. Wherever some arrangement has been affected, it remains inadequate and has not been done in
consultation with trade unions. At the mine level, grievance arrangements are practically non-existent. The lack of systematic grievance procedure has resulted in virtual break down in communications between trade unions and management at the lower levels. As a result, a large number of grievances which should have been settled at the local levels have escalated into industrial disputes.

**Suggestions for Organising an Effective Grievance System**

It is, therefore, essential that the coal industry evolve for itself an effective grievance management system without delay. The management and the trade unions on the Joint Bipartite Committee have to take an immediate and close interest in this matter. Most of the grievances arise at the mine which is the working level in the industry. There should be a grievance committee at every mine. The rules and regulations of the company should be made known to all workers down to the level of miners and leaders in their own language. These should include details on work hours, leave, categorisation, grades and promotions which now constitute the subject matter of the bulk of the disputes in the industry. In
consultation with trade unions the management must lay
down in clear terms the parameters within which
grievances can be settled. After doing so, it is
necessary to delegate the requisite authority to the
Mine Manager who is to operate the system within the
predetermined limits. In discharging his functions,
the Mine Manager should be assisted by the Welfare
Officer of the mine. Grievance Committees should
also be established at Area and Company levels.
But the role of these Committees must be mainly
supervisory. They should review the functioning
of the mine level grievance committees periodically.
Matters should come on appeal to Committees at higher
levels only in cases of complicated nature and
never in matters where delegation to the Mine Manager
is adequate.

Need for a Competent Personnel Department and
Suggestions for Improvement

The Grievance Machinery has to be serviced by
officers belonging to the personnel discipline in the
Coal India and its subsidiary companies. This study
revealed that there are a large number of vacancies
at the level of Welfare Officers and Personnel Officers
in the industry. It is these officers who have to
service the grievance committees at the mine level.
It is, therefore, essential that immediate action
should be taken by the Coal India to recruit the
required number of officers with necessary
qualifications. Apart from numbers, the quality of the
personnel cadre is of great importance. Under the
existing policy of the Coal India, a large number
of front line posts are filled up in a large measure
by promotion from down below, thus diluting the
quality of personnel. It is, therefore, necessary to
restructure the personnel and industrial relations
set up through a systematic recruitment and training
programme. At higher levels, competent talent from
elsewhere, has to be attracted through lateral entry
arrangements.

Standing Orders in the Coal Industry

All establishments in the coal industry are
required to have Standing Orders to formally define
with sufficient precision, the conditions of
employment under them and to make the conditions
known to workmen. The orders include classification
of workmen into permanent, temporary, probationers,
apprentices and badlies, definition of hours of work, paydays, wage rates, shift working, attendance, late coming, misconduct, complaints and appeals. In short, Standing Orders cover those matters on which industrial disputes are the most in the coal industry.

Need for uniformity in Standing Orders

With the nationalisation of the coal industry, movement from one establishment to another has become possible and in some cases necessary. In the circumstances, it was expected that the management and workers organisations would move towards uniformity in Standing Orders. This study has revealed that uniformity has not been achieved. Mines coming from different industrial cultures have retained their old Standing Orders. The Model Standing Orders notified in 1971 for establishments in the coal industry are also deficient in certain respects. Most of the workers are illiterate and the three days time provided for them for appeal against the decision of the Manager is inadequate. Similarly the three days given to the management for disposal of appeals is insufficient. An important provision in the Model Standing Orders
is regarding the definition of illegal strike under the list of misconduct. The definition needs to be more elaborate so that it becomes clear to the workers. Apart from these deficiencies, developments since 1971 when the Model Orders were notified, have rendered a number of provisions out of date. The National Coal Wage Agreements have considerably liberalised leave and travel benefits for workers as compared to those incorporated in the Model Orders.

Efforts made to achieve uniformity

Realising the need for uniformity, the first Joint Bipartite Committee on Coal constituted a sub-committee in 1976 with six representatives of management and six representatives of workers, for framing uniform Standing Orders for the coal industry. The sub-committee which held detailed discussions on a number of occasions did not find it possible to reach unanimous agreement in regard to all the items covered in the Standing Orders. However, agreement was reached on most of the points. The matter remained at that stage when the Second Joint Bipartite Committee was constituted in 1978. The Committee authorised its Standardisation Committee to
go into the earlier recommendations and submit an agree draft early. However, no progress has been achieved in this direction. The Joint Bipartite Committee itself became non-functional because of the withdrawal of the Indian National Trade Union Congress affiliated unions.

Suggestions for Early Finalisation of Standing Orders

It is clear that under the pretext of wanting to achieve an unanimous draft, the matter has been kept pending. The Industrial Employment (Standing Orders) Act does not require that Standing Orders should be unanimously arrived at by management and representatives of workers. What is necessary is that the workers are consulted and allowed to express their views and make suggestions on the draft prepared by the management. The difficulties in arriving at unanimity in Standing Orders is not peculiar to the coal industry. The Chief Labour Commissioner who is the certifying officer under the Act, should take the matter in hand without further delay. After providing due opportunity to the management and workers representatives, the Standing Orders for the coal industry should be finalised.
Role of Trade Unions

All important Trade Union Organisations in the country have their representation in the coal industry. Trade union representatives were associated with Wage Board. Bipartism for wage negotiations and other matters concerning the coal industry was introduced after nationalisation. The first Joint Bipartite Committee on coal industry was constituted in 1973. This Committee brought about the National Coal Wage Agreement I. The Second Joint Bipartite Committee was constituted in 1978. This Committee was responsible for the National Coal Wage Agreement II. The Committee was expected to function as the premier forum for consultations between management and workers on all bipartite matters in the coal industry. While the Joint Bipartite Committee has to a considerable extent been able to reduce the areas of friction in regard to wages and other related matters, in matters relating to personnel its role has not been effective. It has not paid attention to the evolving of a systematic grievance procedure at the level of the mine and upwards. It has not also bothered to ensure implementation of awards by the management. The trade union representatives
on the Joint Bipartite Committee must pay greater
and sustained attention to these important problems
which affect workers vitally.

**Flaws in the Constitution of Joint Bipartite Committees**

It would be reasonable to expect that the composition
of the Joint Bipartite Committee would reflect the
actual following of the trade unions in the coal
industry. Unfortunately, this has not been so. In
the first Joint Committee, the Hind Mazdoor Sabha
received far lower representation than what was
warranted by its verified following. On the other
hand, the All India Trade Union Congress was given
disproportionately larger representation. Irked by
this discrimination, the Hind Mazdoor Sabha did not
participate in the Committee. To this extent the
interests of workers suffered and the committees
role was less effective. In the second Joint
Committee in 1978, the principle of parity among
trade unions was followed. Thus the Indian National
Trade Union Congress with a claimed membership of
1,33,007 and the Bharatiya Mazdoor Sangh with a
claimed membership of 7,435 received two seats each
on the Committee. The Indian National Trade Union
Congress which went along with this arrangement reluctantly for sometime, disassociated itself totally from the Committee in 1981. The work of the Committee thereby came to a halt. The interests of the workers and the industry suffered. In the third Joint Committee which was announced on 9th August 1982 by the Department of Coal, Government seem to have repeated its mistakes. The Bharatiya Mazdoor Sangh which had a claimed following of 79,825 as on 31st December 1980, did not find a place on the Committee. On the other hand the AITUC and CITU which had refused to disclose their claimed membership, received 2 seats each. The HMS which had claimed membership of 1,34,496 also received only two seats. In order to ensure that trade unions participate effectively on the Committee, care should have been taken by Government to ensure that their strength is in proportion to their verified following in the industry.

Quality of Trade Union Leadership

At the higher levels, trade unions in the coal industry have experienced leadership. A number of trade union leaders are either Members of Parliament
or of Legislative Assemblies. They are also active members of political parties. Trade union law in India permits the association of unions with politics. This has both advantages and disadvantages. On the one hand a forum wider than the trade union field is available to the workers to ventilate their grievances. On the other hand, genuine trade union grievances tend to get mixed with political matters. With every trade union linked to some political party it is difficult to see any change in this system in the foreseeable future.

Quality of Leadership at the Mine Level

While leadership at the top is experienced, leadership among trade unions at the mine level is largely absent. As a result, no effective grievance system has been put into operation at the mine level. A large number of grievances relating to personnel matters receive inadequate attention and turn into industrial disputes and cause industrial unrest. The bulk of the labour force in the coal industry comes from the weaker sections of the community and is illiterate or semi-literate.
Suggestions for Improvement in Leadership

It is necessary to educate workers and create leaders from among themselves. The Central Board of Workers Education has a programme for this purpose. As yet, however, the coverage of its programmes has been inadequate and there is a greater need to educate workers in grievance procedure. The workers need to know in detail and in their own language, the rights available to them and the manner of achieving those rights. They should also know their obligations and responsibilities. A systematic programme has to be drawn up by the Board in consultation with the management and trade unions. The matter has also to be taken up at the level of the Joint Bipartite Committee.

Need to Improve Quality of Conciliation Effort

The coal industry is heavily concentrated in Bihar and adjoining coalfields in West Bengal. Three of Coal India's four subsidiaries are located in this area. The Asansol and Dhanbad regions under Labour Commissioners handle the bulk of the disputes in the coal industry. There has been a steep increase in the number of disputes coming to Conciliation Officers.
in these regions. The number of Conciliation Officers at Asansol and Dhanbad has remained constant at 3 and 7 over the years. During 1961, the Chief Labour Commissioner fixed a norm of 8 disputes of conciliation proceedings a month for an Assistant Labour Commissioner. In actual practice, the average disposal has been 12 at Asansol and 17 at Dhanbad. A study of some cases selected at random showed that the quality of disposals has deteriorated considerably. The main reason for this is the excessive workload. It is, therefore, necessary to augment the strength of Assistant Labour Commissioners at Asansol and Dhanbad.

Need for Effective Management Representation at Conciliation Proceedings

One of the reasons why a large number of conciliation proceedings end in failure is the inadequate level of management representation. Personnel Officers who are junior in the hierarchy are sent to represent the management. They have neither the experience in industrial relations nor the powers to commit the employer to any agreement. In order that conciliation proceedings become effective, it is
necessary to raise the level of management representation. The representative should be not below the level of Personnel Manager. They should be delegated adequate powers within the overall frame work of the Company's policy on industrial relations. A bureaucratic snag that they receive more pay than Conciliation Officers should not be allowed to stand in the way of an effective arrangement.

Reference and Adjudication of Disputes

In the Ministry of Labour all matters relating to industrial relations in the coal industry are dealt with by two Desks. Each Desk, is under the charge of an officer of the rank of Under Secretary. Their work is supervised by a Deputy Secretary. Decisions to refer disputes to adjudication or to decline adjudication are taken at the level of Joint Secretary. All reports from Conciliation Officers on failure of conciliation proceedings in disputes in the coal industry, are received by the Desks. A copy of the report is also received by
the Chief Labour Commissioner. The Chief Labour Commissioner has to send his recommendation to the Ministry within one month of receipt of the report. In a number of cases this is delayed because he has to correspond with the Conciliation Officer and sometimes, the Regional Labour Commissioner, to obtain further information. Where, after examining the conciliation report, the Ministry of Labour comes to the conclusion that there is a prima facie case for making a reference to adjudication, a proposal is made to the administrative Department which is the Department of Coal in the Ministry of Energy. The Department is to convey its views within two months. In quite a few cases these are delayed and where the issues concerned are important the Ministry of Labour is compelled to wait for them. In almost all cases, the administrative Department is opposed to reference. On receipt of the comments of the administrative Department or after the period of two months is over, the Ministry of Labour takes a final decision on the question of making a reference to adjudication. The number of failure reports received in the Ministry has increased.
steeply during the last five years. Similarly, the number of references made to adjudication. There have been very few writ petitions to the High Courts on decisions of the Ministry declining to make references. This speaks well of the quality of the work in the Ministry. On the other hand, Trade Unions continue to press for review of such decisions. In the absence of any limitation in the law, most of their demands are stale and the review does not lead to change of decision. Where new facts are brought out however, decisions have been reviewed and references made.

The Increasing Load with the Coal Desks in the Ministry of Labour

The number of failure of conciliation reports received and examined by the two coal Desks increased from 440 in 1977 to 693 in 1981. The number of references made by the Desks rose from 103 in 1977 to 253 in 1981. The Desks are finding themselves unable to cope with the load of work. The number of Desks should be increased from 2 to 3.
Analysis of causes of delay and suggestions for improvement

Analysis of cases shows that delay in disposal of disputes is mainly at two places. The first is with the Chief Labour Commissioner where he has to obtain the comments and sometimes fresh material from his field officers. This situation should improve along with the quality of conciliation work for which augmentation of the strength of Conciliation Officers has been recommended earlier. The second area where delay takes place is the Department of Coal. Only the threat of a strike seems to make this Department respond in time with its views on a conciliation report. It is necessary that the Department of Coal pay more attention to this matter and convey its views within time so that reference work in the Ministry of Labour is not delayed.

Necessity to augment the number of Industrial Tribunal

There are three Industrial Tribunals at Dhanbad which deal with the bulk of adjudication work relating to disputes in the coal industry in India. The increasing number of failure of conciliation reports and the increasing number of references
to adjudication in the coal industry has increased the workload of these tribunals. The average disposal by a Tribunal has been about 60 disputes a year. As against this, there were 329 disputes pending with the three tribunals at the end of December, 1981. With the number of references increasing from year to year the pendencies will go up further. Delay in disposal of cases will cause frustration among labour. It is, therefore, necessary that Government increase the number of tribunals without delay.

Analysis of Causes of Delay in Tribunals and Suggestions for Improvement

Analysis of the working of the tribunals showed that delay in disposal is caused by parties invariably seeking extra time at the stage of the filing written statements. Petitions for time are not challenged by the adverse party and the Tribunal has to reluctantly agree to grant time. Adjournments are sought at the hearing stage also. Exparts orders are not always practicable or desirable. Parties to disputes should therefore display more earnestness in prosecuting the cases
to expeditious conclusion. There are also good reasons for evolving a more expeditious procedure for Industrial Tribunals. It need not be totally the same as in the Code of Civil Procedure. It is necessary to have a limit on parties applying for time. The rules should be tightened so that there is no chance of parties moving in a leisurely way during pendency of cases.

Implementation of Awards by the Coal Industry

This study showed that a considerable number of awards of tribunals were not implemented by managements. This is unfortunate because the worker, after years of waiting, is denied relief. There is no reason why this should happen under a Public Sector management which is expected to be an ideal employer. The Regional Labour Commissioners should prosecute defaulting managements under Section 29 of the Industrial Disputes Act. The Joint Bipartite Committee should pay adequate attention to this problem and monitor the implementation of awards.