CHAPTER III

JOINT MANAGEMENT COUNCILS
In the previous chapter we have discussed the part played by Works Committees in the industrial system of India and their future potentialities. The next stage was reached with the acceptance of 'Labour Participation in Management' as a major plank of Government's industrial and labour policy in 1956. Even though the idea had been mooted during the First Five year Plan Period, the problem of giving workers a share in management was for the first time seriously considered only in connection with the formulation of a suitable labour policy for the Second Plan. Explaining the philosophy of labour-management relationship, the Planning Commission observed:

"The creation of industrial democracy is a pre-requisite for the establishment of a socialist society." It considered the increased association of labour with management necessary for the successful implementation of the plan and pointed out that such a measure would help in

a. promoting increased productivity for the general benefit of the enterprise, the employees and the community.

b. giving employees a better understanding of their role in the working of the industry and of the process of production and

c. satisfying the workers' urge for self expression
thus leading to industrial peace, better relations
and increased co-operation."

Study Group Report

The Government set out with a missionary zeal to give the Planning Commission's recommendations a practical shape. As the experience within the country was insufficient and adequate information on how such schemes were operated abroad, was not immediately available, the first step was to send an expert team abroad in November, 1956 to study the working of labour-participation in some European countries. The Study Group visited United Kingdom, France, Belgium, Sweden, West Germany and Yugoslavia and submitted its report in May, 1957. The report does contain some useful information about the pattern of labour-participation in those countries but whether it provides adequate helpful guidance for its introduction in India, is doubtful. The discussion is largely theoretical and the evaluation is poor. The Group relied heavily on published material and the report does not give ample evidence of an on-the-spot study of 'the organs of participation'. There are only passing references to the impact of labour-participation on the quality of management and such obvious indicators of the success or failure of the scheme as accidents, labour turnover, absenteeism etc. A. H. Hanson's observation that "poor quality report hardly warranted such extensive and expensive foreign travel" is not far from the truth.

The main conclusions reached by the Study Group are:

1. It would be advisable to have some permissive legislation empowering Government to set up Joint Councils of Management in selected undertakings. Such legislation should,

1. Second Five Year Plan, 1956 P. 577
however, provide only the frame work; the detailed rules being left to be developed through joint consultation.

2. The functions of the councils may include provision of means of communication, improvement in productivity, encouragement of suggestions and assistance in the administration of laws and agreements. The Councils may have the right to receive information about the general economic situation of the concern and it may be desirable to consult them regarding matters like alterations in standing orders, changes in production programmes etc.

3. It would be preferable to exclude wages, bonus and individual grievances from the purview of joint bodies, but otherwise the list of functions should be flexible enough to be settled by consultation between the management and the representative trade union.

4. To reduce the danger of apathy, councils of management may be entrusted with some administrative responsibility such as administration of welfare measures, safety measures, suggestion scheme etc.

5. There should be strong and self confident trade union closely connected with the machinery of participation and with a reasonably clear separation of functions. It would be advisable to devise some methods for closely associating the trade unions in the selection of workers' representatives.

6. It is necessary to enlist the co-operation of management at the middle and lower levels.

7. Joint Consultation should be 'in-built' and for this purpose Government should provide an advisory service
on personnel management on the lines of U.K. Ministry of labour.

8. While Government should accept leadership for organising a sustained educational campaign for creating the necessary atmosphere, it should not be made a departmental affair. Efforts should be made to build a tripartite machinery of direction by utilising employers' organisations, trade unions, non-official bodies etc.

Sub Committee's Recommendations

The Report was considered by the 15th Session of the Indian Labour Conference in July, 1957 which accepted all the above conclusions except the first one. In place of the 'permissive legislation' as suggested by the Report, the Conference recommended that "as the employers were willing to introduce schemes of worker participation in selected industrial units on a voluntary basis, it was not considered necessary to undertake legislation for the purpose for a period of two years." The Conference appointed a tripartite sub-committee to advise on the exact form of participation machinery.

The sub-committee recommended that, to begin with, the experiment should be confined to the level of the undertaking and tentatively suggested a list of about 50 industries/undertakings as detailed below in which it may be tried in the first instance.

1. No change has since been made and the scheme continues to operate on voluntary basis.
<table>
<thead>
<tr>
<th>Public Sector:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>Sindri</td>
<td>1</td>
</tr>
<tr>
<td>Machine Tools</td>
<td>Hindustan Machine Tools</td>
<td>1</td>
</tr>
<tr>
<td>Transport</td>
<td>Transport Workshops in two States and DTS</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Railway Workshops and other suitable units</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Posts and Telegraphs(Workshops)</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Ports</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Shipyards</td>
<td>1</td>
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<tr>
<td></td>
<td>Government Mines</td>
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</tr>
<tr>
<td></td>
<td>Undertakings in the States</td>
<td>4</td>
</tr>
<tr>
<td>* Insurance</td>
<td>Units of L.I.C.</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>21</td>
</tr>
<tr>
<td>Private Sector:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cotton Textile</td>
<td>Ahmedabad</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Bombay</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Kanpur</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Madras</td>
<td>1</td>
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<tr>
<td></td>
<td>Coimbatore</td>
<td>1</td>
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<tr>
<td></td>
<td>Indore</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Nagpur</td>
<td>1</td>
</tr>
<tr>
<td>Jute</td>
<td>Calcutta</td>
<td>2</td>
</tr>
<tr>
<td>Engineering</td>
<td>Calcutta</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Bombay</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Other States</td>
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<td>Chemicals</td>
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<td>1</td>
</tr>
<tr>
<td></td>
<td>Gujrat</td>
<td>1</td>
</tr>
<tr>
<td>Tobacco</td>
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</tr>
<tr>
<td>Paper</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Sugar</td>
<td>Bihar</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>U.P.</td>
<td>1</td>
</tr>
<tr>
<td>Cement</td>
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<tr>
<td>Mines</td>
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<td>2</td>
</tr>
<tr>
<td>Plantations</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>* Banks</td>
<td></td>
<td></td>
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<tr>
<td>* Provisional.</td>
<td></td>
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<tr>
<td></td>
<td>Total.</td>
<td>32</td>
</tr>
</tbody>
</table>
Criteria For Selection.

The sub-committee laid down the following criteria for the selection of undertakings for the initial experiment:

1. The undertaking should have a well established trade union functioning;
2. There should be readiness in the parties viz., employers, workers and the union to try out the experiment in a spirit of willing co-operation;
3. The size of the undertaking (in terms of employment) should be at least 500 workers.
4. The employer in the private sector should be a member of one or the other of the leading employers' organisations so should the trade union be related to one of the central federations.
5. The undertaking should have had a fair record of industrial relations.

Draft Model Agreement.

The sub-committee also laid down the size, constitution, functions and other procedural details of the Joint Management Councils (here in after called "the Councils") and prepared a Draft Model Agreement for the guidance of employers and trade unions. It was of course understood that there was no rigidity about it and variations could be made to suit individual enterprises. The functions of the Councils were divided in three categories, viz:

A. The Council/Councils would be consulted by the Management

1. See Appendix II.
on matters like :-

1. general administration of standing orders and their amendments, when needed;
2. introduction of new methods of production and manufacture involving re-deployment of men and machinery; and
3. closure, reduction in or cessation of operations;

B. The Council would have the right to receive information, discuss and give suggestions on :

1. general economic situation of the concern;
2. the state of the market, production and sales programme;
3. organisation and general running of the undertaking;
4. circumstances affecting the economic position of the enterprise;
5. methods of manufacture and work;
6. the annual balance sheet and profit and loss statement and connected documents and explanations;
7. long-term plans for expansion, re-deployment etc; and
8. such other measures as may be agreed to.

C. The Council would be entrusted with responsibility in respect of :-

1. administration of welfare measures;
2. supervision of safety measures;
3. operation of vocational training and apprenticeship schemes;
4. preparation of schedules of working hours, breaks and of holidays;
5. payment of rewards for valuable suggestions received from the employees;
6. any other matter as may be agreed to by the Joint Council.
It was further provided that all matters e.g. wages, bonus etc. which were subjects for collective bargaining would be excluded from the scope of the Councils. Individual grievances were also excluded from their scope as in the U.K. In short, creation of new rights as between employers and workers should be outside the jurisdiction of the Council. This provision was necessary to impress upon the trade unions that the functions of the consultative machinery were different from the normal trade union functions. The intention was not to replace the union but to supplement its functions. Conflicts between trade unions and joint councils could to some extent be avoided through proper and clear division of functions. This is, however, not an unmixed blessing. Joint Council is handicapped by the fact that it does not discuss the problems which interest the workers most. In the U.K., the "neat division between matters suitable for negotiation and those suitable for consultation has proved unrealistic." In Belgium also "wherever an active tradition of collective bargaining already existed, the works council was quickly integrated into that tradition and was generally regarded by the workers as another channel for claiming their just rights rather than as a means for joint consultation for furthering common aims." In Sweden, on the other hand, "the fears once prevalent that the works council would find it difficult to keep wage questions and party politics away from their deliberations have happily proved unfounded." It is very desirable to exclude individual grievance. A discussion of grievance tends to vitiate the atmosphere making it unsuitable for consultation over important matters. In some countries e.g. Sweden

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2. Ibid. P. 44
there is no such restriction and in case of dismissal or lay-off
the employee has a right to bring the matter up for joint discussion. 
Our experience is different; the works committees had become
just grievance committees. We have to avoid that situation.

Labour Management Co-operation Seminar.

These recommendations of the sub-committee were considered
and with minor modifications approved by the first Seminar on
Labour-Management Cooperation held in Delhi on January 31 and
February 1, 1958 and was attended by the representatives of the
Central and State Governments, employers organisations, trade
union federations and the representatives of labour and management
from the prospective undertakings.

Progress.

These are briefly the measures which were undertaken to
give a concrete shape to the basic idea of cooperation put forward
in the Second Plan in the industrial relations field.

It was announced at the first Seminar that 30 undertakings
had offered to try the experiment. Though some of these units later
on did not find it possible to fulfil their commitment, yet due
to the initiative taken by some other undertakings, 37 councils
had been constituted and were functioning by July, 1959. For
the next two and a half years there was a complete dead-lock and not

1. According to the official information (Annual Report of the
on Labour Management Cooperation, March, 1960) the number of the
councils in March, 1960 was only 23. This was, however, not correct.
The Councils (known as Managing Councils) in six state under-
takings in Kerala were for some inexplicable reason excluded from
the list drawn in 1960. The latest list includes them. Similarly
Simpson group was counted as one unit though there were actually
nine councils functioning in various industrial units comprised
in the Simpson Group.
a single new council was set up. Rather in some important units - for example Hindustan Machine Tools, KamJannaroh Co.Ltd and Kerala State Transport - the working of the councils had to be suspended for one reason or the other.

To accelerate the pace of progress which was hitherto very slow, the Ministry of Labour and Employment constituted a special cell in the Ministry to promote the scheme and offer guidance to the units intending to set up the councils. State Governments were also requested to set up a special machinery for the purpose and by 31 March, 1963 all States except Assam, Gujrat and Jammu and Kashmir had done so.

As a result of these efforts, some progress had been made during 1962-63. According to the information supplied by the Ministry of Labour, the number of units in which the councils were functioning as on 30 April, 1963 was 55 — 16 in the public sector and 39 in the private sector. If six TISCO Collieries for which there is only one council are taken as one unit (and not counted as six units) it will be noted that during a period of about 4 years there has not been much increase in the number of the councils as only 15 new undertakings had come forward to try the scheme of labour participation.

The State-wise and Sector-wise classification of Units where the councils were functioning as on April 30, 1963 is given below. Among the important industries in which the Councils have been set up are Engineering, Collieries, Tea, Jute and Cotton Textiles.

1. For a complete list of units see appendix II. 

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60
### Table I


<table>
<thead>
<tr>
<th>State</th>
<th>Private Sector</th>
<th>Public Sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assam</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Bihar</td>
<td>7</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Gujarat</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Jammu and Kashmir</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kerala</td>
<td>-</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
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<td>4</td>
</tr>
<tr>
<td>Madras</td>
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<td>-</td>
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</tr>
<tr>
<td>Mysore</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Orissa</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Punjab</td>
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<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>West Bengal</td>
<td>8</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Delhi</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**Total:** 39      16      55

Source: Ministry of Labour, New Delhi.
leaving aside the qualitative aspect for the present, is far from satisfactory. Not only that not many fresh offers have been received during these years, even some of those who had 'volunteered' later expressed their inability to set up the Council on one pretext or the other. Notable among these are: Travancore Rubber Works, Shri Ganganagar Sugar Mills, Rajasthan, Sassoon Spinning & Weaving Co.Ltd., Bombay and the Swadeshi Mills Co.Ltd., Bombay. There is a tendency to attribute this slow progress to the 'narrowmindedness and conservatism' of the employers. "The employers", it is pointed out, "regard all suggestions of workers' ingress into sacred domain of management as unfair imports and unhealthy interventions."\(^1\) It was stated at the 11th session of Indian National Trade Union Congress that "there are indications to show that the proposition has not found support on the managements' side to the extent it was due". The 8th Annual Conference of the Tamilnad I.N.T.U.C. felt that "the real difficulty lies on the employers' side where a psychological revolution has become a necessity." \(^2\) "The basic hurdle in implementing the scheme even to a limited extent is the fact that managements are not reconciled to the idea of recognising the unions of workers' choice ....... They shudder at the idea of sharing the management mysteries with the workers." \(^3\)

The Government also seems to share this view and "finds fault with the employers who have been singled out as

3. Indian Worker, June 12, 1961, p.6.
the sole culprit for the poor success of the scheme achieved
so far". This might be the case with some 'misguided' employers
but it is not true of the employers as a whole. Employers deny
these allegations and the President, Employers Federation of
India clearly wrote to the Minister for Labour that "if our
response has not been prompt and positive, it is not because
we have not tried to comply with the recommendations of the
Tripartite Conference". It is stated that the introduction of
this new scheme does not depend on employers' sweet will alone;
there is the other party also - the workers and their unions.
Besides this, some other factors - for instance, the state of
labour management relations, the growth of trade unionism, the
level of education among workers - have also to be taken
into account. The correct position seems to be that they are on
the defensive, watching with interest the progress of the
Councils already set up and before introducing the scheme in
their concerns they will like to be assured that the Councils
are functioning effectively and rendering useful service. This
is admittedly a cautious approach. A new venture of this type
requires initiative and dash which the employers do not have the
courage to take. The term 'labour-participation has also
discouraged quite a few employers. As a spokesman of an
employers' association observed: "This term is frightening. The
management feels that it is a device to take away its prerogatives
and undermine its authority. If instead we use the term 'joint
consultation' and impress upon the employers that the idea is
not to oust the management but to establish close

3. Views of labour and management representatives not attributed
to any other source, are based on personnel interviews.
cooperation between management and the workers, many more will be forthcoming." Some employers may be also groaning under the fear that worker participation in management may in the very long-run lead to worker ownership of the unit. It is unfair to put the entire blame on the employers. The allegation could be justified only if it could be shown that the employers have, by and large, turned down the demand of the trade unions to constitute the Councils. Not many cases of this kind have been reported from any quarter.

Public Sector.

The planned economy of India is based on an expansion of the public sector and the Government has assumed an ever increasing role in the economic life of the community. Being the biggest employer in the country, its responsibility is great. It has to behave as a model employer. The public sector which has to set an example to the private sector, can not congratulate itself for its performance in this sphere. Its share in the number of Councils set up so far comes only to 29% as against 44% originally agreed to.

According to a list drawn up by the Ministry of Labour and Employment in 1959 nine public undertakings had been selected and for the purpose. Out of these, two units - Travancore Rubber Works/Sri Ganganagar Sugar Mills had not constituted the Councils till April, 1963. The Council in Nahan Factory was constituted as late as in January, 1962. In the Arganda Colliery, certain technical difficulties had been raised by the management to the setting up of the Council and it took about three years to solve them. The Council at the Hindustan Machine Tools Ltd. which was inaugurated with so much fanfare and publicity ran into difficulties only after ten months of functioning and is in abeyance since then; so much so...

1. H.M.T. Annual Report 1959-60, P.14
that at the Second Seminar held in March, 1960, the representatives from H.M.T. were not even invited. Out of 16 Councils in the Public Sector, eight are in Kerala State. Other State Governments seem to be indifferent to the scheme. Moreover practically all these units are very small in size, 4 of them employing less than 70 workers each. The Public Sector has in its fold to-day some of the biggest undertakings in the country. How is it that none of the big units like Hindustan Steel, Heavy Electricals, Nangal Fertilizers, Heavy Engineering Corporation, Nyvele Lighite etc. have shown any indication to try the experiment. Even if only Indian Railways could be persuaded to introduce the scheme, it would have enhanced the prestige of the public sector. Expressing his disappointment over the non-implementation of the scheme on Indian Railways, the President, Western Railway Mazdoor Sangh observed at the Annual Conference in April, 1962 that "even at this distance of time, there is no indication of the introduction of the scheme of workers' participation in management. It appears to have been forgotten with no regret. Even an elementary scheme put forward a few years before by the Railway Board for the participation of labour in the welfare activities has not been implemented on any Railway". It is common knowledge that the Life Insurance Corporation of India, River Valley Projects and Defence Establishments evaded the formation of the Councils on one plea or the other. At the first Seminar, on behalf of River Valley Projects, it was stated that "work on the construction phase is temporary in character and the number employed on maintenance is severely restricted. In electricity projects the criterion of 680 pleaded workers may not be satisfied at any time". The Defence Ministry that
"the experiment cannot be tried for reasons of security. Where civilians and service personnel work side by side, offer of right/participation to civilians might induce service personnel to make a similar demand which can not obviously be satisfied." The Dock Labour Boards were reported to be "already having more powers than those proposed to be given to Joint Councils." The first Seminar had recommended that the Ministry of Labour might request the Ministry of Finance to form the Councils in the Life Insurance Corporation of India, each zone being treated as one unit. The Ministry turned down the proposal on the ground that management's contact with the employees through the Employees and Agents Relations Committees was satisfactory. The Finance Minister also stated in the Lok Sabha that the provisions normally applicable to industrial and commercial companies should not apply to financial institutions.

These are lame excuses. If the condition of '500 workers' could be waived in case of Hindustan Insecticides and Gwalior Tannery, it could be waived in case of River Valley Projects also. The Finance Minister's attempt to make a distinction between industrial and financial enterprises is not valid in the present case. The employees in the latter undertakings have as much a desire for recognition of status, a desire for being personally identified with the projects they undertake, as the employees in industrial enterprises. There is an old maxim 'where there is a will there is a way! If these undertakings had some special difficulties and the pattern laid down did not suit them, they could modify it to meet their requirements. This has been done in Yugoslavia where an ambitious and novel scheme of labour-participation is working satisfactorily for the last ten years. Special provisions have been made and different pattern evolved for the Railways, Post and Telegraph, Electricity enterprises,
It does not mean that we should follow the Yugoslav model. It is only suggested that with will and determination the difficulties of these undertakings in the public sector can be surmounted.

The Government is conscious of its failure in this respect. There has been a good deal of criticism regarding the implementation of labour laws and labour policies in the public sector undertakings. The Ministry of Labour and Employment is not happy about the manner in which labour problems are handled by the various ministries. Prof. J.H. Richardson had disapproved of the present practice of the various ministries determining their industrial relations policies without reference to the Labour Ministry and had recommended that a Senior officer of the Labour Ministry should be attached to employing ministries to assist in their personnel and industrial relations work.


The Ministry of Labour and Employment has been making persistent efforts to bring more public undertakings into the scheme. A Conference on Worker-Participation in Public Sector Undertakings was held in February, 1961 which was attended among others by the Ministries of Mines and Fuel; Works, Housing and Supply; Transport; Mines and Oil; Irrigation and Power; Commerce and Industries and Labour. The Ministers did not make any definite commitments; Rather the Minister for Oil emphasised that consultation machinery should be thought of only after the more elementary needs of workers such as decent houses, education facilities, medical aid etc. are provided on a more elaborate scale than at present. After some discussion the Conference accepted the general policy of setting up
joint Councils but the responsibility was thrown on the Labour Ministry to take the initiative to provide necessary guidance and support. Other decisions reached by the Conference are:

1. Where large number of manual workers are employed and where the characteristics of industrial management are discernible, efforts should be made to set up joint management councils.

2. The Worker Directors in public sector undertakings should be associated with joint councils and utilised to strengthen the machinery.

3. Formal reports on the working of joint participation should be regularly furnished. They should be reviewed every quarter at Officers' level and every six months at Ministers' level.

4. The Labour Minister should be invited to the meetings of managers of public undertakings called by various Ministers so that problems connected with Labour could be discussed and understood mutually and difficulties ironed out.

5. Special arrangements should be made in the Ministry of Labour and Employment to assist the various Ministeries to set up Joint Councils.

6. The possibility of combining in a single agency the operational and training side of programme of workers' education and labour participation should be examined.

7. An intensive programme of workers' education should be followed.

8. The Labour Ministry has drawn out a scheme for furthering the programme of Joint Councils in the public sector. Its main features are:
1. An immediate appraisal of the working of Joint Councils or similar other machinery for joint participation should be made in each of the units where the scheme is stated to have been introduced.

2. Efforts should be made to resolve the differences and overcome the difficulties in units where machinery has temporarily broken down. The good offices of the members of the committee on Labour Participation in Management should also be utilised for the purpose.

3. A study of trade unions and labour management relations, the wage structure and labour welfare facilities and amenities in selected industrial undertakings (selected by the Ministry concerned) in the public sector should be undertaken with a view to finding out if existing conditions are suitable for the setting up of Joint Councils. Where existing conditions do not appear favourable, the report should indicate steps that may be taken to create a more favourable atmosphere. These could be discussed first with the management and later, if necessary, with the concerned Ministry.

4. It would be worthwhile to start an intensive course of Workers' education for the benefit of workers in units where joint Councils are to be set up. Such an intensive course may last for two or three weeks and may be held outside factory hours at a convenient place near the factory or the workers' colony. It may even be necessary to offer suitable inducement to the workers to attend the course.

5. Discussions about the scheme should also be arranged at suitable levels with management personnel.
6. The setting up of special machinery at State level should be speeded up by taking up the matter at a high level and personal discussion, if necessary.

7. The broad outline of the scheme should be as stated in the 1st Seminar. But that should only be a model. Departure from the model should be permissible in consultation with the employers' and workers' representatives at the unit level.

As a result of these deliberations it was decided to give the workers an effective voice in management in 45 important public undertakings and a committee headed by the Labour Secretary of the Ministry of Labour and Employment had been enjoined to choose the units in which the scheme was to be launched. It is not known whether a such list was finalised or not; at least it was never made public. Enquiry from the Ministry of Labour brought forth the reply that the list, if any, was meant "for official use only." In August, 1961, it was announced that the Councils would soon be set up in 11 public undertakings such as Ashoka Hotel, Hindustan Housing Factory etc. Both these units were still (as on 30th April, 1963) out of the scheme.

To promote worker participation in the public sector, Punjab Government had constituted a high level committee in August, 1961 but nothing concrete had been done till November, 1963. Madhya Pradesh Labour Minister had also stated in August, 1961 that Bhilai Steel Project and State Road Transport were among the public undertakings selected for introduction of the scheme. Even though

seven years have lapsed; these units have not yet joined the Scheme. Similarly the setting up of Joint Councils in the Government Cement Factory, Churk (Uttar Pradesh) had been agreed upon before March, 1960, but it has not so far been implemented. It will not be unreasonable to conclude that State Governments and other Central Ministers are not willing to cooperate with the Ministry of Labour in experimenting with the Scheme.

Attitude of Trade Unions.

What is the attitude of the trade unions in this matter? At the Second Seminar the workers' representatives wished to emphasise that "they were solidly in favour of the joint Councils and appreciated the initiative taken by the Government." This contention is not borne out by actual experience. The All India Trade Union Congress is avowedly indifferent to it. Their view is that as long as the means of production are in private hands, industrial democracy is a 'myth or a fraud'. The workers, they point out, can never acquire the status of a partner in industry under the capitalistic system. According to Hind Mazdoor Sabha, the appointment of labour leaders to directorships and such co-management schemes may add to the prestige of some leaders and groups in the labour movement without making them any more effective in protecting the interests. The attitude of these two federations can not be described as positively hostile. They did participate in a few joint Councils. The Indian National Trade Union Congress has been the most active to campaign for securing for the workers a share in

2. Ibid.
management and as early as 1955, 'Indian Worker' the official Organ of the Indian National Trade Union Congress had advocated that "progressive steps for workers' participation in the management of the industry should be taken. It would be in the interest of the industry itself to include workers' representatives in the management. "Delivering the presidential address to the 12th session of the INTUC, Mr. Michael John also highlighted the urgency to bring about workers' participation in industrial management. The Conference reiterated its considered opinion that labour - participation in management represents a progressive stage in the evolution of proper industrial relations and a vital element in the socio-economic order that the country has in view. In fact the INTUC has profoundly influenced Government's labour policy and has been mainly instrumental in the Government's acceptance of 'labour participation' as one of the major objectives. In the light of these developments, the approach of the INTUC to the institution of the Councils is not understandable. It goes to their credit that in most of the undertakings which have set up the Councils, representative unions are affiliated to the INTUC; but after the first flush of enthusiasm was over, it is taking little genuine interest in the matter. The fact that other labour federations have only a nominal contribution to make does not help. The comparison between INTUC on the one hand and the AITUC, HMS AND UTUC on the other is not valid because of the fundamental differences in their approach, attitude and philosophy, so far as this question is concerned. Two Textile Mills in Bombay which had opted to introduce the scheme in their concerns wrote a number of letters to the unions affiliated to the INTUC to nominate their representatives on the Council but no formal reply was ever received. The management were
informally told that the union was not interested. Consequently, in these two undertakings the Councils could not be set up. A prominent INTUC leader felt that "the scheme is too elementary to arouse any enthusiasm on our part". He observed: "I do not want my workers to waste their time in discussing minor issues such as the location of the canteen, the celebration of a religious festival, working hours of the dispensary etc. Unless the scheme can give the workers an effective share in management and some definite powers it is worse than useless."

The INTUC's idea of worker participation based on the Gandhian Principle of Trusteeship is quite ambitious. It believes that "labour and management are co-trustees; labour should have a right to participate in management of industry on equal terms which can not be the prerogative of capital alone; ...... Labour must be accepted as an effective partner and must be given all the rights of a partner. Then alone can participation become genuine." 1

Admittedly, the present scheme is too elementary to satisfy these ambitions; but it may be remembered that I.N.T.U.C. was a party to all the decisions and the present pattern was determined with its full and free consent and it is unfair to let it fail now.

Lack of interest on the part of the INTUC may also be due to the fact that they have too many problems on their hands and do not have a sufficient number of trained personnel to act as their representatives on the Councils. INTUC has a strong hold on the textile industry at Ahmedabad and Indore but there are only three joint Councils functioning in these two centres. Explaining as to why the scheme was not being extended to other units, an

1. Personal interview, June, 1960.
INTUC leader at Indore stated: "I do not want the same persons to work on different Councils because that is likely to raise complications and we do not have extra hands to represent us on the new Councils, if they are constituted."

The indifference of the trade unions may be attributed to two factors: (a) The unions doubt the sincerity of employers and suspect that they may be promoting 'joint consultation' in an effort to break down union loyalties and weaken their power. The Unions' experience with works committees in India may be partly responsible for this distrust of employers. Some employers did treat the works committee as a substitute of the union and negotiated with it agreements on terms and conditions of employment. The pattern of labour management relations has changed since then and no employer can afford to ignore the union. (B) The fear that local shop stewards will become too powerful and the authority of permanent officers will be weakened. A couple of employers expressed this view in the following words: "The union does not really want the Council to be set up. It has a lurking suspicion that the success of labour management cooperation at the unit level would weaken their position and slacken their hold on the workers." There is no doubt that a system of joint consultation which would weaken the trade union and thereby weaken the collective strength of the workers would be looked upon with suspicion by the well established trade unions and fail on that account alone: The suspicion and the fear are, however, based on a misunderstanding of the concept of joint consultation and the functions of the Councils. Joint consultation, if practiced in a true spirit should strengthen the trade union movement. The attitude of the German Trade Unions deserves

appreciation in this context. They regard "these organs as the
e elongated arm of the union". To quote, Union Labour Minister,
"it was expected that with joint consultation trade unions would
grow stronger, more responsible and more effective".

Proposal for Legislation

Disappointed by the slow progress certain sections have
demanded legislation. The consensus of opinion, however, is that
the decision to try the scheme on a voluntary basis was a sound one.
The success of such a measure depends on the willing and enthu-
iastic co-operation between labour and management. The machinery
for joint consultation has to be 'in-built'. No amount of
compulsion can infuse that spirit. One can take the horse to the
water but cannot make it drink. Compulsion may at the most establish
only the semblance of it by setting up compulsory Councils, but
as the climate for their functioning will be absent they will be
useless. Shri Nanda Jee has rightly stated that "Legislation
restricts its growth and brings down everybody to a dead level of
uniformity".¹ Rather there is a risk in making the scheme compulsory
without making adequate preparations for it. If the Councils are
forced down the throats, the unwilling unions and employers, the
failure of a large number of them, which may be safely presumed,
might create such a prejudice against labour participation that
the entire scheme may have to be shelved for sometime to come. The
only effective method of making labour participation more wide-
spread in Indian Industry is that the Government, the employers
in associations and trade union federations should take more active part/

¹ Inaugural speech by Shri Gulzar Lal Nanda, Union Minister
for Labour at the I.C.F.T.U. Seminar on 'Worker Participation
in Management' held in Delhi in April, 1963.
propagating the idea of labour participation and promoting the Councils. An official letter from the Ministry of Labour to employers associations and trade union federations and from the letter to their constituents units is not enough. The Government should disseminate information on joint consultation through lectures conferences and leaflets and stimulate research and extend the available knowledge of the factors which influence the success of joint consultation as was done in U.K. by the Ministry of Labour and National Service. The Bombay Management Association has recommended that at these conferences the managing directors of selected firms and prominent labour leaders should be invited to give talks on the subject. This would go a long way in selling the idea to top management and trade unions. The Central labour organisations should not leave everything to the local units. They should themselves make a thorough study of the conditions prevailing in different industrial centres and determine where the scheme could operate with success. Labour Organisations which do not have very favourable ideas on worker-participation should not be altogether given up. If the management is sincere they can be persuaded to participate in Joint consultation. In this context the report of the personnel manager of the Indian Aluminium Company at Muri Works is illuminating:

"Here we had to deal with a union different in many respects from the one in Belur (near Calcutta). Nevertheless we are convinced from our own experience that given the proper climate, it is possible to negotiate such agreements with unions in India though they differ from one another in ideology, outlook and other matters."

Joint Management Councils At Work.
Criteria Examined

We may now proceed to examine the 5 criteria laid down for the selection of the undertaking for the experiment.

1. The first criterion, that "there should be a well established trade union functioning" appears to be a sound one. Opinions can of course differ. In U.K. the experts of the Ministry of Labour observed "So far it had not been shown that there was any necessary connection between the success of consultation machinery and the existence of a strong trade union."

In France, on the other hand, the multiplicity of trade unions has affected the working of joint consultation system. To quote from the Study Group Report, "As the central organisations are often suspicious or even hostile to one another, the workers' delegations in the works committees can hardly be a coherent group. The members often attempt to outbid one another and this inevitably vitiates the atmosphere of constructive cooperation."

Conditions in India are almost similar to those in France and experience has shown that where this criterion was not satisfied there has been trouble. This, to my mind, was the basic cause of the breakdown of consultation machinery at the Hindustan Machine Tools Ltd. Bangalore. Of course, both management and the union have their own stories to tell and there are accusations and counter-accusations. But my assessment of the situation is that the Council was constituted with undue haste. The management showed over-enthusiasm. In their anxiety to be the first in the public sector to introduce the scheme, the management artificially boosted up the union and went out of the way to facilitate its growth. The

1. Study Group Report P.20

* This evaluation is based on the working of about 30 Councils which were set up by April, 1962.
management provided rent free furnished building with telephone installed in it to the union for office purposes and free transport to the workers to attend the general meeting of the union once a month. But as the union had not firmly established itself—its existence being so short that it could not be given dejure recognition—a rival union soon cropped up and claimed to be recognised as the representative union. If the management had waited till a genuine union sprang up, such a situation would probably have been avoided. At the Sonabheel Tea Estate, in the beginning the Council received considerable assistance from the union but as rival trade unions appeared on the scene and inter union quarrels started, the support declined. At the Travancore Rubber Works, the Council could not be started at all because of differences between the rival unions. It is difficult to define a 'well established trade union'; a number of factors will have to be taken into account to determine the position of a union in an undertaking. The Bombay Management Association holds that the union should be considered as strong if it possesses a membership of not less than 50% among the workers and (b) is recognised by the employer.

2. The second criterion that "there should be readiness in the parties to try out the experiment in a spirit of willing cooperation" does not seem to be very relevant in view of the fact that the scheme is to be tried only in the units who voluntarily offer to do so which implies a spirit a 'willing cooperation'.

3. The third criterion that "the size of the undertaking (in terms of employment) should be at least 500 workers" is not

satisfied by all the units. There are about a dozen establishments which employ less than 500 workers. For instance, of the three undertakings in Bombay—the biggest Industrial Centre of India—two units which have introduced the scheme are small enterprises employing less than 500 workers. Similarly in the public sector the Councils are functioning only in small industrial establishments. Strictly speaking, the scheme has better chances of success in a small concern. Though the sub-committee’s mind is not known, but probably it took the cue from the practice prevalent in other countries in prescribing a minimum number but placed the figure too high. The consideration that the experience gained at small concern may not provide adequate guidance for the further extension of the scheme which was being tried on an experimental basis, may also have influenced the committee’s recommendation. This high limit, however, does not seem to be very necessary nor is it being strictly followed in practice. It is worthwhile considering the desirability and feasibility of prescribing a lower limit.

4. The fourth criterion that "the employer/union should be a member of one of the leading central organisation" was probably laid down in the hope that the Central Organisation would succeed in persuading their members in large numbers to come forward to try the experiment. Moreover since independent employers and unions are not a party to tripartite decisions and are not even morally bound by them, it was considered advisable to confine the scheme, in the first instance, only to the members. This criterion can be said to have been satisfied. In case of employers particularly, their membership of the central organisation played a major role in inducing them to make a trial. On enquiry as to why did they offer to try the experiment; were they so enamoured of it,
a number of employers replied that "the Association had made a commitment at the Tripartite Conference to provide a particular number of units for the experiment and it approached us for co-operation. We being important members of the Association could not say 'NO'. In view of the fact that the central organisations both of labour and employers, have on the whole failed to sell the idea of labour participation to their members, it may not be necessary to stick to this criterion. Independent employers or unions who want to give the new institution a trial may further be encouraged to do so.

5. The fifth criterion laid down by the Seminar was that "the undertaking should have had a fair record of Industrial relations." Harmonious relations between management and workers are a prerequisite for the success of worker participation. The Councils can function effectively only in an atmosphere of faith and trust. If these are lacking, nothing else can compensate. The function of successful joint consultation is the management's willingness to treat its employees as an intelligent and responsible working force and the workers' willingness to accept the responsibility of contributing to the solution of common problems. The spirit of 'give and take' will be absent in the concern where relations between management and workers are bad. On the Railways and the Coal Industry in U.K. consultation has been largely ineffective due to bad labour relations generally. Deterioration in relations obstructs the smooth functioning of the Council also. The Management Research Officer, Tata Iron and Steel Company had reported that "In a couple of cases where the
industrial relations are bad they get reflected sometimes in the council meetings. Faction rivalries are similarly projected, though occasionally." In a Textile Mill, the union-management relations got strained on the bonus question and this was reflected in the work of the Council.

In this context the views of the Union leader are significant: "What is the use of the Council when the employers are not prepared to give a reasonable bonus to the workers inspite of the fact that the mill has made huge profits. It is not possible to work on the Joint Council with an employer who is still harbouring 19th century concepts of labour-management relations."

Structure And Composition.

With the exception of T.I.S.C.O. and Belur Works, the Joint Councils though varying in details, have generally followed the pattern laid down by the first Seminar. Most of the Councils were set up after the first Seminar - to be more precise, between May, 1958 to November, 1959. Modi spinning and Weaving Mills Co. Ltd., had, however, moved in the matter even before the Government took the initiative to propagate the scheme in India.

1. Workers Association with Management - Some experiences of Tata Steel by R.P. Billimoria, Management Research Officer TISCO, January, 1959. p. 15
2. Months and years of the establishment of the Councils are given in Table III.
3. In this unit, Joint Management Council (previously known as Conciliation Committee) is more a negotiating body than consultative. Among the subjects discussed are wages, bonus, increment, disciplinary action etc. There is a separate production committee to deal with production matters.
The term of the Council varies from one year to three years. In Kerala State undertakings, the term of the Council is one year, so is the case in Hukam Chand Mills, Indore. But in the units comprised in the Simpson Group, it is three years. In Fertilisers and Chemicals Travancore, Ltd., the term of the first Council was from April 1959 to December, 1961 and the Second Council, set up in April, 1962 will continue till December, 1964. In Kankanara Jute Mill, there was no definite term; after the first six months, the Council was to continue month by month. In the remaining units, the term is generally two years.

Membership.

The membership of the Council varies from six to twelve, the former number being more common. Out of 28 units, for which information is available, in 12 the Council consists of six members; important in this category are Kerala State undertakings and five out of nine units of the Simpson Group. In eight units, some of which are very small employing less than 300 workers, for example, Bombay Silk Mills and Devidayal Cable Industries Ltd., there are twelve members on the Council. The remaining eight Councils have either eight or ten members each, as is shown in the following table:

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<th>Membership of the Council</th>
<th>Number of Units/Councils</th>
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<tr>
<td>6</td>
<td>12</td>
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<td>8</td>
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<td>10</td>
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Among the exceptions we may mention the Joint Management Council for T.I.S.C.O. Collieries which has twenty members. Similarly, the first Joint Management Council for the Simpson Group set up in October, 1957 consisted of twenty members but after the constitution of a separate Council for each unit comprised in the Group, in May 1959, the number has been reduced and now ranges between six and ten.

There is equal representation of management and workers in the Council. This is in keeping with the Model Agreement. There is no special merit in giving equal representation to both the parties. A case can rather be made out for doing otherwise. The Council is not expected to take decisions by a majority vote. No party can secure any special advantage merely on the strength of numbers. Variation in the size of representation will confirm the philosophy of labour participation that the consultation machinery does not function on a balance of strength or voting power. Smaller representation to labour will create doubt and suspicion; workers will think that they have been treated as an inferior partner. It will be worth while for the management to be satisfied with fewer representatives, as it has been at Panitola Tea Estate. The agreement provides for only two representatives of the management as against six for the workers' side. In Kerala State undertakings also, the Council has four representatives of the employees but only two representatives of the management. There is generally no provision for a separate representation of technicians or other salaried employees as is the case in Belgium and France. State undertakings in
Kerala are again an exception. Each Council has two representatives of union, one of technician and one from the ministerial staff, the last two being nominated by their respective staff associations. It is desirable to have representation for each department and grade but this must be balanced against the need to devise a workable organisation.

Nomination / Election.

The Model Agreement had provided that the workers' representatives should be nominated by the trade union. It may be desirable that it helps in mitigating the union's continued suspicion and the Council may be assured of the union's continued support. The unions feel observed Flanders that they are the instruments through which the workers desire to greater share in the control of industry should be satisfied. If the employees representatives command the confidence of the trade union concerned the conflict between the union and the Council can be avoided. Nomination by the Union is also better because due to union rivalry, election is likely to produce friction. The disadvantage of the system is that it leaves the workers cold. The experience in U.K. has been that direct election gives the workers interest in participation otherwise the tendency might be to treat participation as an affair of trade union bosses. Therefore, in a number of European countries, e.g., U.K.,
France, Belgium, Sweden etc. election system is more prevalent. The union's interests are safeguarded by providing that only union members are eligible for election. Another drawback of this method is that there is no representation of non-union members of workers belonging to unrecognised unions. The Bombay Management Association suggests that "the workers' representatives should be chosen by free election only. They should co-opt one office bearer of the union as a full fledged member with voting rights."

The nomination method has, however, been found more workable in India. In a very large number of Councils, workers' representatives are nominated by the union. The election system was followed in only five out of twenty eight Joint Councils; practically all of them were small units. In bigger undertakings nomination method was practised. In Bally Jute Mills, two unions exercise the right to nominate their representatives. In some undertakings, for example, Bombay Silk Mills and Devidayal Cable Industries, though the workers' representatives are elected, the elections are either held by the union or conducted by the management with the consent of or in consultation with the union. In a few units, for example, Government Hydrogenation Factory, Calicut etc., though the union has the right to nominate its representatives, yet it conducts election to select them.

In the agreement between the TISCO and Tata Workers' Union, it was stipulated that "steps shall be taken gradually to introduce the principle of election by secret ballot" but there is no information to the effect that it has been implemented.

Qualifications.

Ordinarily no qualifications have been laid down for the workers' representatives. The presumption is that the union will send desirable persons. A couple of agreements do provide a minimum of one year's service and some education but they are exceptions. There seems to be no age restriction as is the case in U.K. where 18 years is the minimum age limit prescribed. In Sweden the age limit is 21 years. The members get no remuneration; they are paid their normal wages for the time spent in attending the Council meetings and do other work in that connection. In Devidayal Cable Industries, the employees representatives are paid Rs 1. 50 nP per meeting as conveyance allowance.

Outside Representation.

The Workers' representatives include non-employees also. The number of such outsiders is not large but they occupy important positions in the Council. If it is the turn of worker representative to hold a particular office, it is usually held by the non employee member.

It will not be out of place to mention that the Vice-Chairman of the Hindustan Machine Tools Joint Council was a non-employee at the time of trouble started. The Indian Aluminium Works, Belur does not permit non-employees to serve as members on the Joint Committees.

Some Councils e.g. Arvind Mills invite union leaders
as observers. In France also each recognised union is entitled to send an observer to attend the meetings.

Outsiders are important leaders of the trade union and they have adequate information about the industry and its problems. Since the workers are illiterate and their knowledge of the economic and financial side of the industry is meagre, it is fair that they should have the guidance of outside experts, but it should be only guidance and not dictation and driving.

The Councils have a right to co-opt persons having an expert knowledge of a particular subject matter in a consultative capacity. They shall, however, be present only during the discussions of that particular subject and shall not have voting rights.

Chairmanship.

The chairmanship of the Council is to be held by the employers and workers' representatives by rotation for a year term. To begin with, the Councils were presided over by the management representatives, but later on in many Councils the workers' representatives took over. In Bally Jute Mills, the Chairman has to be a management nominee. Even if the management representative continues to be the chairman, it is by mutual consent. In a couple of units e.g. Wheel and Rim Factory, Madras workers' representatives urged that General Manager should continue as chairman. The managements have not shown any reluctance to have the workers' representative as chairman. At the Gwalior Tannery even the first Chairman was a workers' representative. The principle of rotation may be justified on psychological grounds but on practical considerations it will be preferable that for some more time the management representative should preside over
the meetings. He has a thorough understanding of the problems to be discussed. Being in possession of all facts and figures, he can explain each point in details and it is generally felt that there is no particular advantage in alternating Chairmanship between the two sides.

Sub-Committees.

The Councils are assisted by sub-committees, standing or ad-hoc, which work under the direction and supervision of the Joint Management Council. They are not competent to take any decisions. Their recommendations are considered by the Council whose decisions are final. Twenty-two Councils were reported to have appointed sub-committees by November, 1963. Sub-committees common to most of the enterprises are - Welfare sub-committee, Canteen sub-committee, Production sub-committee and Accident Prevention or Safety sub-committee. Some of the other sub-committees are : Stores sub-committee, Waste sub-committee and Suggestion sub-committee. The sub-committees also include persons other than the Council members. Departmental Councils are uncommon. The Simpson Group comprises nine companies and there was a sub-joint Council for each company but it was not subordinate to the main Joint Council. At TISCO Departmental Councils are functioning very efficiently but their pattern is entirely different.

Joint Consultation At TISCO.

At the Tata Iron and Steel Company a Joint Consultative Council of Management is functioning since 1956 which is the apex of a comprehensive three-tier scheme of consultation. Below is the Joint Works Council for the entire works and parallel to it is a Joint Town Council for dealing with matters relating to the

1. Indian Worker, December 2, 1963.
town, medical and health services. At the lowest level are Joint Departmental Councils numbering 32, each having 2 to 10 representatives each of workers and management depending on the size of the department. Departmental Councils discuss all matters connected with the problem of production and/or operation of the department and make recommendations to promote productivity in all aspects and on matters of welfare. Councils at higher levels perform, more or less, the same functions at the level at which they operate. The Joint Works Council has an additional function of planning and supervision of the work of Canteen, Welfare, Suggestion Box and Safety Sub-Committees. The Joint consultative Council also advises the management in regard to economic and financial matters. Matters falling within the purview of collective bargaining do not come within the purview of this scheme. Similarly, the Councils are prohibited from discussing the relations of the Company with its share-holders or managerial staff or matters concerning taxes or of a confidential nature.

In addition to the above scheme, Joint Committees already exist for dealing with matters such as grievances, trade test specification, house allotment, medical fitness and administration of Workmen’s Benefit Fund.

Joint Consultation At Belur.

At the Indian Aluminium Works Belur, Joint consultation is arranged by means of five Joint Committees, as detailed below—

Joint Personnel Committee: Its function is to contribute towards the maintenance of good relations by settlement of dues grievances in accordance with the provisions of the grievance procedure.

Joint Production Committee: To aid improvement in quality, output, efficiency and production methods and solution of
production problems in general.

Joint Evaluation Committee: To evaluate jobs for fitting into the wage schedule.

Joint Standards Committee: To make work study, recommend standard rate of performance and labour strength and help attainment of these standards.

Joint Canteen Committee: To discuss and recommend measures to improve canteen efficiency and service.

All the Joint Committee are consultative and advisory and have no executive authority.

The Company did not consider it necessary to draw many formal agreements. At the First Seminar, it was agreed at the request of the Company to accept their pattern as equivalent to labour participation in management. But in later years there have been some reservations on this question. It is felt that the machinery for joint participation in the unit needs to be remodelled before it can conform to the Government of India's scheme. This matter had come up for discussion at the Second Seminar also and it was suggested that to start with, the administration of welfare measures should be entrusted to the workers. The Company, however, is not inclined to make any change. According to company's Works Manager; "our existing pattern of Joint Consultation is working well and we do not contemplate to disturb the same".

Works Committees vis-a-vis Councils

One of the recommendations of the first seminar was

1. In the list issued by the Ministry of Labour on January 26, 1962, Indian Aluminium Co., Ltd., Belur and Modi Spinning and Weaving Mills, Modinagar were separately mentioned with the qualifying clause that the machinery needed to be remodelled.
that "where works committees are already working in units where joint Councils are to be set up, the works committees shall continue." The argument advanced in favour of this arrangement was that "since joint committees are working at the policy level, they can function separately without encroaching upon the functions of works committees." In actual practice this has not happened. There are hardly two or three units where both works committee and the Council are functioning. The works committees wherever they existed ceased functioning soon after the Joint Councils were set up, though not formally dissolved. This was due to a misunderstanding of the role of the works committees. The parties concerned could not make a clear distinction between the functions of the two bodies. One unit in the public sector is reported to have evaded the constitution of the council on the plea that "What is the need of the Council; we already have a works committee functioning smoothly." At the Hindustan Insecticides the Works Committee was reorganised and renamed as Joint Works Management Council with enlarged functions. The various functions of the works committees were transferred to sub committees responsible to the joint council. A tripartite committee appointed by the Indian Labour Conference in July, 1959 considered this question and has drawn up guiding principles relating to the composition and functions of works committees. Illustrative list of items which a works committee should normally deal with and which it should not has also been laid down.

1. It may be interesting to note that out of 25 Survey Reports prepared by the Ministry of Labour on the working of Joint Management Councils, on 22 Reports there is no reference to Works Committees.
2. See Chapter on Works Committees.
It would be worthwhile to note here that the distinctions between Works Committee and Joint Management Council:

1. Works Committee is statutorily compulsory. Each undertaking employing more than a prescribed number of workers must have a Works Committee. Constitution of the councils is voluntary.

2. Works Committee is a direct form of participation as Workers' representatives are usually elected by them, while Joint Council provides for indirect participation, being nominated the workers' representatives by the trade unions concerned.

3. Membership of Works Committee is confined to employees only, whereas outsiders can and do become members of the Council.

4. Works Committee is a very elementary stage of labour participation. According to the revised list of functions the Works Committee has to deal only with working conditions, safety and welfare measures. The Council is comparatively a more advanced stage and included in its scope are production problems, standing orders, future plans of the company, balance sheets etc.

5. The Works Committee has only advisory jurisdiction; the Council has been entrusted with administrative responsibility also in regard to specified matters. Despite this clarification regarding the functions of the Works Committees, some overlapping between the functions of the Works Committee and the Council still remains and is to some extent unavoidable. It has, therefore, been suggested by some employers that there is no scope for both the Works Committee and
the Council in a particular unit and therefore the Works Committee should be dissolved after the Council is set up. The presence of the Works Committee is also superfluous when the Council which is comparatively an advanced form of participation is functioning in a Unit. But in taking any decision regarding the role of Works Committee in a unit where the Council has been constituted, it may be borne in mind that the Joint Councils are still in an experimental stage and it may not be advisable to dissolve a satisfactorily functioning institution for the sake of one which is on trial. Moreover, it may be retrograde step from the point of view of industrial democracy to substitute the system of direct participation by an indirect one.

Meetings

The Councils have not been meeting as frequently as they were expected to. It is provided in the constitution of most of the Councils that the Council will meet once a month but very few Councils, for example, Kerala Soap Institute, Associated Printers and Panitola Tea Estate, met this requirement. Among the units which did not strictly comply with this provision, but had comparatively a better performance, mention may be made of Fertilisers and Chemicals Travancore Ltd., Government Printing Press, Chandigarh and Hindustan Insecticides. The best performance was that of Hukam Chand Mills.

1. It would be inadvisable to set up a Joint Management Council in a unit where even the Works Committee cannot function effectively. The successful functioning of the Works Committee is an indication that the unit is prepared for the next stage in labour participation.
Indore, which held 62 meetings in two years. Details regarding the number of meetings are given in Table III. A study of the working of the Councils further reveals that meetings were more regular in the beginning but later on they became more and more infrequent. Some Councils did not meet for months. Even at Arvind Mills, where meetings were held almost every month for the first 18 months, gap between the meetings began to increase and it was ultimately agreed that the Council should meet only once a quarter. The main reason for not holding the meetings regularly was lack of agenda. In some units, meetings could not be held as scheduled because either the President or the Vice President was out of station or too busy to attend the meeting.

Table III.

DETAILS OF MEETINGS OF JOINT MANAGEMENT COUNCILS

<table>
<thead>
<tr>
<th>Name of the Unit</th>
<th>Year of setting up the Council</th>
<th>Period (from to)</th>
<th>Number of meetings held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panitola Tea Estate,</td>
<td>April, 58</td>
<td>Meeting held regularly on last Monday of the month</td>
<td></td>
</tr>
<tr>
<td>Assam</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sonabheel Tea Estate,</td>
<td>April, 58</td>
<td>April, 58 - December, 60</td>
<td>14</td>
</tr>
<tr>
<td>Assam</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arvind Mills,</td>
<td>May, 58</td>
<td>May, 58 - April, 62</td>
<td>24</td>
</tr>
<tr>
<td>Ahmedabad</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The Council has been meeting quarterly since January, 1961.
<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bally Jute Mills</td>
<td>May,58</td>
<td>1960</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>Hindustan Insecticides, Delhi</td>
<td>August,58</td>
<td>November,59 - December,60</td>
<td>21</td>
</tr>
<tr>
<td>3</td>
<td>Govt. Oil Factory, Calicut</td>
<td>August,58</td>
<td>August,58 - December,60</td>
<td>13</td>
</tr>
<tr>
<td>4</td>
<td>Kerala Soap Institute, Calicut</td>
<td>October,58</td>
<td>Regular meeting every month</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Malleable Iron and Steel Castings Ltd.,</td>
<td>September,58</td>
<td>September,58 - September,61</td>
<td>18</td>
</tr>
<tr>
<td>6</td>
<td>Govt. Printing Press Chandigarh</td>
<td>October,58</td>
<td>October,58 - September,61</td>
<td>28</td>
</tr>
<tr>
<td>7</td>
<td>Bombay Silk Mills</td>
<td>November,58</td>
<td>February,59 - August,61</td>
<td>11</td>
</tr>
<tr>
<td>8</td>
<td>Digvijay Cement Company, Sikka</td>
<td>December,58</td>
<td>January,59 - August,61</td>
<td>23</td>
</tr>
<tr>
<td>9</td>
<td>Devidayal Cable Industries Pvt. Ltd.</td>
<td>March,59</td>
<td>May,59 - April,61</td>
<td>15</td>
</tr>
<tr>
<td>10</td>
<td>Pistons, Madras</td>
<td>April,59</td>
<td>June,59 - September,61</td>
<td>13</td>
</tr>
<tr>
<td>11</td>
<td>Wheel and Rim Factory, Madras</td>
<td>May,59</td>
<td>June,59 - September,61</td>
<td>15</td>
</tr>
<tr>
<td>12</td>
<td>Shri Ram Vilas Service Ltd., Madras</td>
<td>May,59</td>
<td>June,59 - September,61</td>
<td>10</td>
</tr>
<tr>
<td>13</td>
<td>Associated Printers</td>
<td>May,59</td>
<td>Regular meeting every month</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Addisons Paints and Chemicals, Madras</td>
<td>May,59</td>
<td>June,59 - September,61</td>
<td>22</td>
</tr>
<tr>
<td>16</td>
<td>Hukam Chand Mills, Indore</td>
<td>November,59</td>
<td>November,59 - November,61</td>
<td>62</td>
</tr>
<tr>
<td>17</td>
<td>The Mail, Madras</td>
<td>May,59</td>
<td>May,59 - September,60</td>
<td>13</td>
</tr>
</tbody>
</table>

*No meeting was held from September, 1960 to September, 1961 due to differences of opinion between the Union and the Management.*
Table III - Continued

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>Govt. Ceramic Concern, Kundara</td>
<td>March, 59</td>
<td>March, 59 - July, 61</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Addison &amp; Co.*, Madras</td>
<td>May, 59</td>
<td>August, 59 - January, 61</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Fertilisers and Chemicals, Travancore</td>
<td>April, 59</td>
<td>May, 59 - June, 62</td>
<td>26</td>
<td></td>
</tr>
</tbody>
</table>

Information Sharing

The Councils have performed consultative, advisory and administrative functions with varying degrees of success. Some Councils received information on the general economic position of the undertaking, production and sales programme, annual Balance Sheet etc. A study of the proceedings of the Councils reveals that there has been very little information sharing. Neither the workers' representatives asked for information relating to the general problems of the enterprise nor did the management voluntarily offer it. Management representatives stated that it was no use explaining the financial, marketing and other problems to the workers' representatives as they did not have the necessary background and ability to understand them. This is only half truth. Experience has shown that Indian workers may have no education but they do not lack intelligence. The right to receive information implies the right to seek clarification, express views and offer advice. Unless a full opportunity for free and frank discussion is given to the members, the novelty of
receiving information only may soon wear off. If the workers are denied this right, they feel irritated and annoyed. This actually led to the breakdown of consultation machinery in a big concern. The President of the Union reported:

"The Chairman (management representative) adopts a dictatorial attitude and does not allow us even to have our say. He wants to conduct the meeting in his own way." Information of a confidential nature was ordinarily neither asked for nor given. Some management representatives 'regretted' that the workers' representatives did not always keep to themselves the confidential information given to them.

The Director-in-charge of a Textile Mills voluntarily imparted information on the cost structure during the previous month. At the next meeting, the workers' representatives asked for the similar information for the next month and the management had to seek the intervention of the union to persuade its members not to press for it. Similarly this right to receive information created serious complications in an engineering concern. The Union representatives asked for some information relating to the salaries of top executives and some other financial details, which the management refused to give. The Union in turn expressed its inability to participate in Joint Consultation. The Union President expressed his point of view in the following words:

"The object of worker participation is to give the worker the status of partner in industry. As a partner I have right to get whatever information I choose to; nothing should be confidential from the partner. If I am treated as an inferior partner, I am not interested."
This is an example of mistaken notions and exaggerated ideas of worker participation. The matter came up for discussion at the Second Seminar where the general opinion was that "the Council should not ask for such data that did not have a direct bearing on their functions. It would be sufficient to secure similar data which was provided to the shareholders. The important thing would be to avoid asking embarrassing questions." At TISCO this difficulty is obviated by expressly mentioning in the agreement that the Council will not deal with questions affecting the relations of the company with its shareholders or managerial staff or other matters of a confidential nature.

Consultation.

Consultation presupposes an open mind. It is expected that views expressed at the Council meeting will be taken into account at the time of taking final decision. If the decisions have already been taken, consultation is useless. The workers feel hurt if they are treated merely as a rubber stamping body. The workers are very quick to sense the motive behind consultation. If the management is not sincere, the workers will not waste their breath and offer no advice. In one concern the workers wanted to be consulted about the selection of personnel for being sent abroad for further training. The Second Seminar held that "while it might be appropriate to consult the Council on the type of training that would be of greatest utility to the factory, it would be best to leave the actual selection of trainees to management."
In a Jute Mill, the workers complained that the Councils had not been consulted on the question of sealing the looms. There have not been many complaints from the workers' side regarding the failure of the management to keep the Council informed of the problems of the enterprise or to consult it; but the inadequate functioning of the Councils is apparent from the records of the council meetings. It also shows that the workers' representatives did not take adequate interest and did not care whether they were supplied with necessary information or consulted on a particular issue or not. To give an instance of the workers' representatives' apathy towards general problems of the enterprise, in one Joint Council the workers representatives did not know the profits earned by the company and the dividend declared during the previous year, though the annual report was in their hands for the last six months.

Subjects Discussed

It is difficult to give a complete list of the subjects discussed by the Councils over a period of three to four years; some of the common/important subjects are given below:

1. Fuller utilisation of material, avoidance of waste and better care of machinery.
2. Shortage of raw material, additional storage space, quality improvement and introduction of new methods.
3. Marketing, appointment of sales agents, sales promotion, competition from other units and profit and loss
4. Filling of vacancies, selection of apprentices, preference to sons of employees in recruitment, training, transfer and promotion policy.

5. Abnormal over-time work, job scheduling, shift change and absenteeism.

6. Discipline, suspension, dismissal and lay off.

7. Amenities for workers - Rest Rooms, Dining Rooms, Cloak Room, Lavatory and Bath Room, Cycle Shed and Uniforms. 1 Canteen.

8. Incentive Schemes, Suggestion Scheme and grievances.

9. Safety and welfare, cleanliness, noise and dust and lead poisoning.

10. Workers' education.

Implementation Of Decisions.

The First Seminar had recommended and most agreements contain a clause to the effect that the unanimous decisions of the Council will be implemented. This is necessary to sustain labour's interest and enthusiasm. If the decisions of the Council are not implemented by the Management, the workers' representatives are bound to develop an attitude of indifference which will deepen with successive failures of the management. Even if the management is sincere about implementation but it is not promptly done, it will lose much of its value. 'Justice delayed is justice denied' is a well known saying. Such a situation is more likely to develop

1. Canteen was one of the frequently discussed item.
if the management representatives are not competent to take final decisions and all matters are referred to higher management for approval. Much of the Councils' time is wasted in listening to the reports and views of top management on questions which have been already discussed and a decision arrived at. This is precisely the case in public enterprises. The solution is that in private enterprises, the chief executive should attend the meetings of the Council and in State undertakings more authority should be given to local management, of course, consistent with parliamentary control.

Disatisfaction has been expressed over inadequate implementation of the decisions of the Joint Councils. It has been a general complaint that the Councils' recommendations were not implemented by the Management or were implemented after a lapse of a long time. In many units workers confessed that the non-implementation of their recommendations had damped their enthusiasm and shaken their faith in the utility of Joint Councils. Even the reasons for non-implementation or delay were not always communicated to the Council. Very often the Council did not know for months the fate of a particular recommendation.

One Trade Union Leader said that decisions favourable to management were immediately implemented, but those favourable to workers were not attended to. Failure to implement unanimous decisions has spoiled relations in a few

1. In Electrical and Allied Industries, Kundara the Convener of the Council - a worker representative - stated that only 30% of the Councils' decisions had been implemented.
undertakings. In Digvijaya Cement Co. it was one of the factors responsible for the suspension of Joint Council for ten months. In one unit the management arbitrarily reduced the amount sanctioned by the Council for Independence Day celebrations. In some concerns implementation rate is quite high. According to the information supplied by the management of the Arvind Mills, all the unanimous decisions of the Council had been implemented. Similar was the case in Panitola Tea Estate. At Sonabheel Tea Estate till April, 1962 all the decisions except the one relating to the starting of the Canteen had been implemented. The details regarding the implementation of decisions at TISCO are given below:

PROGRESS OF IMPLEMENTATION OF DECISIONS AS ON JANUARY 1, 1960 SINCE INCEPTION.

<table>
<thead>
<tr>
<th>Name of the Council</th>
<th>No. of Decisions taken</th>
<th>Decisions Implemented</th>
<th>Rejected</th>
<th>Pending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Departmental Councils</td>
<td>2435</td>
<td>1646 (67%)</td>
<td>362 (15%)</td>
<td>427 (18%)</td>
</tr>
<tr>
<td>Joint Works Council</td>
<td>136</td>
<td>107 (79%)</td>
<td>11 (8%)</td>
<td>18 (13%)</td>
</tr>
<tr>
<td>Joint Town Council</td>
<td>129</td>
<td>67 (51%)</td>
<td>35 (28%)</td>
<td>27 (21%)</td>
</tr>
</tbody>
</table>

Delegation Of Administrative Responsibility.

Delegation of Administrative responsibility is a very important aspect of labour participation. The workers generally appreciate "the change over from the regime of

paternalism under which welfare institutions depended upon
and the employer who planned, financed and managed them." If
the Council has no administrative functions, workers may feel
frustrated and suspect that they are being used 'as guinea
pigs in a paternalistic hobby'. Moreover it will keep the
Council members busy. "An empty mind is a devil's workshop"
is an old adage. The workers' representatives will be
initiated into the art of management. This experience will enable
them to understand the problems of the undertaking and the
difficulties of management better. Prof. H.S. Kirkaldy has
rightly observed:

" ....... If within the field of welfare ....... a
large measure of self-government can be left to
the workers, even in the management of facilities
provided by the employer, a sense of responsibility,
initiative and co-operation can be fostered and
often among those whose daily tasks afford them the
least opportunity of developing characteristics, so
essential to industrial enterprise and wise
citizenship."1.

Some Councils have been entrusted with the adminis-
tration of Welfare and Safety measures but their number is quite
small. Out of 30 Councils, only 5 had been delegated adminis-
trative responsibility. In many units, e.g., Simpson Group,
management did not think it fit to delegate any administrative
responsibility to the Council. In Belur, the Union representatives
asked for administrative responsibility re: Welfare but it
was not granted. In Devidayal, the responsibility for
administration of the Canteen was not given to the Council
even though management was giving ₹ 500.00nP per month as a
subsidy to the Canteen contractor. In a Cement Factory, the mana-
agement called in a contractor to run the Canteen soon after/Council

1. H.S. Kirkaldy - The Spirit of a Industrial Relations.
finalised the programme of improving the Canteen

Management have however expressed disappointment over the meagre interest shown by the workers' representatives in this matter. There are instances where management wanted to hand over these functions to them but they (workers union) found one excuse or the other to evade it. They were not prepared to shoulder any responsibility; their attitude was described by one management as "do nothing and criticise others". A spokesman of another management said "it is a deliberate plan of the union not to accept any administrative function. If the welfare services are run by the management, the union will be in a position to find fault. The workers will look to the union for improvements and the union will gain importance by representing their grievances to the management and pressing for reform. If, on the other hand, they undertake the work, they will have to bear the brunt of workers' complaints. They do not want to be placed in the dock; they prefer to be the prosecutors." Explaining why they refused to accept responsibility for the administration of welfare measures, workers' representative in one unit said "The management reduced the fund allocated to welfare activities and wanted the Council to provide welfare facilities out of reduced allocation. It was suggested that the Council may raise subscription from workers, if necessary. If the Council accepted the responsibility under these conditions, workers have interpreted it as a disability arising for the functioning of the Council."

Some representatives of the workers, on the other hand,

1 Some Councils were asked to look after the managements of Canteens and welfare activities. This is hardly participation in Management and has naturally made labour feel less enthusiastic about such councils and lofty principles which stood behind the whole scheme" (Vice President INTUC-Indian Worker dated May 29, 1996).
complained that the power vested in the Council was only nominal. The management did not place any funds at the disposal of the Council to be spent on welfare measures at its sole discretion. This contention seems to be true. The management's reply is: It is not necessary to allocate special funds for the purpose or fix a definite amount and hand it over to the Council. We shall implement the decisions of the Council."

Opinions differ on what is meant by 'administrative responsibility'. The interpretation of this term was the source of much trouble in a machine tool factory. The Union representatives thought it meant full control over welfare activities, from planning to the execution stage. The management's view was that the Council was fully competent to take all decisions on the matter but the execution of those decisions was the management's responsibility. The question arose when the management allowed some cultural association the use of the Canteen building for a particular evening; it being a holiday, the Canteen was closed. The workers' representatives on the sub-committee objected to it, saying that the management had no right to lend the Canteen building without the permission of the sub-committee. The management argued that the Canteen building was a part of the company's property and the management was absolutely within its rights to use it for the purpose. In the same unit workers had also objected to the grant of some subsidy to the Officers Club. Their argument was that no money should be spent on welfare measures without their knowledge and consent. Management pleaded that the sub-committee had nothing to do with how the company used its funds; they should only bother about the funds allocated to them. The divergence was so sharp that it could not be resolved. It further strained the already bad relations.

1. The Raj Kumar Mills had provided ₹ 20,000 for the purpose, but that is an exception.
A Suggestion Scheme is described as an integral part of any participation plan. Such a Scheme "enables a worker to increase personal income, help to raise the collective work bonus, put an end to errors or waste which shock professional conscience, carry out personal ideas, give the management and immediate boss a chance to appreciate personal knowledge, initiative, ingenuity and common sense, and above all to secure workers talent. It is one of the tried techniques for tapping this infinite source of intimate knowledge of tools and methods." Experience in European countries has been that the Suggestion Scheme has been the labour most effective element of worker participation. In U.K. the contribution of Joint committees to the technical problems of the undertaking had been small but the Suggestion Scheme had worked better. Commenting on the Swedish system of joint consultation the I.C.F.T.U. observed: "The workers' suggestions have so far proved to be the most successful result of joint consultation. Workers are constantly bringing forward written proposals on questions of production methods and to a somewhat lesser extent upon transportation, safety and welfare. Twice as many suggestions were submitted in 1950 as in the previous year. There can be little doubt that this form of industrial democracy has already taken deep root. According to the European Productivity Agency, "the extraordinary economic success of German Industry is in part due to the

2. Quoted in Study Group Report, p. 29.
techniques by which it taps the intellectual reserves of its working force and Suggestion Scheme is one of the techniques employed."

The European Productivity Agency defines the Suggestion Scheme as "a system whereby a firm's employees particularly the lower grades, are encouraged to put forward ideas for improving production, equipment, material handling, safety precaution and so forth. For suggestions of value a reward is paid and this is commonly calculated as a percentage of the estimated saving to the firm." A properly worked Suggestion Scheme helps to increase productivity, improve labour-management relations and provide employees with an opportunity to make use of their creative faculties. The importance of an effective Suggestion Scheme and its impact on labour participation have not been adequately realised in this country. A number of Councils have no Suggestion Scheme at all; among those who have it, very few are functioning satisfactorily. Of the thirty units surveyed, twenty have no such scheme, in five the scheme is either existing on paper only or is not working satisfactorily. Only in the remaining five units the scheme is reported to be satisfactory. In the latter category are - Arvind Mills, Fertilisers and Chemicals Travancore, India Pistons and Devidayal Cables. In Arvind Mills, from May 1958 to September 1961, 155 suggestions were received; out of which, 82 were accepted and acted upon, 50 were rejected and the remaining 23 were under consideration.

1. Classification of suggestions received:-

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Production Improvement.</td>
<td>32</td>
</tr>
<tr>
<td>b) Methods Improvement.</td>
<td>42</td>
</tr>
<tr>
<td>c) Safety</td>
<td>49</td>
</tr>
<tr>
<td>d) Miscellaneous.</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>155</td>
</tr>
</tbody>
</table>
In Fertilisers and Chemicals Travancore, during 16 months (July 1960 to October 1961) 107 suggestions were received. Awards ranging from Rs 25.00 to Rs 250.00 were given for 16 suggestions and for another 10 suggestions, letters of appreciation were issued. In addition to these units, at TISCO an effective Suggestion Scheme is in operation since 1945. Till 1959-60, 473 suggestions had been accepted and Rs 82425 were given as rewards. The Indian Railways had paid during the year 1959-60 a sum of Rs 12000 as rewards to individuals who had made useful inventions and suggestions.

As noted above, in many units where joint councils are operating the Suggestion Scheme had made no headway. The managements report that "there is no response." Either the workers do not come forward with their suggestions or their suggestions are not worth anything." They attribute this failure to two factors: Firstly, the workers are not interested. They only care for the pay packets; nothing arouses their enthusiasm if it does not immediately increase the size of the packet. There is also a fear, though seldom justified that by increasing productivity they may be throwing some of their fellow workers out of jobs. Secondly, they have no ideas. They are uneducated and their level of intelligence is low. They cannot make any worthwhile contribution to production techniques. There may be an element of truth in this, but a study of the working of the scheme in some undertakings gives a clear impression that the responsibility for the failure of the scheme largely rests on the management. A Suggestion Scheme
is essentially a management function and will not work or secure the desired results unless "it is actively accepted by the management and given a workable place in the whole system." If it is left outside the main stream of management functions, it becomes 'moribund and more and more of a liability'. A few instances clearly demonstrate that the management has not been taking sufficient interest.

In a concern the suggestion box was not even opened for the first three months. No one thought of opening it. Only when the author asked for the details of the suggestions received, it was discovered that the box was not opened till then. In another enterprise, the majority of workers did not even know that there was any such scheme. They had seen the box but did not know what for it was there. In still another factory the management complained that the Box contained workers' grievances on minor issues. It clearly shows that the workers did not understand the basic idea of a Suggestion Scheme. Its purposes were not explained to them.

Such examples can be multiplied. We do not question the sincerity of management but it is clear that the management will have to make more efforts if the scheme has not to remain on paper only. The main thing is to make the workers interested and inspire their confidence. It is not enough to keep a suggestion box. Every worker must understand what for it is there, and what is its significance. He should have a proper understanding of the merits of the scheme and complete information

1. In Devidayal Cable Industries, in two years only six suggestions were received. At Belur Works the scheme was discontinued as it was a complete failure. Management is, however, anxious to revive it.
regarding the procedure etc. Posters neatly printed and properly exhibited are a good device to attract attention. The pictures and cartoons in the house magazine will also be helpful. Some firms slip a reminder in the men's pay packet. A direct approach will probably be the best. A person may be specially deputed to keep in touch with the workers and collect their suggestions. Workers may have ideas, but being uneducated they may not be able to express them. The special officer will be able to spot out such persons and provide them the necessary help to put their ideas in a proper form. Workers' confidence can be won by promptly looking into their suggestions. It is also essential to convince the workers that the scheme is being run on fair lines. The money value of the awards is also important. If the awards are too stingy—for example, in two units maximum award for an accepted suggestion is only ₹ 25/-, the workers will ignore them. The modern worker, rather feels slightly insulted by being given a small tip. It will always be better to err on the side of generosity. In addition to financial awards, some prizes in kind may also be given. The whole scheme should not only be 'just' but also 'appear to be just'. The workers' representatives on the Suggestion Sub-Committee may convince them about the management's sincerity and fairplay.

Assessment.

The success of the Councils will be judged according to the contributions they make towards (a) increasing productivity (b) improving labour-management relations and (c) developing in the workers a sense of belonging and satisfying their urge for self-expression. Applying these tests, we find that results
achieved so far are not very heartening.

A. In some cases the Joint Council has helped in the effective utilisation of material, avoidance of waste, reduction of losses in the Canteen or transport and in checking late-coming. In many undertakings production and productivity have also increased but what precise contribution the Joint Councils have made in these improvements cannot be ascertained. The reason is that similar improvements have occurred in many other concerns in the same industry and in the same region. There are no indications that undertakings with Joint Councils have done better than those without them. During the last few years, there has been a country-wide drive for higher productivity. The National Productivity Council has played an important part in making Indian Industry productivity-conscious. Improvements in plant and machinery, techniques of production and the quality of management have all combined to increase efficiency and enhance productivity. As a consequence in many undertakings, the trend towards higher productivity was noticeable even before the introduction of Joint Councils. Managements have generally reported that there has been no change in workers' attitude to work. One management representative

1. Commenting on the success of the scheme at TISCO the General Secretary, Tata Workers' Union observed "Though these Joint Councils we have been able to improve productivity, have made employees safety minded, improved the working conditions, improved the methods of production by giving useful suggestions and on the whole we are happy that since the establishment of these Councils these are working satisfactorily. Tata workers Union and Tata management were probably the pioneers in the field of establishing Joint Councils with a definite purpose of closer cooperation of the workers in the industry."
bluntly said "the question does not arise. The Council has not bothered about production matters. The workers' representatives keep the Council busy with their immediate problems."

A study of most of the Councils' proceedings confirms this view. The Councils have devoted much of their time and energy to discussing welfare measures and workers' other demands and listening to their grievances." As the Works Manager of the Chemicals factory observed: "the workers regard the council as a more effective forum than Works Committee to ventilate their grievances."

B. It is claimed that "one remarkable result of setting up Joint Councils has been a closer understanding between the management and the workers in regard to several aspects of their day to day relationship. Both managements and workers now have better appreciation of the difficulties and problems of one another." Some improvement in relation is no doubt reported. The General Manager of a State undertaking admitted that before the Council was set up there was discontentment and hooting of management; it is all quiet now." In the Raj Kumar Mills, as a result of 'labour participation' Code of Discipline had been implemented 100%. The Bally Jute Mills succeeded in introducing double looms without any trouble. The Management partly attributed 'the shift to the three-shift system without any hitch' to the Joint Council. These are isolated cases which will not justify a positive conclusion. It is admitted that the cases of work-stoppages in undertakings where joint councils are functioning have been negligible. But this does not mean much because with the exception of one or two concerns, for example, Belur Works, other

units had a good record of industrial relations even before the introduction of the scheme and had no major trouble or work-stoppages for many years prior to the setting up of the Councils. In Belur works, there is a distinct improvement in labour management relations but it may have been achieved not only by associating workers with management but as a result of many other concessions that were given to the workers in the Agreement, of which labour participation was but one part.

There have also been instances of a definite deterioration in labour management relations. The TISCO had the worst industrial unrest in its history after the signing of 1956 Agreement which had provided for labour participation. A difference of opinion on the question of sharing information between the workers' and employers' representatives on the Joint Council led to the breakdown of joint consultation in the Simpson Group. The Union President described the attitude of management as "autocratic and dictatorial". In Kankannarah Jute Mills relations between Management and labour became so strained that in December, 1960 there was a strike involving loss of more than 130,000 man days. In Hindustan Machine Tools, the management and Union clashed on the question of wages and production norms and the Joint Council has been in abeyance for more than three years. The Punjab Government Printing Press Labour Union was highly critical of the "high handed and unfair treatment of the workmen by press officials." These examples do not reflect "a clearer understanding between the management and the workers". In a leading article Indian Worker, the official organ of the INTUC expressed disappointment over the attitude of employers and observed 'We are sure the Government would not allow the employers to sabotage
The data about labour turnover and accidents in the units concerned do not show a definite downward trend. In the Hukam Chand Mills, the Joint Council was set up in November, 1959 but the rate of labour turnover had already declined from 2.1% in 1955 to 1.3% in 1959. In 1961 it was 1%. In Bolé Jute Mills during first year of the Joint Council, the rate declined from 10.3% to 6.5% but in the very next year it increased to 9.3% and came down again to 4.5%. Similarly in Kankrnarah Jute Mill, in the first year the rate declined from 13.9% to 6.9% but next year it went up to 8.9%. The figures for the Belur Works are 1.4% in 1955, 0.5% in 1956 and 1957, 1.1% in 1958, 0.3% in 1959. In Arvind Mills the rate of labour turnover increased from 17.0% in 1957 to 31.2% in 1960.

The number of accidents in Kankrnarah increased from 37 in 1956 to 79 in 1959. In TISCO, the accident rate for three months ended January, 1960 was 23.9 for every 1000 workers as against 19.2 for the same period a year before. In Bally Jute Mills, the number of accidents increased from 114 in 1957 to 171 in 1958 but declined to 94 in 1960. While in Arvind Mills it increased from 9.4 per 100 employees in 1957 to 12.8 in 1960, in Hindustan Insecticides it declined from 30.7 in 1957 to 8.1 in 1960.

As for absenteeism it is officially admitted that generally speaking it has increased. At a meeting of the Committee on Labour Management cooperation in May, 1961 Dr. G.S. Melkote, INTUC representative, suggested "that it would be useful to undertake a study about absenteeism to find out whether increase in absenteeism was due to the workers taking more leisure in undertakings where councils have been formed." and the Minister for

1. Indian Worker - May 22, 1961.
2. Ibid.
Labour had agreed to consider the proposal.  

C. The Councils' poorest performance is in relation to the test. The scheme has singularly failed in developing in the workers' a sense of belonging and satisfying their urge for self-expression. The general body of the workers have remained unaffected and untouched. In Bally Jute Mills, the management claimed that the idea of labour participation had penetrated to about 30 to 40% workmen. The union leader placed the figure at 5%. It is partly due to a weak communication system. The workers do not know what is happening in the Councils and their leaders do not take them into confidence. Adequate opportunities have not been provided to the workers to satisfy their urge for self-expression. The suggestion scheme and the delegation of administrative responsibility were the two effective media for satisfying such an urge, which have not been availed of. It has been observed that suggestion scheme has been a failure and there has been little delegation of responsibility. Partly due to the apathy of the workers but largely due to lack of interest and sincerity of purpose on the part of management, the Councils failed to achieve one of their main purposes. The scheme has, however, satisfied the ego of Union leaders that they can talk to the top management face to face on equal terms.

It is generally agreed that the Councils have not functioned effectively and successfully. Employers and trade unions confess that the councils have not been able to achieve much beneficial results and they have largely been a failure. In most of the units where Joint Councils have been set up, representative union is affiliated to the INTUC. INTUC's assessment of the situation is this: "Workers' participation in management is only in name. While the workers were associated with the management
of unimportant aspects of industrial functioning, they were cleverly prevented from sharing real managerial powers. The result was that it had not produced the desired results ..... Unless the employers adopt a more positive attitude, it will remain only a paper scheme*. The views of A.I.T.U.C. can be summed up in one sentence: "About worker participation in management, the less said the better".

Employers' disappointment is evident from the fact that not many new councils have been set up, after the first flush of enthusiasm was over. If the Joint Councils had some positive achievements to their credit and the employers as a class were convinced that they were rendering useful service, many more would have some forward to try the experiment. The Central Minister for Commerce and Industry whose opinion should carry considerable weight stated in January, 1962 that "the scheme has not proved a success in units in which it has been introduced". Presiding over the 5th All India Labour Economics Conference, Dr. Gian Chand observed: The assessment of the Joint Councils points to the results being anything but reassuring ...They are not even a beginning of a new chapter in 'industrial relations' from the conservative standpoint, what to speak of a creation of a new community with a newly awakened sense of mutual obligations".

Reactions of the members of the Councils.

The reactions of labour and management vary from Council to Council. A cross section of their views is given below:

Management Views

"The scheme is premature and is serving no useful purpose". (Director incharge of a textile mill.)

The uneducated workers have an inferiority complex and

1. Indian Worker dated May 8, 1961.
the educated ones think too much of themselves. Both these attitudes hinder the smooth running of the Council. (General Manager of a Textile Mill).

The Union is asking for too much. The management is not prepared to hand-over management functions to the union or share it with them. They can only be consulted. They want true participation which is not possible. (Personnel Manager of an Engineering Concern).

Trade Unions are apathetic and are providing no guidance to their nominees on the Council. The management is not prepared to hand-over management functions to the union or share it with them. They can only be consulted. They want true participation which is not possible. (Personnel Manager of an Engineering Concern).

The workers put forward no proposal. In every matter the initiative has to be taken by the management (Personnel Manager in a Jute Mill).

The workers are neither enthusiastic nor competent. They should not be consulted on major issues. They do not understand nor they care to. They only know how to extract more (Factory Manager in an Engineering Unit).

Consultation will ultimately lead to participation. (Manager, Silk Mill).

Labour Views.

The Council is a mere show. The management is not prepared to share responsibility with us. (Union President).

The Council has eliminated from our minds the fear of management. (Worker).

The Council puts a check on management's favouritism and vindictiveness. (Union leader).

The management's motive in constituting the Council is that it adds to their prestige. They are not sincere about it. (Union leader).

The management of the mills is the employer's business; who do we, illiterate workers, know about these things? (Worker).
The Joint Management Councils could not come up to expectations and function effectively due to a number of difficulties which may be broadly classified under four heads, viz., conceptual, environmental, attitudinal and operational.


Misunderstanding about the character and scope of the Councils:— Neither the employers nor the unions were clear about the concept of labour participation and its implications. The dimensions of the problem were not correctly appraised by them and they could not adequately appreciate, in the proper perspective, the limits within which the Councils were intended to function. While some employers viewed the Council as a serious encroachment in their 'sacred' domain, a device to deprive the management of its right to manage and the first step to the ultimate extinction of the right of ownership; there were others who treated the Council as just a consultative body, not to be taken very seriously. This second category of employers regarded the Council as only a mechanism; they could not grasp the spirit and the philosophy behind it and confused the trees for the wood.

Some Union leaders read too much in the limited experiment of labour participation. They thought they had a right not only to interfere in all managerial affairs, irrespective of their nature or character but also, to dictate to the management and wanted that their decisions in the Council should be binding on the management. This attitude frightened many employers and they were led to believe that the Council was likely to become a serious threat to
managerial functions. As against some over-ambitious unions, there were others, which, partly due to lack of self-confidence, had an unconscious fear that the Council would ultimately usurp union's functions and as a rival prove to be a threat to union's existence. With this fear lurking in their minds, their support to the Council lacked enthusiasm and vigour.

Lack of identity of purpose between employers and workers: - The employers' and workers' expectations from the council were different and they had been seeking to achieve through it different objectives. The employers' motives in setting up the Councils were higher productivity and improved industrial relations; the workers, on the other hand, cared more for welfare and status. The social implications of labour participation were ignored by the employers and its contribution to the economic prosperity of the enterprise was neglected by the workers. The result was that the Councils were working at cross purposes and the workers' and employers' representatives were pulling in diverse directions. The basic condition for the success of any institution, that all those working in it should strive together for the achievement of common aims and objectives, was thus not fulfilled.

2. **Environmental.**

The Joint Management Councils require for smooth functioning a suitable environment in the units concerned. This environment is reflected in a net-work of relationships at various levels in the unit, important among which are :-

(i) worker-union relationship which is dependent on the strength and the status of the union, (ii) union-management relationship which is ultimately the problem of collective bargaining,
conciliation and arbitration, (iii) worker-management relationship, one of the aspect of which is an effective grievance procedure, and (iv) relationship between various levels of management, for example between top management and middle management and between middle management and junior management. In varying degrees these relationships were confused and under-developed in the undertakings where the Councils had been set up.

Worker-Union relationship: The absence of a responsible and representative union and the resultant inter-union rivalries marred the smooth functioning of some Councils. The shifting loyalties of union members created serious problems for them. Besides the difficulties involved in securing workers' representatives on the Councils, weak unions could not correctly represent workers' opinions and views nor could they ensure sincere efforts by workers for the implementation of Councils' decisions, so far as they related to them.

Union-management relationship: In many units, there was no definite pattern of union-management relations. Collective bargaining, though sometimes resorted to, was not the normal feature of this relationship; nor there was any systematic procedure for conciliation and arbitration. Considering that labour participation does not supplant but supplements collective bargaining, this was a serious drawback. Consultative bodies can function satisfactorily only, if side by side, some other institution, through which workers may press their claims to secure higher wages and improved terms and conditions of employment, exists in the unit. In the absence of regular collective bargaining, there was a
tendency among workers' representatives to bring in controversial bargaining issues in the Council meetings, which made the atmosphere unsuitable for constructive co-operation. The deterioration in industrial relations in the unit was also invariably reflected in the Council meetings.

Worker-management relationship— Few units had a well-defined grievance procedure and still fewer faithfully observed it. The consequent accumulation of workers' day-today grievances vitiated the atmosphere. The workers' immediate reaction was that when the management could not remove their minor grievances, how could they expect it to behave sincerely in the Council meetings, where bigger issues were involved.

Management patterns— In many units, the general pattern of management was undemocratic. There was little consultation between various levels of management and delegation of authority was reduced to the minimum necessary. It was too much to expect managers at lower levels to engage in consultation with workers' representatives or to share managerial functions with them, when they themselves were not being consulted or taken into confidence by their superiors. One democratic institution cannot function properly in an otherwise authoritarian environment.

3. Attitudinal

Much depends on the attitude of management and workers. If they have no basic desire to co-operate and if they

1. C.G. Renold says in his "Joint Consultation over Thirty Years" "Unless Management is imbued with respect for its people as human beings and with a genuine desire to carry them with it, institutions and procedures will prove sterile. Facilities for consultation should be approached not as concessions but as opportunities to get at what their people are thinking and to put over the problems and point of view of management. If the spirit is right, the rest is a matter of organisation and procedure."
look to each other with mistrust and suspicion, no joint machinery, however, carefully designed can work successfully.

Employer's attitude: Much of the difficulty from employers' side had arisen due to the absence of a sincere constructive attitude. Even having agreed to constitute the Councils, many employers could not give up their old attitude towards workers and the unions and their outmoded notions of labour-management relations. Their support to the Councils therefore, assumed only a formal character, with the right spirit behind it, missing. This attitude was reflected in their reluctance to 'share information' with the workers' representatives on the Councils or to delegate administrative responsibility in regard to welfare measures etc. The non-implementation or delayed implementation of the Councils' decisions is another indication of the lack of sincerity of purpose.

Managements' attitude: It was generally felt that the management at middle and junior levels was particularly averse to the Councils. Even in units, where the employers or the top management were enthusiastic about the scheme of labour participation, the Councils could not achieve the desired results, partly, due to the lack of co-operation from lower-level managers. In practice, it is they who represent the employer at the Council and the workers naturally judge employers' attitude towards the Council through their behaviour and response. Uncooperative attitude on their part may be partly due to the fact that it is ultimately their powers which are

1. The Councils, as they are constituted at present, do not effect major policy decisions, they are largely concerned with the implementation of these decisions in limited spheres.
likely to be curtailed by the Councils and partly due to the generally undemocratic environment referred to above, in the unit.

Trade unions' attitude:- The attitude of the Trade Unions has been one of indifference. After having nominated their representatives, many unions did not bother as to what happened to the Council and were stirred to action only when some crisis arose. Trade unions' indifference may be attributed to (i) their own wrong notions of labour participation and exaggerated expectations which obviously could not be satisfied and (ii) unhelpful attitude of the employers and the managements. Scant respect shown to the Council's decisions confirmed their suspicion that the management was not sincere about it.

Workers' attitude:- The objectives of the Councils could be realised only through the co-operation of rank and file workers. A few representatives of the workers (on the Councils), could not, by themselves, achieve the desired objectives. Investigations at various units, however, revealed that the workers were, by and large, apathetic and many of them even ignorant of the scheme of labour participation. Outside the Councils, the significance of the scheme and the purposes of the council were not known to the workers. Besides, lack of knowledge, workers' apathy may be due to lack of education and absence of perceptible results, beneficial to them. Neither the employers nor the unions took the initiative to impart knowledge, about the Council, to the workers. Due to lack of education, the workers have a narrow vision and a limited outlook and are concerned too much with their immediate problems. They are, ordinarily, not interested in
the wider problems of the enterprise. The Councils did not have any spectacular performance to their credit. If there was some perceptible improvement in the Workers' status or their living and working conditions, they would have felt the glow of labour participation in management.

4. **Operational.**

Lack of ability: A major operational difficulty in the working of the Councils was lack of ability on the part of workers' representatives to understand the problems under discussion. Due to lack of education and training, many of them did not fully understand the implications of the problems and, therefore, failed to intelligently participate in the discussions and to make worthwhile contributions to their solutions; some showed utter ignorance even in regard to such simple matters as Balance Sheets, Profit and Loss Accounts etc. Some workers' representatives frankly admitted that some of the issues debated in the Council meetings were beyond their capacity and comprehension. The result was that either they were misled by employers' representatives and accepted without serious thought, their views or created unnecessary complications and confusions. This also gave the employers' representatives an excuse to withhold the information to which the Council was entitled and to evade the discussion of some of the important problems.

Lack of guidance: The workers' representatives did not get any guidance or direction from the trade unions.

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1. Employers pleaded that it was no use explaining the financial, marketing or other major problems of the enterprise to the workers' representatives or discuss with them as they did not have the necessary background or ability to understand them.
and occasionally they could not make up their mind as to what stand they should take on a particular issue. Due to differences of opinion among workers' representatives, the 'workers' point of view' could not be properly represented to the Councils and for the similar reasons, sometimes no decision could be arrived at. It was again, due to lack of guidance, that the workers' representatives sparingly asked for information relating to the general problems of the enterprise or showed inadequate enthusiasm to assume responsibility for the administration of safety and welfare measures. It was the responsibility of the Trade Unions to provide required guidance and assistance to their representatives to enable them to make the fullest use of the councils and to ensure that all functions were adequately performed. It was also their responsibility to keep their representatives within proper control.

Absence of top management:—In many Joint Management Councils, the employers were represented by junior managers. This effected the working of the Councils in two ways:—(i) the employers' representatives occasionally expressed their inability to commit themselves in regard to some particular matter and the discussion had to be postponed for the next meeting/s to enable them to seek direction from the superiors.

1. For example, the Unions should have not only advised their representatives to assume responsibility in regard to administration of welfare and safety measures, but also helped them in discharging that responsibility efficiently and successfully.

2. Some workers' representatives went beyond the Councils' functions and created serious complications in their working.
resulting in avoidable delay in the work of the Council, and (ii) sometimes, the top management did not approve of the action of their representatives and felt that they had exceeded the authority given to them. Under such circumstances even the unanimous decisions of the Council were not acceptable to them. The non-implementation of the decisions, to which employers' representatives had agreed in the Council's meeting, caused annoyance and frustration to workers.

Language :- English continues to be the language of the elite - including business executives - in Indian Society and much of the official business in Government and Industry is done in English. Inability to understand and converse in English was a serious handicap for workers' representatives. Though, in the Council meetings, the business was generally transacted in their mother tongue, yet they were always at a disadvantage because they could not go through various office records, reports and other documents which contained valuable information about the economic position of the enterprise.

Procedure :- Procedural difficulties marred the smooth functioning of a few Councils. In one unit, the Union President complained that the Chairman - a management nominee - was arbitrarily deleting from the agenda certain items proposed by the Vice-Chairman and this was interpreted as an expression of management's dictatorial attitude and a technique to browbeat workers' representatives. The Chairman's explanation, that the items proposed by the Vice-Chairman were beyond the purview of the Council, did not prevent deterioration in industrial relations. Similarly in one unit, the choice of the meeting place caused resentment among
workers' representatives and as a protest, they did not attend the meeting. At one place the Union complained that the minutes of the meeting were not properly recorded and the workers' views were not correctly represented. Management denied any such tampering with the minutes. The issue was resolved by deciding that minutes should be recorded immediately after the meeting and got signed by the members present. Complaints were also received regarding the conduct of the meetings, by the Chairman. It was alleged that the Union representatives were not allowed to express themselves freely or have their 'say' and the Chairman used harsh language to silence them. Some management representatives deliberately showed contempt towards union representatives.

**Summing Up.**

From the foregoing account the conclusion is inescapable that the progress of labour participation in management in the country has been very slow. The number of Joint Management Councils and the pace at which they have grown is disappointing and the Councils functioning, so far, have no spectacular performance to their credit. It would, however, be uncharitable to draw the inference that the experiment of labour participation in management as such, has failed. The number of Councils, for which information is available, is too small to provide a sound basis for judgement. Moreover, it is too early to give a final verdict on the role of the Councils and predict/
management to labour participation is a big jump and new ideas require time to take roots and fructify. With proper planning, persistent efforts, faith and determination, the inertia of employers and unions can be overcome and the difficulties experienced by the Councils surmounted.