In Indian industry, joint consultation is of recent origin. Although, this aspect of labour-management relations received the attention of the Government and industry as early as 1920, yet precious little was done till 1947. Before 1918, a strike was a rare occurrence in Indian industry. Strikes, if they did take place, were only spasmodic and sporadic outbursts and did not have the force of a movement. After the first World War, the position was entirely changed and a wave of industrial unrest swept the country. The Government could not remain a silent spectator to all these happenings which threatened to dry up the nation's productive capacity. This led to an examination of methods adopted in other countries for improving labour-management relations.

The Government of India was particularly impressed by the report of the Whitley Commission in U.K. and set up in 1920, Joint Committees in their printing presses. Others followed suit and Joint Committees were constituted at Tata Iron And Steel Company, Buckingham and Karnatak Mills (the Committee was named as Work-People's Welfare Committee), important railways and some other State and private establishments. The Bengal Industrial Committee, 1921 also supported the idea. The Labour Investigation Committee on Engineering Industry had reported

1. For details, see, Report of the Royal Commission on Labour p.343.
that the Works Committees were very common in Railways but in other branches of Engineering, out of 175 concerns investigated, only 29 had Works Committees. These Committees imitated the Whitley Model; but due to their prematurity in the prevailing conditions, soon fell into disuse. The Royal Commission on Labour had frankly admitted that "generally speaking, the results achieved have been disappointing." Yet, undeterred by these initial failures, the Commission saw a great hope in this institution and observed that "if they are given proper encouragement and past errors are avoided, Works Committees can play a useful part in the Indian industrial system." The Commission's recommendations fell on deaf ears and the Government did nothing in the matter. The history of Industrial relations in India may have been quite different, if Works Committees had been established at that time, on the lines suggested by the Commission.

Legislative Provisions for Works Committees

The first substantial measure for joint consultation at plant level was the Industrial Disputes Act of 1947 which provided for the formation of Works Committees in establishments employing 100 or more workmen. Section 3 of the Act provided as follows:

In the case of any industrial establishment in which one hundred or more workmen are employed or have been

1. Report, p. 254
employed on any day in the preceding 12 months, the appropriate Government may by general or special order require the employer to constitute in the prescribed manner a Works Committee consisting of representatives of employers and workmen engaged in the establishment, so however, that the number of representatives of workmen in the committee shall not be less than the number of representatives of the employer. The representatives of the workmen shall be chosen in the prescribed manner from among the workmen engaged in the establishment and in consultation with their trade unions, if any, registered under the Indian Trade Unions Act, 1926.

2. It shall be the duty of the Works Committee to promote measures for securing and preserving amity and good relations, between the employers and workmen and to that end to comment upon matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matters.

State Acts.

The State Governments also took necessary steps to implement the scheme and adopted rules for the purpose. Some of the State Governments enacted their own Industrial Relations Acts which included the provision concerning Works Committees. In some states, Works Committees or similar institutions for joint consultation were functioning before

Industrial Disputes Act, 1947 was enacted. For example, Bombay Industrial Relations Act, 1946 provided for the formation of Joint Committees which were almost similar to the Works Committees in structure and function. The U. P. Government issued an order in August, 1948, under which all establishments employing 200 or more workers, were required to constitute Works Committees. The responsibility for the compliance of this order had been placed on the employers. The objective of the Works Committees as laid down in the said order, were:

1. to give the workmen a wider interest in, and greater responsibility for, the conditions under which their work is performed;
2. to enforce the regulations contained in collective agreements drawn up by recognised employers' organisations and the recognised workmen's organisations and the recommendations of labour courts including awards of Industrial Courts, Adjudicators and settlements made in course of conciliation proceedings; and
3. to prevent friction and misunderstandings.

Various functions were entrusted to the Works Committees but to prevent them from becoming a substitute for or rival of trade union organisations, it had been provided that "Works Committees shall not have only power to come to an agreement...

1. The various functions of the Works Committees according to the order are:

a) The distribution of working hours and fixation of shifts.

Continued...
inconsistent with any agreement between the recognised employers' organisation and the recognised workmen's organisation. ........'

Objectives.

From the objectives of the Works Committees as defined by the Central and State legislations, it will be observed that the Works Committees were expected to be:

(i) an agency for improving labour-management relations;
(ii) a forum for exchange of views on matters of common interest as well as for negotiating outstanding differences between labour and management, and
(iii) a grievance redressal machinery.

In addition to these specified objectives, it was also expected that the Works Committee will help to increase productivity, secure better welfare facilities for workers and serve as a training ground for workers in Industrial

Continued from previous page.

b) Dealing with the methods of wage payments (time, form of pay ticket).

c) The settlement of grievances relating to, or arising out of the terms and conditions of employment of the workmen.

d) Questions of physical welfare.

e) Questions of discipline and conduct as between the management and the workmen, i.e., malingering, bullying, time keeping, publicity in regard to rules, supervision of notice boards.

f) Suggestions for improvement in methods and in organisation of work.

g) Investigation of circumstances tending to reduce efficiency, or in any way to interfere with the satisfactory working of the factory.

h) Ways and means of increasing efficiency.

i) Any other steps that may be conducive to harmonious relations between the workmen and the management.
democracy. These objectives of the Works Committee are also confirmed by the observations of the Planning Commission, made from time to time.

Structure and Composition.

The Industrial Disputes (Central) Rules, 1947 limit the membership of committees to 20 and provide that the number of members shall be so fixed as to afford representation to the various categories of workers and to the various sections shops or departments. The employers' representatives are nominated by them; the workers' representatives are elected in consultation with the trade union/s. The workers are divided into two electoral groups, union members and non-members, unless

1. "Works Committees for the settlement of differences on the spot between the workers and the management is the key of system of industrial relations...These committees will be the best vehicle for improving labour relations and promoting employer employee collaboration in the interests of high production and greater well being of the workers through the progress of industry"—First Plan, pp. 576-77.

2. "A works committee is ordinarily the culminating step in the grievance machinery designed to function with a unit"—First Plan, p.577.

3. "Co-operation between labour and management becomes more effective if there is a two-way traffic between the bipartite consultative machinery at the top and the machinery performing similar functions at the unit level. Works Committees could function in the units in this capacity."—Second Plan p. 576.

4. "Works Committees will be strengthened and made an active agency for the democratic administration of labour matters within an agreed sphere."—Outline of the Third Plan, p.89

2. Under the U.P. Government order the maximum number is 14.

3. Under the Bombay Industrial Relations Act, the Workers' representatives on joint committees are nominated by the representative union and the Joint Committee stands dissolved if the union loses its representative character, that is its membership falls below 15% of the total number of workers."—
more than half the workers belong to the union, in which case no such division has to be made. The number of workers elected by each group has to be proportional to its strength—in terms of numbers—in the undertaking. Any member, not less than 19 years of age who has served the undertaking for not less than one year is eligible to be elected as a member. It is clear that the membership of the Works Committee is confined to the employees only. Every workmen, not less than 18 years of age and with a minimum of 6 months' service in the undertaking has a right to vote. The office bearers of the committee include (i) the Chairman to be nominated by the employer from amongst his representatives, (ii) the Vice Chairman to be elected by the committee from amongst the workmen and vice-versa; and (iii) two Secretaries, one from each side. The term of the committee is two years but that of the office bearers, one year.

Progress.

As a result of these legislative provisions, 1100 Works Committees had been set up by 1950, covering practically all the States of India. The number has increased during the years and in 1962, 2918 Works Committees were reported to be functioning. The State wise classification of the Works Committee is given in Table I, which shows that the highest number of Works Committees was in West Bengal (63%) followed by Madras (36%) and Madhya Pradesh had only 8 Works Committees. Industrial classification is available in respect of about 1113 Committees in the State sphere for 1961, which shows that about 46% Works Committees were in the manufacturing group followed by Agriculture and Allied Industries (25%). In some States, (for example, Andhra Pradesh, Bihar and Madras) Production
Committees were also functioning.

Table I.
NUMBER OF WORKS COMMITTEES, 1962

<table>
<thead>
<tr>
<th>State</th>
<th>No.of Works Committees required to be formed</th>
<th>No.of Works Committees actually formed and functioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre</td>
<td>1,259</td>
<td>871</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>185</td>
<td>120</td>
</tr>
<tr>
<td>Assam</td>
<td>82</td>
<td>40</td>
</tr>
<tr>
<td>Bihar</td>
<td>233</td>
<td>136</td>
</tr>
<tr>
<td>Gujrat</td>
<td>111</td>
<td>63</td>
</tr>
<tr>
<td>Kerala</td>
<td>402</td>
<td>93</td>
</tr>
<tr>
<td>Madras</td>
<td>441</td>
<td>380</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>150</td>
<td>8</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>405</td>
<td>190</td>
</tr>
<tr>
<td>Mysore</td>
<td>299</td>
<td>129</td>
</tr>
<tr>
<td>Orissa</td>
<td>73</td>
<td>11</td>
</tr>
<tr>
<td>Punjab</td>
<td>220</td>
<td>145</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>61</td>
<td>43</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>West Bengal</td>
<td>842</td>
<td>632</td>
</tr>
<tr>
<td>Delhi</td>
<td>79</td>
<td>23</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Tripura</td>
<td>36</td>
<td>25</td>
</tr>
<tr>
<td>A.&amp; N.Islands</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total.</strong></td>
<td><strong>4,890</strong></td>
<td><strong>2,918</strong></td>
</tr>
</tbody>
</table>


The growth of the Works Committees has been slow as is evident from the following figures relating to the number of Committees actually formed and functioning in the central sphere:

1. The figures relating to the total number of Works Committees are not comparable as the information supplied by the State Governments is neither uniform nor complete.
Table II.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Works Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>650</td>
</tr>
<tr>
<td>1955</td>
<td>715</td>
</tr>
<tr>
<td>1956</td>
<td>726</td>
</tr>
<tr>
<td>1957</td>
<td>719</td>
</tr>
<tr>
<td>1958</td>
<td>701</td>
</tr>
<tr>
<td>1959</td>
<td>744</td>
</tr>
<tr>
<td>1960</td>
<td>846</td>
</tr>
<tr>
<td>1961</td>
<td>893</td>
</tr>
<tr>
<td>1962</td>
<td>871</td>
</tr>
</tbody>
</table>

Source: Indian Labour Year Books and Annual Reports of the Ministry of Labour and Employment.

The employers' conservatism and inertia and trade unions' apathy are, no doubt, responsible for the slow progress; intense inter-union rivalry also stood in the way but the primary responsibility rests with the Central and the State Governments, which did not strictly enforce the legislative provisions. The weakness of the implementation machineries is reflected in the wide gap between the number of Works Committees required to be formed and actually formed. For example, during 1962, out of 4890 Works Committees required to be formed, only 2918 (approximately 60%) were actually formed. The respective percentages for 1960 and 1961 were 59 and 55.

Working/Difficulties.

Besides the slow growth, the Committees were reported to have failed to realise the purposes for which they were
constituted. The usual experience was that they were of little practical use and large numbers ceased to meet. As was admitted by a management representative: "many firms have either given up trying or continue to have them on sufferance." Various reasons have been given for their failure, such as managements' conservative and autocratic outlook, their indifferent, unhelpful and even obstructive attitude, ignorance and illiteracy of workers' representatives, multiplicity of trade unions and their political affiliation, trade union rivalry etc.

Managements, with a few exceptions, were sceptical of the value of joint consultation and trade unions were suspicious. According to one management representative, "the Works Committee is not popular with the union because either it is regarded of as a stooge/management or it arrogates to itself subjects which the unions feels, it should discuss with management."

A good many employers considered it below dignity to sit with their employees and discuss matters with them. In a class-ridden society, such an attitude is not surprising. The employers, conscious as they were of their superior position - economic, social and political - could not treat the workers - a socially depressed class - as their equals. In many cases, they considered the Committees as merely a formalised agency for disposing of workers' complaints. Vishnu Sahai study

1. Charles Myers, Industrial Relations in India, 1958, p.227
group also observed that Works Committees had become grievance committees. There can be no objection to the workers placing their grievances before the Works Committee or the management trying to solve the workers' difficulties at the committee stage. In fact it had been observed that in the units, where Works Committees had achieved some success, in the beginning the Committee was little more than a grievance committee. The trouble, however, arose because the Works Committees wasted much of the time in discussing complaints and other important functions were relegated to the background. For the management, the Works Committees' pre-occupation with the workers' grievances served two purposes: firstly, it gave the workers a chance to 'let the steam off' and secondly, it distracted the workers' attention from managerial and financial problems. The workers on the other hand, used this consultative machinery as a platform to emphasize their claims and rights and took no interest in the general problems of the enterprise. Inaugurating the Seminar on Works Committees organised by the Workers' Education Centre, Bombay in January, 1961, R.L. Mehta joint secretary, Ministry of Labour and Employment had observed: "Trade union leaders were also at fault because they regarded Works Committees as their rivals and therefore, did not relish their coming into being. When in fact the Works Committees were set up, they defeated them by using them as platforms for propaganda - a dangerous practice which in one case led to a strike lasting for as many as 111 days".

Trade Union rivalry has also been a major cause of

many a breakdowns, for example in Uttar Pradesh, Works Committees had to be dissolved within two years of their formation due to the rivalry between different unions which made it impossible for the management to secure workers' representation on the committees. They were revived as late as 1958 and then also, only partially. Division of workers into two electoral groups — union members and non-union members — also stressed rival viewpoints. Difficulty was also caused due to the fact that the statutory regulation that the employees' representatives should be selected in consultation with the trade union concerned was not always adhered to. In one establishment, where the open election system was followed, a rival faction within the union managed to capture the committee and repudiated the working arrangements reached earlier by the management and the formal Works Committee. Too much control by the unions, which completely fettered the discretion of their representatives on the committee also complicated matters in a number of cases. From the workers' side, another reason for the failure of the Works Committees was their lack of ability to understand the problems of the industry and the consequent adoption of 'stubborn unreasoning attitude of opposition' to any and every change in the conditions of work.

Some employers regarded Works Committee as a substitute of collective bargaining and began to by-pass the trade union. It was never the intention of the legislature to reduce the influence of trade unions and lower their status but this is what precisely happened, in a number of cases.

1. Some trade union leaders of Kanpur told the author that the real reason for the dissolution of the committees was that the Government felt unhappy about the domination of committee
Continued....
There are many cases on record where the employer refused to recognise a union because of its political affiliation or for other reasons ignored it and negotiated with the Works Committee agreements on wage scales, bonus, new leave rules etc. This was naturally interpreted by the unions as a threat to their very existence. This reminded them of the pre 1947 hostile attitude of the employers towards the trade unions and they lost all interest in the institution of works committees. Delay in the implementation of the committee's recommendations also damped the enthusiasm of the workers. If the management is not sincere about Joint consultation, it is futile to expect workers' co-operation.

Confusion has also been created by the improper understanding of the role and functions of works committees. The committees have been used for a variety of purposes and problems discussed also vary widely. They have dealt with actual production problems, problems of discipline, methods of wage payment, distribution of working hours, prevention of accidents, matters relating to labour welfare etc. They have negotiated agreements on issues normally reserved for collective bargaining and settled workers' grievances. The N.C. Corporation, Bombay has prepared a comprehensive list of the problems discussed by the works committees. Issues discussed have been classified under nine broad categories as follows:

1. Facilities for work, uniforms and other problems

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1. Some of these cases have been cited by Charles Myers, op.cit, p.223.

Reference from previous page: Government.
by a section of labour not favourably inclined towards/

2. This has now been given up.
connected with work and production.

2. Food, water, canteen, sanitary, medical, recreational and other amenities.

3. Wage scales, promotions, allowances, increments, bonus, overtime and incentives.

4. Appointments, permanent, badli, temporary workers, transfers.

5. Holidays, privilege, sick and other leaves.

6. Provident Fund, advance, loans, gratuity and credit co-operative society.

7. Ill treatment, suspension, dismissals, retrenchment, absenteeism and other complaints.

8. Works Committees.


This wide range of functions of Works Committees created uncertainty and gave the impression that anything and everything could be discussed there. The proper perspective, in which the committees were expected to function, was thus lost.

A significant fact which emerges from the above analysis of the functioning of the Works Committees is that there were some inherent defects in the constitutional framework of the Works Committees. For example, the jurisdiction of the Committees was not clearly defined and it extended to all matters. Similarly it was not precisely laid down whether their role was advisory, supervisory or administrative. The objectives of the Works Committee as explained earlier, clearly show that a very heavy responsibility was cast on the Works Committees. They were expected to perform both consultative and negotiating functions. It was a basic error to have mixed
up both the functions. As was observed by the Planning Commission, "experience has shown that a major hindrance in the way of effective functioning of Works Committees is the lack of/clear-cut demarcation between their responsibilities and the responsibilities of trade unions operating in the field." The legislature had, no doubt, acted in good faith in hoping that in the absence of collective bargaining, the Works Committee could provide a suitable agency for determining the terms and conditions of employment and regulating labour management relations, but its implications were not fully understood. It was not adequately realised that with conservative and authoritarian attitude of the employers, weak and divided trade union movement and illiterate workers, the two functions could not be combined with advantage. On the one hand, due to the opposition of the trade union, the Committee proved to be a weak negotiating body and on the other due to the spirit of bargaining dominating the climate in the Works Committee meetings, it proved to be an ineffective agency for fruitful consultation.

Re-thinking.

During the last four years, there has been some re-thinking on the role and performance of Works Committees. An analysis of the functioning of the Works Committees in the public sector was made by the Chief Labour Commissioner (central) in 1958 - 59. At the instance of the Ministry of Labour

and Employment, the N.C. Corporation (P) Ltd., Bombay undertook an analytical study of Works Committees in Bombay city. A Study Team appointed by the Ahemdabad Textile Industry Research Association, also surveyed the working of a few Works Committees in Ahmedabad. From all these reports, the conclusion seems to emerge that the committees did not fare so badly as was generally believed. An officer of the Indian Jute Mills Association expressed a similar view about the performance of Works Committees in Bengal. He further observed that "instead of launching the new scheme of worker participation, it would have been better to strengthen the Works Committees and improve their working. Some of the important conclusions arrived at by the N.C. Corporation are:

1. If the object has been to promote goodwill between the parties and solve day-to-day problems, it has been achieved to a very great extent in the organisations where the Committees have been functioning.

2. Significantly high activity was observed in the Committees covering 59% of the total workers surveyed. Only in the case of undertakings covering 9% of the total workers, it was found that the Committees were not functioning because of some difficulties.

3. In general, it was found that in the industrial establishments the workers and the management were both unanimous in their satisfaction with the Works

Committees and realised their importance.

4. Except for one solitary instance all the workers' representatives were of the definite view that works Committees were essential and profitable for workers.

5. The very meeting of the Committee, even when no business was transacted created a friendly atmosphere in the undertaking.

6. Personal interviews revealed that the workers' representatives were fairly well satisfied with the speed and extent of implementation of the Committees' decisions.

7. It is felt that with a little more guidance, the Committees which are not so active at present can be made more active and their utility can be increased still further.

The A.T.I.R.A. Team observed that consultation helps the interests consulted to open up their minds and came out with practical suggestions that are mutually beneficial. It further expressed the view that "it should be easier now to introduce the scheme of worker participation than it was a few years back because of the experience gained in the meanwhile. Success of Joint Committees should contribute substantially to smooth introduction and working of labour participation in Management."

In the light of these reports, it may be said that Works Committees have not been a complete failure or absolutely ineffective. Probably what happened was that the initial difficulties with which some of them were faced and the failure of some others had created a negative attitude and thus, the
conclusion that they had failed in their mission was based on insufficient data. The recent studies are, however, also inadequate to take a positive line and more case studies are required to determine conclusively the part played by Works Committees in the industrial system.

Sub-Committee's Recommendations.

The optimistic note struck by these surveys revived interest in Works Committees. The matter came up for discussion at the 17th session of the Indian Labour Conference in July, 1959, which appointed a committee to examine the material on the subject of Works Committees and draw up "guiding principles" relating to the composition and functioning of Works Committees.

The Committee came to the following main conclusions:-

1. No change was called for in the existing statutory provisions in the Industrial Disputes Act limiting the number of workers to 100 for the purpose of formation of a Works Committee.

2. No change in the existing provisions regarding the number of members of the Works Committee was necessary. This question arose because at times the management found it difficult to produce equal number of representatives as that of workers. The Committee felt that this was permissible even under the existing rules.

3. The workers' representatives should be elected by the workers without the constituencies being divided between workers who are members of the union and those who are not. The existing provisions regarding representation of different departments or sections
should continue.

4. Ordinarily the employers should be responsible for the election but where there is a dispute, a conciliation officer deputed by the Government should supervise the election.

5. The present provision regarding the compulsory rotation of the office of the Chairman between employers and workers should be removed. It did not mean that the workers' representatives should be debarred from holding that office, if suitable persons were available. For the next three years, however, the Chairman should be from the management side.

6. The present provision i.e. having a meeting at least once in a quarter needed no change.

7. Special provision for commercial establishments was not necessary as the existing provisions permitted them to form Works Committees.

It will be seen from the above conclusions that the Committee was generally in favour of maintaining the status quo and except disapproving of the present practice of dividing the constituencies into union members and non-members (Conclusion 3) and compulsory rotation of the office of the Chairman (Conclusion 5) the Committee did not feel inclined to suggest any modifications in the existing statutory provisions. This shows that the difficulties experienced in the functioning of the Works Committees did not arise out of statutory deficiencies but that they were largely the problems of implementation. The difficulties were practical not theoretical. Unfortunately the Committee did not analyse the causes of the failure of the Committees and did not suggest any
solutions for the problems actually faced by the committees. It would have been more helpful if the committee had suggested ways and means for overcoming the factors responsible for the slow and inefficient functioning of the Works Committees.

In order to remove the misunderstanding about the functions of the Works Committees, the committee prepared an illustrative list of items which a Works Committee should normally deal with and those which it should not normally deal with. It was agreed that the demarcation would not be rigid and the approved lists were flexible. The said classification has

1. Illustrative list of items which Works Committee will normally deal with:

   i) Amenities such as drinking water, canteens, dining rooms, creches, rest rooms, medical and health services.
   ii) Conditions of work, such as ventilation, lighting, temperature and sanitation.
   iii) Safety and accident prevention, occupational diseases and protective equipment.
   iv) Adjustment of festival and national holidays.
   v) Administration of welfare and fine funds.
   vi) Educational and recreational activities.
   vii) Promotion of thrift and savings.
   viii) Implementation and review of decisions arrived at meetings of Works Committees.

List of items which the works committee will not normally deal with.

   1) Wages and allowances.
   2) Bonus and profit sharing schemes.
   3) Rationalisation and matters connected with the fixation of work load.
   4) Matters connected with the fixation of standard labour office.
   5) Programmes of planning and development.
   6) Retrenchment and lay off.
   7) Victimisation for trade union activities.
   8) Provident Fund, gratuity schemes, and other retiring benefits.
   9) Quantum of leave and national and festival holidays.
   10) Incentive schemes.
   11) Housing and transport services.
two main features:

1. Collective bargaining and production matters are now excluded from the purview of the Works Committees.

2. The main functions of the Works Committees now relate to welfare, safety and conditions of work only.

There is, however, even now some overlapping between the functions of the Works Committees so proposed and those of the Joint Management Councils. To some extent this is unavoidable because both of them are joint consultative bodies and organs of labour participation in management. It is, however, hoped that it will provide some guidance regarding the scope of the Works Committees and remove a major source of friction i.e. uncertainties regarding the functions of Works Committees.

**Future Role.**

Works Committees have to play an important role in the growth of industrial democracy. But if they have to exist they should do so as a live and vigorous institution. The present climate in the country is suitable for renewal of efforts to set up new Works Committees and revitalise old ones. The optimistic note struck by recent surveys has given a new lease of life to Works Committees and it is for the employers and trade unions to avail of this opportunity and develop this institution of labour management co-operation to their mutual benefit and the good of the society.

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1. For details, see Chapter IV.