Industrial relations play a vital role in the establishment and maintenance of industrial democracy. Labour participation in management, if it is to be built on solid foundations, depends for its success on the simultaneous existence of effective collective bargaining and sound and constructive industrial relations. A satisfactory machinery for day to day regulation of labour management relations for determining the terms and conditions of employment, for resolving the differences that may subsequently arise and for settling workers' grievances - is a pre-requisite for the efficient functioning of the industrial society.

The problem of industrial relations is invariably mixed up with freedom of association, collective bargaining, conciliation and arbitration in every country. The development of Industrial Relations in India has taken the form of evolving a statutory machinery for the settlement of disputes. The present practice in Industrial Relations is to secure settlements in industrial disputes more through methods of compulsory adjudication or through the intervention of the state than through the machinery of collective bargaining or voluntary negotiation. The pattern of labour management relations has been increasingly "structured" by the Government. Active Government intervention in labour matters is, however, a comparatively recent development. The history
of Industrial Relations in India before the Second World War shows that the Government was only a passive regulator of Labour in Industry and it was only during World War II, more appropriately after Independence, that the Government took the initiative to direct and govern labour management relations.

**Industrial Strife During 1920's**

Although industrial disputes began to take place in the country from the closing years of the 19th Century and assumed alarming proportions after World War I, no machinery was provided by the State for their settlement till the year 1929. Strikes that occurred before 1919 were only 'spasmodic and sporadic out-burst' and did not have the force of a movement; but the period immediately following the First Great War was marked by industrial strife on a scale previously unknown. Strikes and lockouts swept the country in the next two years. Industrial disputes acquired significance and became a regular feature of an organised labour movement. The sudden growth of trade unions during this period and the large number of industrial disputes, stimulated demands for measures for the prevention and settlement of disputes. Both the Bombay Industrial Disputes Committee 1921 and the Committee of Industrial Unrest in Bengal 1921 had drawn the attention of the Government to the need for an efficie industrial relations machinery and recommended detailed measures such as Court of Enquiry Conciliation Board, Joint Committees etc. for prevention and settlement of disputes. But
nothing substantial came out of it. Government remained inactive and the industrial unrest continued unabated. Industrial peace was not considered of any importance for the development of the country. All Government legislation and intervention were directed towards protecting the worker against obvious economic hardship and ensuring that industrial conflicts did not disturb law and order. The attitude of the Government towards enacting legislation for the settlement of disputes was thus halting and hesitant.

The years 1927-28 were memorable years for industrial disputes. The main features of strikes which took place as a result of industrial disputes during this period were (i) their length and severity as compared to the strikes in early 1920's, (ii) introduction of violence in industrial strife and (iii) better planning and organisation of strikes. For example, the general strike in the textile industry in Bombay - perhaps the most serious and prolonged that had hitherto taken place in the country - lasted over six months resulting in a loss of 22 million working days. A strike in the Tata Iron & Steel Works continued for more than five months and cost two and a half million working days. Strikes in East India Railway and the Jute Mills of Calcutta were spread over a period of four months. Another important characteristic of this period was the emergence of the communists on the scene. Communists had for the first time secured domination over the trade union movement of the country, forcing the Government to enact Trade Disputes Act of 1929.
The machinery provided under the Act of 1929 consisted of a Court of Enquiry and a Board of Conciliation. The Court of Enquiry was an adhoc body appointed to inquire and report into specific issues referred to it. The Board of Conciliation consisted of an independent Chairman and two other members who may be either independent or may represent parties to the dispute. The functions of the Conciliation Board as described by the Royal Commission on Labour were "to endeavour to investigate the dispute primarily with a view to its settlement and secondly with a view to enlightening the public regarding its merits." Special provisions were made for public utility services. It was laid down that a strike without 14 days' prior notice would be illegal and participants would be punishable with imprisonment or fine or both. Strikes or lockouts, having their object other than the furtherance of a trade dispute or designed to inflict general hardship upon the community, or sympathetic strikes were declared illegal.

The Act did not succeed in securing amicable settlement of industrial disputes. It suffered from a number of serious defects. It did not provide for any standing machinery for the settlement of disputes; there was no provision for Conciliation Officers nor for Arbitration. Moreover there was no provision for setting up an internal machinery to prevent and settle the disputes in the initial stage by mutual negotiations. The statutory machinery could be brought into operation only when the dispute existed or was apprehended.
It ignored the fact that by the time the industrial dispute reached the stage of a strike, relations between the parties had deteriorated to the extent where an agreed solution was very difficult. The Act also did not provide for measures to implement the decisions of the Court or Conciliation Board. For all purposes, it remained a dead letter and exerted little influence on labour-management relations in the country. Neither the Central Government nor the State Governments made any use of it till the advent of Provincial Autonomy. It has been reported that from 1929 to 1936 it was used only 11 times for settlement of disputes.

The Act of 1929 was amended in 1938. The amendment provided for the appointment of Conciliation Officers as recommended by the Royal Commission, charged with mediating in or promoting the settlement of disputes. Conciliation provided under the Act was, however, voluntary. It was no doubt an improvement upon the previous Act. Still the main features of the Act remained substantially the same and the machinery for settlement of disputes remained largely ineffective.

The Bombay Trade Dispute Conciliation Act 1934.

The Government of Bombay, owing to increased industrial strife in the State, enacted the Bombay Trade Disputes Conciliation Act of 1934. The Act provided for the

1. The Royal Commission had rightly stated that "the attitude to deal with unrest must begin with the creation of atmosphere unfavourable to dispute rather than the machinery for settlement."
2. C.B.Kumar - Industrial Relations in India, p.109
appointment of Conciliation and Labour Officers and setting up a permanent conciliation machinery. The duty of the Labour Officer was to look after the interests of workers, to promote harmonious relations between the employers and employees and to represent the workers' grievances to the management for getting relief for them. The Conciliation Officers were empowered to institute Conciliation proceedings on their own initiative. The Labour Commissioner was designated as Chief Conciliator of the Province. The Act did not succeed in preventing strikes, since it contained no provision to prevent the parties from resorting to or continuing a strike or lockout, as the case may be, when the conciliation proceedings started. There was nothing in the Act to prevent the employer from making unwarranted changes in the conditions of employment.

Bombay Industrial Disputes Act 1938.

In 1938, the Conciliation Act of 1934 was repealed and replaced by the Bombay Industrial Dispute Act, 1938. The Act cut new grounds in several respects and influenced the future course of legislation on the subject. It provided for compulsory conciliation and legal enforcement of Collective agreements and provided facilities for voluntary arbitration. Standing orders were required to be framed in regard to conditions of employment detailed in Schedule I of the Act. Any change in Standing Orders or in respect of industrial matters mentioned in Scheduled II was permitted only after conciliation. Strikes or lockouts, without prior notice or before all possible avenues of settlement were explored, were
made illegal for which penalties were liable to be imposed. Though arbitration was voluntary, its award was not only binding on the parties but also not subject to any appeal or review by any court. The Act endeavoured to eliminate inter-union rivalry by providing for different categories of unions, only one of which could be registered in any industry or occupation. It was a progressive peace for legislation the parallel of which did not then exist anywhere else in India. The credit for this goes to the Congress Party which was in charge of the Government at that time. It clearly reflected the labour policy of the Congress in as much as it discouraged strikes and lockouts and favoured voluntary arbitration in case of all unresolved disputes. To a very large extent, it served the purpose for which it was intended and it succeeded in reducing industrial strife. The elaborate arbitration machinery provided under the Act was further strengthened by an amendment to the Act in 1941 which empowered the Government to refer industrial disputes, under specified conditions, to arbitration by the Industrial Court. The Act evoked severe criticism from a section of labour leaders. Particular targets of their attack were the restrictions imposed on the right to strikes and the element of compulsion in Conciliation and arbitration.

Defence Of India Rules - 81 A.

During the Second World War, a State of Emergency existed necessitating the passing of certain emergency measures. Uninterrupted flow of goods and material was necessary for
successful prosecution of the War. The Government found that the existing industrial relations machinery in the country was not adequate to prevent work-stoppages. Moreover the Government of India Act 1935 had given substantial powers to the provincial Governments on Labour matters. As the war progressed, the need for the Centre to exercise more control and co-ordination became evident. Comprehensive and stringent measures were adopted under Rule 81A of the Defence of India Rules. They provided for compulsory conciliation and arbitration of all disputes and empowered the Government to make the award binding, prohibited strikes and lockouts without giving 14 days' prior notice or during the pendency of conciliation or arbitration proceedings and banned strikes which did not arise out of genuine trade disputes. These measures succeeded to some extent, in keeping the industrial unrest in check, as is reflected in the relatively low levels of man-days lost during 1943-45.

Table I.
NUMBER OF INDUSTRIAL DISPUTES AND MAN DAYS LOST (1942-46).

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Industrial disputes</th>
<th>Number of man days lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1942</td>
<td>694</td>
<td>5,779,965</td>
</tr>
<tr>
<td>1943</td>
<td>716</td>
<td>2,342,287</td>
</tr>
<tr>
<td>1944</td>
<td>658</td>
<td>3,447,306</td>
</tr>
<tr>
<td>1945</td>
<td>820</td>
<td>4,054,499</td>
</tr>
<tr>
<td>1946</td>
<td>1629</td>
<td>12,717,762</td>
</tr>
</tbody>
</table>

Source: Indian Labour Year Book 1950-51,
The end of the War witnessed the revival of industrial unrest on an unprecedented scale. The number of industrial disputes shot up from 820 in 1945 to 1629 in 1946 and 1811 in 1947. During the War speedy adjudication machinery coupled with the continuous increase in wages kept the unrest under control, but the workers could not contain their emotions and urges indefinitely. As the War came to a close the demand for labour declined; the policy of retrenchment and the employers' reluctance to give further concessions to labour increased workers' distress. The political turmoil, communal riots, prospects of freedom and partition, all these factors aggravated the situation. The assumption of power by the Congress, who had all along pleaded the cause of labour, increased workers' aspirations. Rapid growth of trade union movement during this period strengthened workers' cause. The result was country-wide agitation for a fair deal to labour.

A few enquiries by the Provincial Governments at that time e.g., U.P. Labour Enquiry Committee and Bombay Industrial Relations Enquiry Committee, referred to the aggressive frame of mind of the workers.

A comprehensive machinery to regulate industrial relations became inevitable. It was obvious that Defence of India Rule 81-A which was a war-time measure could not be continued indefinitely. The Government came forward with the Industrial Disputes Act, 1947, which came into force with effect from April 1, 1947. Some provincial Governments like U.P., Bombay and Madhya Pradesh enacted their own legislation
on the subject. The procedures and regulations contained in these Acts were the first legislative measures undertaken by the National Government to regulate the industrial life of the community and constitute in essence the industrial relations law, which has guided the Government's approach to industrial disputes' settlement in the years since independence.

Industrial Truce Resolution 1947.

Meanwhile industrial relations deteriorated still further. The situation warranted immediate remedial measures. Realising that the industrial relations machinery set in motion by the Act of 1947 will take some time to set matters right, the Government of India convened a tripartite conference -of the representatives of the Central and State Governments and of employers and employees - in December, 1947. It was presided over by Prime Minister Nehru. He drew the attention of the conference to "the slow drying up of the nations' productive capacity" and urged the employers and the workers to check and step up production all-round. The Conference responded to the Prime Minister's call and adopted a resolution, calling upon labour and management to agree to maintain industrial peace and to avert lockout and strikes or slowing down of production during the next three years. The conference stressed the importance of negotiations and mutual discussions and recommended that fullest use be made of statutory and other machinery for the settlement of industrial disputes. The resolution, which became known as Industrial Truce Resolution is described as "the first pronouncement of
A new approach to the problem of industrial relations by the Government. The Truce Resolution made a distinct improvement in the climate of industrial relations. The number of disputes fell down to 1259 in 1948 and 920 in 1949.

**Industrial Disputes Act 1947.**

As stated earlier, the Industrial Disputes Act 1947 was the first legislative measure undertaken by the Government of India under the new programme of industrial relations initiated by the Congress. It retained most of the provisions of Defence of India Rules -81 A. It introduced two new institutions for the prevention and settlement of disputes namely, works committees and industrial tribunals. The machinery for the settlement of disputes consisted of 1. Conciliation Officers 2. Conciliation Boards 3. Courts of Enquiry and 4. Industrial Tribunals. The Act empowered the Government to refer any industrial dispute to conciliation or arbitration and also make the adjudication award binding on the parties for a period of two years. It prohibited strikes and lockouts during the pendency of conciliation and arbitration proceedings or as long as the adjudication award was in force. With a view to expediting conciliation proceedings, time limit of two months was prescribed for completing such proceedings. The arbitration machinery originally provided under the 1947 Act was completely re-organised in 1956 and a three-tier machinery consisting of

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The industrial relations machinery, as it exists at present, thus, consists of (i) Consultative machinery - works committees, (ii) conciliation machinery - Conciliation Officers and Conciliation Boards, and (iii) Arbitration machinery - Labour Courts, Industrial Tribunals and National Tribunals.

State legislation relating to trade disputes showed trends similar to those of the Central legislation. The Bombay Industrial Relations Act 1946, which replaced the Act of 1938, gave more powers to the Government to make arbitration compulsory and curtailed the maximum duration of conciliation proceedings. The Act provided comprehensive facilities for settlement of industrial disputes by means of negotiations, conciliations, Labour Courts, voluntary arbitration and lastly compulsory arbitration. An important feature of this Act was that it recognised the trade unions to be a necessary part of a conciliation process and created different types of unions, with varying privileges and obligations. The U. P. Industrial Disputes Act 1947 conferred general powers on the Government to prohibit strikes and lockouts, to appoint Industrial Courts, to refer any industrial dispute to

1. Matters falling within the jurisdiction of Labour Courts and Industrial Tribunals are given in the Second and third schedule of the Act, respectively.

2. References to the National Tribunals are to be made by the Central Government and cover such disputes as involve question of national importance or are of such a nature that industrial establishments situated in more than one state are likely to be interested in or affected by such disputes. (section 7 B of the Industrial Disputes Act, 1947).

3. INTUC has demanded the amendment of the Act so as to give appellate powers to the courts and Tribunals to suitably alter or modify managements' decisions in regard to dismissal and discharge. - Resolution adopted at the 14th Annual Conference, May, 1963.
conciliation or arbitration, to enforce adjudication awards and to exercise control over any public utility service. The State of Madhya Pradesh also enacted a legislation to supplement the provisions of the Central Act but it was less comprehensive than the Bombay Act.

**Impact On Industrial Relations.**

The industrial relations machinery set up under the Industrial Disputes Act 1947 and corresponding State Acts succeeded to a large extent, in industry halting the deterioration in industrial relations. The number of industrial disputes resulting in work stoppages declined from 1811 in 1947 to 920 in 1949 and for the same period the number of man-days lost declined from 16,562,666 to 6,600,595. After a set back in 1950 (when due to general strike in the Cotton Textile industry in Bombay the number of man-days lost increased to 12,806,704) the improvement in industrial relations was maintained till 1962 with occasional reverses. During 1955 and 1956, there was a set back and the number of mandays lost increased to 56,978,48 and 69,992,040 respectively. Efforts to prevent further deterioration led to the evolution and adoption of the Code of Discipline. During 1960, the Central Employees Strikes inflated the figures of man-days lost but they again came down in 1961 and 1962.

The number of man-days lost is usually taken as a measure for comparing the degree of industrial unrest. The severity rate, indicating the rate of man-days lost to man-days scheduled to work would, however, be a better indicator.
for purposes of comparison. The severity rate and index of industrial unrest given below show that but for 1955, 1956 and 1960 industrial relations situation was generally satisfactory and there was comparative industrial peace.

Table II.


<table>
<thead>
<tr>
<th>Year</th>
<th>No. of disputes</th>
<th>No. of man-days lost</th>
<th>Severity rate (man-days lost per 100 man-days scheduled to work)</th>
<th>Index number of industrial unrest (Base year - 1951).</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>1,071</td>
<td>38,18,928</td>
<td>0.424</td>
<td>100</td>
</tr>
<tr>
<td>1952</td>
<td>963</td>
<td>33,36,961</td>
<td>0.310</td>
<td>73</td>
</tr>
<tr>
<td>1953</td>
<td>772</td>
<td>33,82,608</td>
<td>0.383</td>
<td>90</td>
</tr>
<tr>
<td>1954</td>
<td>840</td>
<td>33,72,630</td>
<td>0.400</td>
<td>94</td>
</tr>
<tr>
<td>1955</td>
<td>1,156</td>
<td>50,97,848</td>
<td>0.503</td>
<td>133</td>
</tr>
<tr>
<td>1956</td>
<td>1,203</td>
<td>69,92,040</td>
<td>0.597</td>
<td>141</td>
</tr>
<tr>
<td>1957</td>
<td>1,630</td>
<td>64,29,319</td>
<td>0.400</td>
<td>94</td>
</tr>
<tr>
<td>1958</td>
<td>1,624</td>
<td>77,97,585</td>
<td>0.414</td>
<td>97</td>
</tr>
<tr>
<td>1959</td>
<td>1,531</td>
<td>56,33,148</td>
<td>0.421</td>
<td>99</td>
</tr>
<tr>
<td>1960</td>
<td>1,583</td>
<td>65,36,517</td>
<td>0.533</td>
<td>126</td>
</tr>
<tr>
<td>1961</td>
<td>1,357</td>
<td>49,18,755</td>
<td>0.345</td>
<td>81</td>
</tr>
<tr>
<td>1962(P)</td>
<td>1,502</td>
<td>48,00,921</td>
<td>..</td>
<td>..</td>
</tr>
</tbody>
</table>

*Severity rate for the given year X 100

Sources: Indian Labour Statistics, 1963

The number of man-days lost for every 100 man-days scheduled to work ranged between 0.310 and 0.424. Though indicative of stability over a period of ten years, this severity rate does not compare favourably with the time lost due to
work-stoppages in advanced countries. For example in U.S.A. during 1962, for every 100 man-days scheduled to work, only 0.16 man-days were lost due to work-stoppages.

The classification of disputes by results (Table III) shows that from the workers' point of view the number of successful disputes was small - only 28.8% in 1961. It reflects a tendency on the part of trade unions to resort to strikes on trivial issues. It also shows that strikes were not well planned and organised and the workers' support was lacking. Some improvement in the situation is, however, noticeable in recent years. Between 1951 and 1955, the number of successful disputes did not exceed 23.1% of the total, but in 1960 it had reached 33.1%.

Table III.

PERCENTAGE DISTRIBUTION OF NUMBER OF DISPUTES BY RESULTS 1951-61.

<table>
<thead>
<tr>
<th>Year</th>
<th>Successful.</th>
<th>Partially successful.</th>
<th>Unsuccessful</th>
<th>Indefinite</th>
<th>Total cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>17.2</td>
<td>16.7</td>
<td>49.5</td>
<td>16.6</td>
<td>870</td>
</tr>
<tr>
<td>1952</td>
<td>23.1</td>
<td>18.7</td>
<td>44.5</td>
<td>18.7</td>
<td>862</td>
</tr>
<tr>
<td>1953</td>
<td>17.8</td>
<td>14.0</td>
<td>41.6</td>
<td>26.6</td>
<td>687</td>
</tr>
<tr>
<td>1954</td>
<td>16.9</td>
<td>12.0</td>
<td>37.7</td>
<td>33.4</td>
<td>692</td>
</tr>
<tr>
<td>1955</td>
<td>20.4</td>
<td>8.3</td>
<td>28.2</td>
<td>43.1</td>
<td>1,034</td>
</tr>
<tr>
<td>1956</td>
<td>25.8</td>
<td>12.0</td>
<td>40.5</td>
<td>21.7</td>
<td>1,148</td>
</tr>
<tr>
<td>1957</td>
<td>30.8</td>
<td>15.0</td>
<td>33.4</td>
<td>20.8</td>
<td>1,557</td>
</tr>
<tr>
<td>1958</td>
<td>32.3</td>
<td>15.9</td>
<td>28.1</td>
<td>23.7</td>
<td>1,457</td>
</tr>
<tr>
<td>1959</td>
<td>23.7</td>
<td>14.0</td>
<td>32.3</td>
<td>30.0</td>
<td>1,388</td>
</tr>
<tr>
<td>1960</td>
<td>33.1</td>
<td>11.0</td>
<td>30.5</td>
<td>25.4</td>
<td>1,380</td>
</tr>
<tr>
<td>1961</td>
<td>28.8</td>
<td>19.5</td>
<td>29.5</td>
<td>22.2</td>
<td>1,139</td>
</tr>
</tbody>
</table>

Source: Indian Labour Statistics 1963, p.166
Conciliation

The working of the Industrial Relations Machinery has shown a fair degree of success. 84% of industrial disputes dealt with by the Central Industrial Relations Machinery in 1960-61, were settled. This is a considerable improvement over the position in previous years as is revealed from the following table.

Table IV

DISPUTES DEALT WITH BY THE CENTRAL INDUSTRIAL RELATIONS MACHINERY -1957-61.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of disputes dealt with</th>
<th>No. of disputes settled</th>
<th>Percentage of 3 to 2.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956-57</td>
<td>2783</td>
<td>1671</td>
<td>60</td>
</tr>
<tr>
<td>1957-58</td>
<td>3428</td>
<td>2242</td>
<td>65</td>
</tr>
<tr>
<td>1958-59</td>
<td>2754</td>
<td>N. A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>1959-60</td>
<td>3432</td>
<td>2537</td>
<td>74</td>
</tr>
<tr>
<td>1960-61</td>
<td>3802</td>
<td>3196</td>
<td>84</td>
</tr>
</tbody>
</table>

Source: Compiled from Indian Labour Journals

The position has been comparatively unsatisfactory in the States. For example in Uttar Pradesh, out of 4299 cases in which State Conciliation Boards had intervened, only

1. Figures for later years are not available.
2282 (53%) could be settled. Similarly in Punjab, only 41% disputes referred to State industrial Relations Machinery were successfully settled. It may, however, be mentioned that all the cases dealt with by the Industrial Relations Machinery do not reach the conciliation stage. Table below gives the details of conciliation cases.

Table V.

SETTLEMENT BY CONCILIATION (CENTRAL SPHERE)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of cases referred to Conciliation</th>
<th>Number of successful cases</th>
<th>percentage of 3 to 2.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954-55</td>
<td>2168</td>
<td>1496</td>
<td>69</td>
</tr>
<tr>
<td>1955-56</td>
<td>2529</td>
<td>1573</td>
<td>62</td>
</tr>
<tr>
<td>1956-57</td>
<td>2293</td>
<td>1480</td>
<td>65</td>
</tr>
<tr>
<td>1957-58</td>
<td>1745</td>
<td>1097</td>
<td>63</td>
</tr>
<tr>
<td>1958-59</td>
<td>1184</td>
<td>467</td>
<td>40</td>
</tr>
<tr>
<td>1959-60</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>1960-61</td>
<td>1239</td>
<td>693</td>
<td>53</td>
</tr>
</tbody>
</table>

Sources: Compiled from Indian Labour Journals.

1. Details of Dispute settlement in the Punjab for the year 1957-62 are given below:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of disputes dealt with</th>
<th>Successfully settled</th>
<th>percentage of 3 to 2.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957-58</td>
<td>971</td>
<td>413</td>
<td>42.5</td>
</tr>
<tr>
<td>1958-59</td>
<td>1092</td>
<td>435</td>
<td>39.8</td>
</tr>
<tr>
<td>1959-60</td>
<td>1436</td>
<td>830</td>
<td>57.7</td>
</tr>
<tr>
<td>1961</td>
<td>1452</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>1962</td>
<td>1223</td>
<td>501</td>
<td>41.0</td>
</tr>
</tbody>
</table>

Sources: Department of Labour Punjab. Annual Reports.
A comparative study of Tables reveals that:-

1. There is considerable difference between the number of disputes dealt with by the I.R.M. and the number of cases in which conciliation proceedings were actually held. For example, during 1960-61, the I.R.M. dealt with 3802 cases but conciliation proceedings were held only in 1299 cases. This difference is explained by the fact that some disputes referred to the I.R.M. are later on settled directly by the parties or withdrawn, some others are not followed up and others are not considered fit for conciliation.

2. In 1960-61, only 53% of the cases handled by conciliation machinery could be successfully settled; though the percentage of settled cases, if all the disputes dealt with by the I.R.M. are taken into account, was as high as 84%.

3. The percentage of disputes settled by the I.R.M. has increased during these years, but the effectiveness of conciliation machinery, as such, has declined. The conciliation machinery has also been criticised on the ground that it takes too long to settle a dispute; this is the chief grievance of the workers against it. Efforts are being made to expedite the conciliation process. In the Central sphere, the time limit to complete the conciliation proceedings has been reduced from two months to one month.

Conciliation machinery could not achieve its full measure of success partly due to the ignorance of the parties

and partly due to the availability of an alternative - i.e. arbitration. No party made a serious attempt at the conciliation stage. Criticism was also levelled against conciliation officers. It was pointed out that they did not possess the industrial experience, necessary for a proper appreciation and understanding of human problems in industry. The machinery for Conciliation Boards was seldom used by the Government. The State Governments showed impatience with the slow process of conciliation and were always in a hurry to put the arbitration machinery in motion. Their impatience with conciliation and over-enthusiasm for arbitration have done a great disservice to the trend of industrial relations in the country. This matter came up for discussion at the Labour meeting of the Standing/Committee held in April, 1960. The committee felt that (i) the conciliation machinery should be adequately strengthened, (ii) the calibre of conciliation officer needed improvement and (iii) there should be provision for training on the job as well as refresher courses for conciliation officers. At the instance of the Ministry of Labour, some State Governments have taken steps to implement these suggestions. For example, the Punjab Government decided in July, 1961, to recognize, upgrade and strengthen the conciliation machinery, and consequently a separate unit with five Conciliation Officers under the Control of a Chief Conciliation Officer with enhanced status and powers in the

2. Prof. Richardson had also recommended that the Conciliation Officer should be given sufficiently high official status, which will give him the prestige and standing for dealing with Management and Trade Union Leaders - Report of the Government of India on Labour-Management Relations and some aspects of wage Policy, 1959, p. 20.
Labour Department, has been created.

**Industrial Tribunals.**

The working of the Industrial Tribunals gave rise to a number of complaints. From the workers' side, main targets of criticism have been the delay involved, the legalistic approach of the Tribunals and the discretion given to the Government to refer or not to refer a dispute to adjudication.

Besides the delay involved in the constitution of the Tribunals, procedural complexities also prolong the proceedings. Unions have generally complained that the employers, with their better means can prolong the litigation to such an extent that the gains when received lose much of their significance. Attention is also drawn to the extreme legalistic approach and attitude shown by most Tribunals and it is pointed out that they look at an industrial dispute from the narrow angle of law and not that of social justice. I.N.T.U.C. has, therefore, demanded the

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1. Reference is to adjudication machinery as a whole.
2. The Hind Mazdoor Sabha at its Third Annual Convention held in 1952 expressed this criticism as follows: "In the first place, the conciliation proceedings which are supposed to be over in a short period themselves take an extremely long time; and in the second place, if the dispute is referred to the adjudication of an Industrial Tribunal, the Tribunal is likely to delay the matter for an inordinately long time... The present machinery has only resulted in doing away with collective bargaining which is the very fundamental principle of trade unionism and has further resulted in litigious-mindedness amongst workers, a tendency to be deplored...... Reference to adjudication is sometimes denied or granted purely on political considerations."
3. To avoid delay in the commencement of adjudication proceedings on the failure of conciliation, some State Governments have set up integrated conciliation and arbitration machinery. For example, in Kerala State, a permanent Arbitration cum Conciliation Board has been set up under the Chairmanship of a retired High Court Judge.
setting up of Tripartite Tribunals and Labour Courts. Since the adjudication machinery can be set in motion only by the Government and neither party to the dispute can claim it as a matter of right, a certain section of labour 'accuses' the Government of favouritism to I.N.T.U.C.-affiliated unions. The Government, of course, denies any such discrimination. To remove the complaints, that no principles were followed in the matter of reference of disputes to adjudication and the Government was arbitrarily using its powers to favour I.N.T.U.C. Unions, Model Principles for

1. Amendment to the Industrial Disputes Act, 1957 proposed at the 14th Annual Conference of I.N.T.U.C.
2. The Union Labour Minister stated in the Lok Sabha on March 28, 1963: "I can state with very great confidence that so far as the central sphere is concerned, there is no discrimination whatsoever. I have got figures to show how the INTUC, the AITUC and all organisations have been dealt with equitably. They have had their share in respect of the grant of adjudication."
3. The following Model Principles were approved:

A. Collective Disputes:
   1. All disputes may ordinarily be referred for adjudication on request.
   2. Disputes may not, however, be ordinarily referred for adjudication unless efforts at conciliation have failed and there is no further scope for conciliation and the parties are not agreeable to arbitration.
   3. If there is a strike or lockout declared illegal by a Court or a strike or lockout resorted to without seeking settlement by means provided by law and without proper notice or in breach of the Code of Discipline as determined by the machinery set up for the purpose unless such a strike (or direct action) or lockout, as the case be, is called off.
   4. If the issues involved are such as have been the subject matter of recent judicial decisions or in respect of which unduly long time has elapsed since the origin of the cause of action; and
   5. If in respect of demands other legal remedies are available, i.e., matters covered by the Factories Act, Workmen's Compensation Act, Minimum Wages Act, etc.

B. Individual Disputes:
   1. Industrial disputes raised in regard to individual cases i.e., cases of dismissal, discharge or any action of management on disciplinary grounds, may be referred for adjudication when the legality or propriety of such action is questioned and in particular:
   2. If there is case of victimisation or unfair labour

Continued...
reference of disputes to adjudication were approved at the 17th session of the Indian Labour Conference held in July, 1959. This has, however, not pacified the critics.

The employers' grievance was that under the Act there was no provision for appeal against the awards of the Tribunals. They also drew the attention of the Government to the anomalies in the awards given by various Tribunals. The Tribunals' decisions were, in many cases found to be divergent and conflicting. This created a state of uncertainty regarding the principles followed by them.

Appellate Tribunals.

To meet employers' criticism and bring about some uniformity in the approach of the Tribunals and the principles applied by them, the Government of India set up in 1950, a Labour Appellate Tribunal to which the appeals from the awards of Industrial Tribunals could lie. After five years of trial it was felt that the Appellate Tribunal was not much of an improvement. The procedure involved enormous delays and huge expense. All the trade union groups were united in criticising the functioning of the Tribunal and demand its abolition. The employers opposed this move as they looked upon the Tribunal "as bringing some semblance of consistency and uniformity to the body of decisions flowing from the lower tribunals". Planning Commission was also against the constitution of the Tribunal and by an amendment to the Industrial Dispute Act in 1956, the Government abolished the Tribunal.
The abolition of the Tribunal, however, did not improve matters. It neither reduced litigation nor avoided delay in the settlement of disputes, as appeals against the awards of the Industrial Tribunal could still be made to the High Courts and the Supreme Court. The present practice of a large number of labour cases coming up before the Supreme Court is unsatisfactory. Expressing concern over it the Law Commission had observed:

"The situation created by these large number of appeals causes concern in two respects. It has the natural effect of clogging the work of the Supreme Court. The graver aspect, however, of the matter is that labour matters are being thrust upon a Court which has not the means or materials for adequately informing itself about the different aspects of the questions which arise in these appeals and therefore finds it difficult to do adequate justice. Equally grave are the delays caused by these appeals in the disposal of industrial matters which essentially need special speedy disposal."

A study undertaken by the Evaluation and Implementation Unit of the Ministry of Labour in 1959 also revealed that the Labour Appellate Tribunal had done useful work and its performance was by no means unsatisfactory. During the six years of its existence, it disposed of as many as 2085 appeals which works out to 349 appeals per year. During this period only about 41 appeals per year were taken to High Courts and 39 appeals per year to Supreme Court. It shows that the decisions of the Tribunal were not contested in about 80% cases. After the abolition of the Tribunal, the number of appeals rose from 41 to 225 (a rise of 45%) in the case of

1. Quoted in Richardson, op.cit. p. 27
High Courts and from 39 to 189 (a rise of 38%) in case of Supreme Courts.

As a result of the realisation of the implications of frequent references to Supreme Court and the 'disclosure' that the L.A.T. had done useful work, the interest in the Appellate Tribunal revived. The proposal for the revival of the L.A.T. was discussed at the 20th session of the Indian Labour Conference in 1961. The Central Government appeared to be in favour of the revival but due to the opposition of Trade Unions - particularly I.N.T.U.C. - and some State Governments, for example, U.P., Madhya Pradesh and Bihar, it was decided not to revive it. The employers unanimously welcomed the proposal but preferred not to press for it, if the workers' organisations did not want it.

With the proposal for the revival of L.A.T. finally dropped, cases will continue to go to High Courts and Supreme Court. It is, therefore, necessary that a special bench at the Supreme Court may be set up to deal with labour matters. To avoid the hierarchy of appellate bodies, it would be preferable to give the Supreme Court exclusive jurisdiction in labour disputes. The constitutional implications of withdrawing labour disputes from the jurisdiction of the High Courts may be examined.

Labour Relations Bill, 1950.

The working of the Industrial Disputes Act, 1947 disclosed that the law was by no means perfect and the need for a more comprehensive measure was felt. In 1950, the Government of India introduced Labour Relations Bill in the
Parliament. Explaining the need for such a measure, the
Minister for Labour stated that "the Act of 1947 was our
first effective venture in the field of labour management
relations, particularly compulsory arbitration. The experience
that we have gained of the working of that Act has encouraged
us to believe that a more systematic, if somewhat elaborate
approach to the problem of labour management relations will
pay good dividends." This comprehensive and controversial
bill extensive both in scope and character. The bill provided
for a chain of agencies for the prevention and settlement
of disputes i.e. Works Committees, conciliation officers,
Boards of conciliation, Standing Conciliation Boards, Commissions
of Enquiry, Labour Courts, Labour Tribunals and Appellate
Tribunals. Faith in the efficiency of friendly negotiations
between the employers and employees was the basis of the Bill.
Provision for collective bargaining was its important feature.
The provisions of the Industrial Employment (Standing
Orders) Act, 1946 were also incorporated in the Bill. Because
of its radical provisions, the bill had a mixed reception
and was allowed to lapse. The main points of criticism were
that the bill set up a hierarchy of labour courts leading to
delay in decisions and avoidable litigation, that the
machinery was too complicated, that the system of appointment
of a number of labour tribunals was perpetuated, that in
view of lack of bargaining strength of trade unions the
provision for collective bargaining was premature, that the
penalties provided for breach of settlement, collective agreement
or award were excessive etc.
Compulsory Adjudication.

The brief discussion of the statutory machinery that still governs the regulation of labour management relations in India clearly shows that the entire structure of maintaining industrial peace is built by the State. It not only provides facilities for conciliation and arbitration but also enforces them. Compulsory adjudication system is the corner stone of labour dispute settlement procedure in India. From time to time opposition has been voiced against it and efforts have been made to reverse the trend toward Government intervention but to no avail. During the National Emergency it would be inexpedient to delete the provision for compulsory adjudication but for the healthy growth of trade unions and proper development of labour-management relations including collective bargaining, voluntary arbitration etc, it is necessary that it should be sparingly used. Prof. Richardson's recommendations that adjudication may be resorted to in four main kinds of disputes, enumerated below, deserve serious consideration.

1. Those in which stoppages of work would seriously injure the economy of the country, including the progress of the Government's developments plan's,

2. Those in which stoppages of work would seriously injure the economy of the country, particularly by interruption of essential public utility services or of food and other necessary supplies.

3. Those which would be likely to involve serious danger to the maintenance of law and order; and

4. Those which raise important issues of principle,
or need for protection where there seems to be a prima facie case of victimisation, or other unfair labour practices or injustices.

These recommendations were made more than four years ago but no substantial change in the practice of referring disputes for adjudication is in evidence. Model principles for reference or non reference would not go far without a complete change in the Governments' attitude towards adjudication. The Government has to shake off the present excessive fear of strikes and lockouts and some mental preparedness for occasional work stoppages is necessary to prevent the excessive use of adjudication machinery, which should be reserved only for those disputes which are likely to have vital consequences for the community.

The question whether the keynote of industrial relations policy should be compulsory adjudication or collective bargaining came to the fore after Shri V.V. Giri, himself a veteran trade unionist joined the Central Cabinet as Labour Minister in 1962. He regarded compulsory adjudication as his 'enemy No. I'. He held the view that compulsory adjudication as his 'enemy No. I'. He held the view that compulsory

1. "Describing the effects and after effects of adjudication, he stated " In compulsory adjudication where one has lost and other won, the victor and the vanquished get back to their work in a sullen and resentful mood .... the loser waits for the next opportunity to make good the loss while the winner is carried away by a sense of victory which is not conducive to healthy cooperation. Such an attitude of suppressed hostility in one party and unconcealed satisfaction in the other may lead to a transient truce but not lasting peace." - V.V. Giri, Industrial Relations (Scindia Lecture Series), 1955, p.11
adjudication cut at the root of trade unionism and discouraged genuine collective bargaining. In his first broadcast from All India Radio in June, 1952 he said "It has increased litigiousness and knocked parties from pillar to post, from court to court and from tribunal to tribunal." The reaction to the Giri approach was not favourable. All the four trade union federations and a number of State Governments opposed the move to relax compulsory adjudication. A prominent Indian Economist described Giri Approach "as not only premature, but it misread the whole trend in India of planned economic development." A Central Government official went so far as to remark that "collective bargaining is almost a repugnant idea to me. Work-stoppages which are a part of the Western concept of collective bargaining are costly and India cannot afford them now." There were two main planks of opposition to Giri Approach; firstly, since trade unions were weak, compulsory adjudication was the only instrument to safeguard workers' interests and secondly if adjudication was abolished, there will be large scale work-stoppages upsetting country's development plans. As regards the first, it is arguing in a circle. Adjudication is justified on the ground that trade unions are weak; but they

1. AITUC which had consistently attacked the adjudication system urged freedom for workers to strike or take a case to tribunal. UTUC favoured the retention of compulsory adjudication but questioned the discretion given to the Government. The H.M.S. union official stated that "Industrial Tribunals are necessary to get justice for workers who are still too weak." An INTUC leader observed; "there must be machinery to give justice if the employer denies it and there must be compulsion. When a strike can easily be broken by hiring new employees, adjudication is our only hope." - Charles Myers, op.cit, pp. 141-142, 259-260.

2. Charles Myers, op.cit, p.259.

3. Ibid.
are weak because they have no freedom of functioning. If the workers find that their interests are best promoted only by combining, no greater urge is needed to forge a bond of strength and unity among them. But compulsory arbitration sees to it that such a bond is not forged. Regarding the second it is true that if there was no provision for adjudication, in the short period strikes and lockouts were likely to increase but the fears were exaggerated. Moreover work-stoppages are an essential part of collective bargaining. An occasional trial of strength is necessary for the healthy growth of the trade union movement and that is the only way to promote a vigorous trade union movement. How long it is proposed to protect the trade unions? The longer the protection, the more the delay in the growth of sound trade unionism. Mr. Giri was, however, forced to recognise this opposition and held back. He resigned in 1954, apparently on the Bank Award Issue, but this decision was promoted by the feeling that his own views on labour policy were out of tune with the then prevailing trend of thought; he found himself a misfit.

Mr. Giri was succeeded by Shri Khandubhai Desai. He clearly indicated his preference for retaining the essentials of the compulsory adjudication system. He observed that "complete laissez faire is out of date. Society cannot allow workers or management to follow the law of jungle. Therefore, as a last resort, the Government has taken powers.

1. To give an analogy, by keeping the child in the proverbial cotton wool we can protect the child against outside infections, but the child will never develop the vitality to face the environment and resist external infections.
to refer dispute to adjudication." Addressing the Labour Management Relations Committee of I.L.O's 4th Asian Regional Conference, the Government delegate stated:

"Government of India realised that a lasting and mutually satisfactory agreement on question of labour management relations was possible only through free collective bargaining, total reversal of compulsory adjudication at this stage might lead to an open trial of strength ..... This possibility was not obviously conducive to increased production which was so vital under the present economic development plans of India."

Throughout Mr. Desai's tenure, compulsory adjudication remained the corner stone of the country's labour policy.

A reversal of trend is, however, noticeable since Shri Nanda took over as Minister for Labour in 1957. He was conscious of the implications of compulsory adjudication and realised in full measure the potentialities of direct negotiation between employers and employees and mutual settlement of disputes. He did not have the courage to remove adjudication from the statute book, but he took many steps to encourage direct negotiations and promote collective bargaining. He shifted the emphasis from adjudication to conciliation, voluntary arbitration, and tripartite and bipartite consultations. Under his leadership, a Code of Discipline was evolved, which is now described as a charter for employers and workers, specifying their mutual rights and obligations. The settle wage questions, he instituted the system of Wage Boards; he is a strong supporter of labour participation in management and the slow progress of this experiment does not discourage him. Though, the former

industrial relations machinery remains intact, the Government's labour policy has distinct marks of this new approach. As far as possible, the Government is avoiding compulsion in labour matters; the policy towards fresh labour legislation is halting.

Collective Bargaining.

Reasons for Slow Growth.

We have referred earlier to the slow growth of Collective Bargaining in India and the extensive use of legislative measure to regulate labour-management relations. Collective Bargaining which is universally recognised as the normal process for the determination of terms and conditions of employment, has developed in India to a limited extent. Pre-requisites of collective bargaining are strong and effective workers' and employers' organisations and willingness on their part to negotiate with each other. Slow growth of collective bargaining may be attributed to the weak organisations of labour and inadequate appreciation of the importance of collective bargaining by trade unions. The trade union movement covers only a small portion of the total industrial employment - about 30% - and suffers far too much from unstable membership and lack of funds and the rivalry and cleavages in the movement are too sharp. Inter union rivalry largely motivated by political considerations, has reduced the effective bargaining strength of the unions. The result has been that the unions always look to the Government for help, instead of relying on their own strength to get

1. See chapter on Trade Unions.
their due from the employers. This excessive reliance on the Government has retarded the growth of union consciousness. In the absence of a well-established union, the employers do not know with whom to negotiate. They contend that in the presence of multiple unions, with different political affiliations, the starting of negotiations with one of them may itself lead to a dispute. And even if an agreement is arrived at, it is difficult to enforce it. The bargaining union has no control over other unions who may refuse to implement it, if only for the reason that they were not a party to it.

Employers are not entirely free from blame. So far their attitude has been autocratic - at the best paternalistic - and they have looked with disfavour any move which was designed to curtail their unilateral powers. They have been reluctant to share 'managerial prerogatives' with workers' representatives.

The Government pins its faith on collective bargaining but has done little so far to promote it. There is no enacted legislation governing the conclusion, regulation and supervision of collective bargaining. There is no permanent joint machinery of the type envisaged by the Royal Commission to deal with collective bargaining. Permanent machinery is needed not only to conclude agreements but also to interpret and revise them. The Indian Labour Conference lays down the broad principles to be followed. The problem is to ensure the application of these principles at the industrial and plant level. Employers are under no obligation to recognise a union - what to speak of bargaining with it. In the absence of a recognised union, collective bargaining is almost impossible.

The recognition of unions by employers is not a common practice in India. This in itself explains the lack of collective bargaining. The amendment to the Trade Unions Act 1947 had provided for compulsory recognition, but it never came into force and an excellent opportunity to pave the way for collective bargaining was lost. In U.S.A. employers are under an obligation to bargain with their employees in good faith - refusal to do so is regarded as an unfair labour practice - and collective agreements are enforceable in Law Courts. There is no such provision in Labour Legislation here.

There are no rules of democratic and orderly procedure between unions and employers. A union can bargaining for workers, whom it does not represent; and two or more unions can bargain at the same time on behalf of the same workers. There is no law to prevent such practice. Official policy is opposed to legal enactments to bring order in this confusion.

A major discouragement to the growth of collective bargaining has been the statutory provision for compulsory adjudication which strikes at its very roots. Adjudication is resorted to far too often and in far too many cases. Adjudication

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2. The Government seems to be conscious of the deficiency in Industrial Relations machinery. The Union Labour Minister told the Parliament in February, 1963 that if the trade unions were unable to ensure that their members honoured collective agreements, the Government would be forced to take legislation active in the national interest. Commerce, Bombay - February 23, 1963.
hardly leaves any scope for the settlement of disputes through bargaining. Adjudication provides as the path of least resistance. Reaching decisions by the bargaining process is arduous and frequently frustrating and emotionally strenuous. The parties will naturally choose an alternative to making decision through bargaining if available. Government is, however, not inclined to make any change in its arbitration machinery or to relax the provision for compulsory adjudication.

Progress In Recent Years.

Inspite of these adverse factors, collective bargaining has shown promising signs of progress in recent years. It has been largely confined to the unit level though some agreements at the level of the industry in a particular region have also been concluded. At the national level one may mention "Delhi Agreement" concluded at a conference of the representatives of labour and management convened by the Government of India in February, 1951. This agreement laid down certain general principles to be followed on the introduction of rationalisation measures. An agreement on the payment of bonus to approximately a million plantation workers concluded in January, 1956 is another example of collective bargaining at the national level.

1. "Western experience shows that where trade unions are weak and where the practice of collective bargaining has not gained acceptance, the parties find Government adjudication to be the alternative path of least resistance." — Reality and Labour Relations in India, by Van Dusen, Kennedy. Economic weekly, Bombay, February 4, 1961.
At the industry level mention may be made of collective agreements entered into from time to time between Ahmedabad Mill Owners Association and the Textile Labour Association. An agreement between them in 1920, under the leadership of Mahatma Gandhi, for internal settlement of disputes and reference of unsettled disputes to arbitration is the earliest example of collective bargaining in India. In 1940 in the Coir Mats and Matting Industry, Kerala, the Coir Factory Workers' Union and Manufacturers' Association set up a joint negotiating body called the Industrial Relations Committee for voluntary negotiation and settlement of all differences regarding terms and conditions of employment in the industry. In 1956 the Bombay Mill Owners Association signed a five year agreement with I.N.T.U.C. in regard to grant of bonus to textile workers.

Collective Agreements At Plant Level.

As stated above most of the collective agreements have been concluded at the plant level. Mention may be made of collective agreements at Tata Iron and Steel Company (1956 and 1957), Indian Aluminium Company in all its three units (1956-57) Hindustan Machine Tools Ltd., Bangalore (1959). Fertilisers and Chemicals Travancore Ltd (1959) Life Insurance

1. The Royal Commission Reported in 1931 that the Ahmedabad experiment was the only instance of collective bargaining in the whole country.
Corporation of India (1959). Dunlop Rubber Company (1961) Bata Shea Company (1963) and Hindustan Liver (1963). No precise figures are available about the total number of agreements concluded so far or the number of workers covered, or the issues on which agreement was arrived at. Problems of productivity and rationalisation were the main theme of the first Tata Agreement and the problems of joint consultation the corner stone of the supplementary agreements. Incentive schemes figure in Hindustan Lever Agreement as well as in the Indian Aluminium Agreements.

Employers' Federation of India recently reviewed the growth of collective agreements in India and analysed the provisions of 114 collective agreements relating to a period of eight years - 1954 to 1961. The agreements had been entered into by different establishments in 12 major industry groups covering 4½ lakh workers. The main findings are:

1. The largest number of agreements occur in the Cotton Textile Industry followed by Chemical and allied industries, Petroleum refining and distribution, manufacture of electrical and other machinery, automobile repairing etc. Textile industry which heads the list is the best organised industry in the country and has the best organised workers.

2. 39.5% agreements were in the nature of voluntary agreements and 57% in the nature of settlements. Consent awards amounted to a little less than 4%. 85% of the total agreements were concluded at the

1. For details see, Collective Agreements, A study. by Employees Federation of India, June, 1962.
company or plant level.

4. 63 agreements (55.3%) were concluded for a period of 3 to 6 years. Only 14 agreements were for a shorter period. 37 agreements did not specify any period.

5. The contents of these agreements varied widely. Most of the agreements provided for recognition of the union, the rights of the recognised union and a clause for mutual acceptance of responsibilities. The question of wages, dearness allowance and other allowances, bonus, incentive schemes, job evaluation and classification, recruitment and promotion policy, retirement age, leave and holidays, retrenchment and lay off and other terms and conditions of employment figured prominently in the collective agreements. Regulations of wages and conditions of employment was not the only objective of these agreements. Quite a few of them were concerned with the promotion of voluntary consultation and provided a joint consultation machinery to enable management and workers to settle problems of mutual interest. Many agreements combined the principle of joint consultation with voluntary arbitration. To regulate individual disputes, a grievance machinery was usually provided in these agreements.

An important point revealed by a few agreements was that if the management was sincere and patient, presence of a number of unions in one concern was no bar to collective bargaining. In the Aluminium Industries of Kundara, there were six rival unions affiliated to three main national federations. A Government mediator was able to bring them all

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1. As many as 745 agreements were concerned with different aspects of wage payments.
into joint negotiations and eventually an agreement was signed valid for four years in which the unions were recognised as "the sole collective bargaining agent for the workmen."

M/s. Burn and Co., Ltd., Salem arrived at separate but identical settlement with I.N.T.U.C. and A.I.T.U.C. unions. In Rekitt and Coleman Ltd., there were overlapping unions in two factories in Calcutta but the Company decided to recognise both of them and negotiated separate agreements having identical clauses. In National Carbon Company, rival unions agreed to set up a negotiating committee through the works committee and an agreement was arrived at.

Admittedly the number of collective agreements concluded so far is quite small and their impact on industrial relations can be said to be only marginal but there is evidence to show that collective bargaining is gaining in importance and this is an encouraging trend in industrial relations.

Wage Boards.

Another major development in the field of Industrial Relations in recent years is the constitution of Wage Boards in a number of Industries. These are an extension of the tripartite principle to which the Government, employees and the workers are committed and is in keeping with the policy laid down by the Planning Commission. Elaborating the Wage Policy in the Second Plan the Commission had clearly stated that "existing Machinery for the Settlement of disputes relating to wage and allied matters, namely the Industrial
Tribunals has not given full satisfaction to the parties concerned. A more acceptable machinery for settling Wage Disputes will be one which gives the parties themselves a more responsible role in reaching decision ". The Commission, therefore, recommended that "an authority like a tripartite Wage Board will probably ensure more acceptable decisions and such Boards should be instituted for individual industries in different areas.""

Till April, 1963, Wage Boards had been set up in the Cotton Textiles, Sugar, Jute, Cement, Tea Plantations, Coffee and Rubber Plantations, Iron and Steel, Coal Mining, Iron Ore and Limestone, and Dolomite Mines industries. Wage Boards are not statutory bodies. The concensus of opinion at the Standing Labour Committee and Indian Labour Conference was against legislation on the subject. Employers' Federation statutory of India described the provision for Wage Boards as 'unsound in principle', 'unworkable in practice', 'unnecessary' and premature'.

Composition and Terms Of Reference.

The composition of the Wage Boards is similar. Each Board consists of a Chairman together with two other independent members and two Representatives of Employers and Employees each. The precise role of independent members is not very clear. One of the two independent members is usually a member of the Parliament and the other one an Economist. It may be said that

2. Ibid.
The member of Parliament represents the consumers and is there to safeguard their interests. The economist is in the nature of an expert and is expected to provide technical guidance to the Board. While the workers' and employers' representatives are likely to look at the problem from the point of view of the industry concerned, the economist is expected to take a wider view and take into account the impact of whatever decisions are taken, on the economy as a whole. The independent members may also be a check on the employers' and workers' representatives combining for their sectional interests at the cost of the Community. A situation can be imagined in which the employers may agree to the wage-increases demanded by the workers provided, they in turn agreed to an increase in prices; and the workers' representatives in their own interest may agree to the employers' contention. The result will be gain for employers' and employees' in a particular industry but the other sectors of the economy including consumers may suffer. The presence of two independent members may be a check on such a situation developing.

The terms of reference of each Board are also the same. Namely, (i) to determine the categories of employees who should be brought within the scope of the proposed wage fixation, (ii) to work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages, (iii) bear in mind the desirability of extending the system of payment by results; and (iv) to work out the principles that should govern the grant of bonus to workers in the respective industry. The Wage Boards have also been required to take into account (i) the needs of
the industry in a developing economy; (ii) the requirements of social justice and (iii) the need for adjusting wage differentials.

Difficulties And Criticism

Wage Boards for Cotton Textiles, Cement and Sugar have already submitted their reports. Interim recommendations have also been made by Coffee, Tea and Rubber Plantation, Jute and Iron and Steel Boards.

The actual working of the Wage Boards has given rise to a number of problems. The major difficulty has been regarding the implementation of Wage Boards' recommendations. Since they are not statutory bodies, their recommendations are not binding on the parties. The employers have not been prompt in implementing them and the workers had to agitate for it. For example, during June - July and August, 1960 there were a number of strikes in the Textile Industry demanding implementation of Wage Board recommendations practically in all parts of the Country. This situation caused concern to the Government and it came forward with a Bill to ensure the implementation of the recommendations. The Bill not only provided measures to deal with defaulting employers but also proposed to ban all disputes and strikes in the industry on the question of Wages for a period of five years. Following representations from different sections of industry the Bill was held back.

1. Explaining the need for legislation, the Union Labour Minister said: "Even if one unit failed to implement recommendations, it created problems for the future. Secondly there had to be a time limit for implementation". (Indian Worker, March 27, 1961).
Similar difficulties have been experienced in regard to implementation of the recommendations of the other Wage Boards. The Minister for Labour and Employment has occasionally warned the employers that any reluctance on their part to implement Wage Boards' recommendations will force the Government to frame a legislation on the subject. But the threat has not so far been carried out. The Government's hesitation is understandable because it will not be in conformity with the recent trend in Industrial Relations with emphasis on voluntary and mutual settlement.

The criticism has also been levelled against the long delays involved in this system of wage regulation. The Textile Board had taken more than two and a half years; the Sugar Board took still longer (three years). The Government took another four to six months in announcing its decisions on the reports. It is said that workers do not have the patience to wait for so long. Delay increases arrears and annoys workers. Disappointment has also been expressed over the meagre increase in wages awarded by the Boards. They have not come up to workers' expectations. It is particularly regretted that Boards did not implement recommendations of the

1. The President INTUC Assam drew the attention of the Government that employers "had not seen their way even now to implement the recommendations of the Tea Plantation Wage Board (Indian Worker, January 5, 1962).

ii) At the Annual General Meeting of the Bokaro Steel Workers' Union, in February, 1963, it was complained that Hindustan Steel Ltd. had not implemented the interim recommendations of Steel Wage Boards.

iii) In the Presidential address to Indian National Cement Workers' Federation, it was stated that "it is disgraceful that nearly three years have passed since the publication of Cement Wage Board recommendations and yet the question of proper classification has not been satisfactorily solved. Industrial Disputes are pending before different authorities regarding question of proper classification."
Indian Labour Conference relating to need-based Wage and the A.I.T.U.C. has demanded that the Wage Boards should be given a directive to implement the need-based Wage.

An interesting situation developed in regard to one of the interim recommendations of the Tea Plantations Wage Board. This was a majority recommendation despite opposition of employers' representatives. The Employers' Federation of India took exception to this unusual procedure and requested the Minister to intercede in the matter and not to permit a temporary monetary advantage to workers to become the instrument for sabotaging the very useful agency. The Minister agreed with this contention and stated that the Government would not ask the interests concerned to implement it. It was also agreed that recommendations which were not unanimous should not be made public.

Proposal For Wage Commission.

It is the Government's Policy to expand the Wage Board system gradually. As more and more Wage Boards are set up, the need for ensuring overall coordination of the policies and decisions of the separate Boards is imperative. It is one of the criticisms against Wage Boards that so far no common approach to the problem of Wages has merged from the Wage Board reports. The Cement Wage Board accepted the concept of need-based minimum Wage while Cotton Textile Board regarded it 'as a leap forward of a character which the Industry would not be able to support'. Sugar Board took the middle

2. Vide Union Minister's letter dated April 16, 1962 addressed to Shri Naval Tata.
course and arrived at the conclusion that it was not possible to give full effect to the minimum wage norms laid down by the Planning Commission. The Committee on Fair Wages had recommended the constitution of a co-ordinating body. In this context Shri V.V. Giri's suggestion "to set up an All India Wage Commission on a tripartite Voluntary basis" deserves serious attention. Time is ripe for the appointment of such a Commission in addition to laying down uniform principles and practices for adoption by the Wage Boards, the Commission may also have the power to review the decisions of the Wage Boards.

In view of the present inadequacy of Collective Bargaining in India, Wage Boards provide a much needed and suitable machinery for wage regulation. This is definitely better than the arbitration system, as a preventive measure because the latter operates after the dispute has actually taken place, while the former meets before the zero hour reaches and suggests remedies so that no contingency is likely to occur in future. They should be considered constructively in this way and not as an alternative to Tribunals for settlement of disputes. They can play an important role in promoting industrial relations and have the way for progressive increase in Collective Bargaining.

Code Of Discipline.

Reluctant to give up compulsory adjudication and unable to take any positive steps to develop collective bargaining but at the same time keen to promote direct negotiations and mutual settlements, the Government launched

on a new experiment in labour management relations and at its instance certain 'Codes' were evolved to regulate the conduct of the employers and the workers towards each other. The most important among these Codes is the 'Code of Discipline' which was approved by the Standing Labour Committee of the Indian Labour Conference in October, 1957 and after ratification by the Central employers' and workers' organisation came in force from June 1, 1958.

Main Provisions.

Drawn up in the form of a bilateral agreement, the Code defines the rights and obligations of the parties. For example, management and unions agree that there should be no unilateral action in connection with any industrial matter, no strike or lockout without notice, no recourse to coercion, intimidation, victimisation etc and that they will promote constructive cooperation between them, establish, upon a mutually agreed basis, a grievance procedure and will follow democratic methods to settle differences. Management further agree not to increase work loads without workers' consent, not to support or encourage any unfair labour practices, to take prompt action for settlement of grievances and implementation of

1. Inter-Union Code of Conduct and Code of Efficiency and Welfare are the other two Codes.
2. All India Organisation of Industrial Employers, Employers' Federation of India and All India Manufacturers Organization.
3. At the first meeting of the Central Implementation and Evaluation Committee held in September, 1958, it was decided that the Code should be deemed to have come into effect from June 1, 1958.
agreements and awards and to grant recognition to unions in accordance with agreed criteria. Similarly unions agree not to engage in any form of physical duress or rowdism, to discourage unfair labour practices and to take prompt action to implement awards, agreements etc.

The Code enjoins upon the parties to avoid litigation and make sincere efforts to arrive at out of court settlements. To achieve this objective, the central organisations agreed to set up Screening Committees which were expected to screen cases thoroughly before allowing their members to file appeals against the awards of labour courts and industrial tribunals.

To ensure implementation of the code and evaluate its working, a separate machinery has been set up at the centre and the States. This machinery comprises: 1. A central implementation and Evaluation Division in the Ministry of Labour and Employment under the charge of a Joint Secretary. 2. Implementation Units in the States under the charge of either a whole-time officer of the Labour Department or State Labour Commissioner. 3. Tripartite Implementation Committees at the Central, State and Local Levels.

The Code is a moral document and as such there is no legal force behind it. But in order that mere lip service is not paid to it by employers and workers, certain sanctions

1. Local implementation Committees have been set up only in four States — Adnhra Pradesh, Assam, Punjab and Rajasthan. The other States have stated that they would set up these committees whenever and wherever their need is felt.
have been laid down which central organisations are expected to apply against their defaulting members. These sanctions adopted and approved by the Tripartite Committee are:

1. To ask the unit to explain the infringement of the Code.
2. To give notice to the unit to set right the infringement within a specified period.
3. To warn and in case of a more serious nature to censure the unit concerned for its actions constituting infringement.
4. To impose on the unit any other penalties open to the organisation.
5. To disqualify the unit from its membership in case of persistent violation of the code.
6. Not to give countenance, in any manner to non members who do not observe the code.

**Acceptance Of The Code.**

The Code is now in operation for the last 5½ years. It was initially accepted by Central Employers and workers' organisations. Efforts have however, since been made to extend the application of the Code. Efforts to bring into its fold some major sectors have however, not been very successful. The failure of the public sector undertakings

1. After four years of persuasion, the Banks, Life Insurance Corporation of India, General Insurance Council and Port Trusts agreed to accept the code with certain clarifications but the unions raised objections to the clarifications given to them by the Government and the code could not be made applicable to them. The Railways did not accept the code, stating that "its purposes have been secured through long established procedures and conventions". They had been requested to reconsider their stand but no decision had been taken till June, 1963. Similarly Defence Ministry has not made up its mind in making the code applicable to their constituent units and were still discussing the question with the trade unions concerned.
to adopt the code is particularly regrettable. Their attitude is not conducive to the success of the Code.

The number of independent employers and unions being very large, success of the code to a large extent depends on their co-operation. The implementation machinery has been making persistent efforts to attract them. Till the end of 1962 in the central sphere code had been made applicable to 79 independent employers and 59 independent unions. In the State sphere till 1961, in all States/territories for which data is available, 427 independent employers and 1103 unions had accepted the code on a voluntary basis.

Cases Of Violation.

The Central Implementation and Evaluation Machinery has been taking keen interest in the working of the Code and has been exerting its utmost to achieve its objectives. It has been steadfastly pursuing every breach of the Code reported to it by management and unions. Since the adoption of the Code till January, 1963, the Central I.E. Division received 2323 complaints of breaches of the Code in the Central Sphere requiring action by it. Of these 1420 breaches were set right or brought home to the parties. In the State Sphere, the Division received 1445 cases of violation, out of which 404 were either settled or breaches brought home to the parties and 869 were referred to the State Governments for necessary action. Detailed classification of cases of violation of

the Code in Central and State spheres is given below:

**Table VI.**


<table>
<thead>
<tr>
<th>Sphere</th>
<th>No. of cases requiring action by the Divn.</th>
<th>No. where investigations have been completed</th>
<th>Number under investigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>2323</td>
<td>635</td>
<td>233</td>
</tr>
<tr>
<td>State</td>
<td>1445</td>
<td>172</td>
<td>84</td>
</tr>
</tbody>
</table>

**Source:** Review of the Working of the Code 1962

The Organisation-wise position of the violations of the Code given below, gives the impression that employers' have been more guilty of the violation of the Code than the workers.

**Table VII.**

<table>
<thead>
<tr>
<th>Complaints of violations against</th>
<th>Central Sphere</th>
<th>State sphere</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers</td>
<td>660</td>
<td>210</td>
</tr>
<tr>
<td>Employers</td>
<td>1663</td>
<td>1235</td>
</tr>
</tbody>
</table>

**Source:** Review op. cit.

The employers have explained this position by stating that violation of code by management is more obvious and patent
and cannot be concealed; workers' violation on the other hand, is more subtle and difficult to prove e.g. cases of assault, intimidation etc. Employers, it is further pointed out report only serious breaches of the Code, while the workers' have absolutely no hesitation in making vague and frivolous complaints. The employers' point of view is substantiated by the fact that in the Central sphere, out of 1663 complaints made against them, 574 i.e. 34.5% were not substantiated on enquiry. As against this only 9.2% complaints made by employers proved to be bogus. Official Review of the Code for 1962 also admits that "A large number of baseless complaints is made by unions, resulting in avoidable waste of time, energy and expenditure".

A significant fact which emerges from the following table is that complaints regarding breaches of the Code/on the increase. The number of breaches of the code requiring action in the central sphere recorded a rise from 585 in 1961 to 792 in 1962. The number of established breaches was 439 in 1962 as against 387 in 1961.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of breaches requiring action</th>
<th>Number of established breaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958-60 (average)</td>
<td>362</td>
<td>170</td>
</tr>
<tr>
<td>1961</td>
<td>585</td>
<td>387</td>
</tr>
<tr>
<td>1962</td>
<td>792</td>
<td>439</td>
</tr>
</tbody>
</table>

During the first 2½ years (June 1958 - 1960) relevant figures were 904 and 424 respectively. This is interpreted in some quarters as an indication of increasing awareness of the Code among employers and workers and more frequent recourse to it in the conduct of their day-to-day relations. To other explanation is equally plausible i.e. the enthusiasm of the parties is gradually waning and they do not take the Code very seriously. The fact that the provisional figure of mandays lost for 1962 is only slightly less as compared to 1961 and that the final figure may exceed 1961 figure supports the second conclusion. These developments during 1962 may cause serious concern to all those interested in the success of the Code.

Impact On Industrial Relations

The Code, it is claimed, has improved the climate of industrial relations in the country and has generated a sense of discipline towards decisions taken by tripartite conferences. It has been hailed by all sections of the industrial society as an effective instrument for promoting industrial peace. The restraining influence exercised by the Code on the parties is borne out by the comparative industrial peace as reflected in the number of man days lost, that has prevailed since the introduction of the code. From the figures given below it will be observed that but for 1960, there has been a consistent decline in the number of man days lost. The increase in 1960 may be attributed to Central

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Government employees' strike which resulted in a loss of more than one million man days. If this is not taken into account the resultant figure will be less than that of 1959.

Table IX.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958</td>
<td>78.00</td>
</tr>
<tr>
<td>1959</td>
<td>56.33</td>
</tr>
<tr>
<td>1960</td>
<td>65.15</td>
</tr>
<tr>
<td>1961</td>
<td>49.19</td>
</tr>
<tr>
<td>1962</td>
<td>48.01</td>
</tr>
</tbody>
</table>

For a correct appraisal of these figures and their relevance to industrial relations, following points deserve consideration:

1. It is not quite appropriate to attribute the decline in man-days lost to Code of Discipline alone. Various factors contribute to the climate of industrial relations in a country. One such factor which has been in operation in India simultaneously with the Code is the institution of Wage Boards. In an under-developed country wages constitute the most important single cause of industrial disputes. With wages in major industries being governed by Wage Boards, this

1. This data is included in Table II, but for ready reference it is repeated here.
factor lost some of its force and a slight fall in the number of industrial disputes should be taken as a natural consequence. During 1961, wages and allowances accounted for 30.4% of total disputes as against 37.1% in 1960. For the same period, man-days lost due to wage disputes declined from 39.6% to 22.4%.

2. Though the number of man-days lost has consistently declined from 1959 to 1962, yet the decline year after year is at a diminishing rate. The decline during 1959, 1960, 1961 and 1962 has been of the order of 21.61 lakhs, 4.18 lakhs, 2.96 lakhs and 1.18 lakhs, as compared to their respective previous years. The provisional figure for 1962 is only slightly less than the final figure for 1961. There are indications that the figure for 1962 may exceed that for 1961. This is not a good augury for the future.

3. The number of man-days lost is not the sole criterion of harmonious labour-management relations. Industrial peace is not a negative concept—absence of strife.

1. After making allowance for man-days lost due to central employees' strike and a general strike in the cashew nut industry in Kerala which synchronised with the former, the official Review places the figure of man-days lost in 1960 at 52.15 lakhs.

2. "The progress of industrial relations cannot be adequately measured by the crude methods of Statistics relating to the number of strikes, man-days lost or loss of out-put. It is most unscientific to measure such abstract phenomena as attitude, morale, human interest, sense-of responsibility etc. in mathematical terms. A sincere campaign for building up good industrial relations has to foster and improve these human attributes". - Indian Labour Journal, June, 1960—'The theory and Technique of Industrial Relations' by K. S. Chowdhry.
but a positive one—presence of good will and co-operative attitude. If we have been striving to create a vigorous community, ever prepared to play its full part in the industrial society and the country's economic development, there are no indications that the objective has been achieved. We have at best succeeded in maintaining 'peace of the grave-yard'. Viewed as a whole, the code has made only a limited contribution in improving industrial relations in the country and the situation has by and large remained static. The Code has, so far, not succeeded in bringing about any perceptible change in the outlook and attitudes of the employers and the employees towards each other and mutual suspicions still continue. This observation is substantiated by the (i) failure of the employers' and workers' organisations to agree to the adoption of the Code of Efficiency and Welfare, (ii) the repeated demands for strengthening the implementation and evaluation machinery which undermine the voluntary character of the code, (iii) attitude of the parties towards the screening machinery provided in the code, (iv) persistent complaints regarding non-recognition of the unions, (v) the virtual failure of the Inter-union Code of Conduct as reflected in increasing inter-union rivalries, (vi) the difficulties experienced in persuading the parties to implement awards and agreements.

1. A.I.T.U.C. considered that the screening machinery had not served any useful purpose and hence refused to send any information about the functioning of its screening committees. I.N.T.U.C. observed, "............... we do not favour any necessity of a Screening Machinery as far as the workers' organisations are concerned".

Review, op.cit. 1962.
(vii) the reluctance to accept voluntary arbitration, and
(viii) the non-establishment or non-observance of a formal grievance procedure.

Attitude During Emergency.

Even during the National Emergency caused by Chinese aggression, the parties have not shaken off their distrust of each other. The Industrial Truce Resolution which was unanimously adopted by all Central employers' and workers' organisations on November 3, 1963 is not being faithfully observed and there are increasing complaints of its violation. The Trade Unions are particularly vocal in criticising the employers' attitude and conduct during the Emergency. The Deputy Minister for Labour had admitted in the Parliament that the Government had received complaints of violation by employers of the letter and spirit of the resolution; but he observed that "the number of complaints substantiated on enquiry was small". It is difficult to say how far workers' complaints are genuine but it appears that the working of the Truce Resolution has vitiated the atmosphere and caused damage to the climate of industrial relations.

1. In an editorial dated May 3, 1963, Indian Worker wrote: "The INTUC and the entire working class felt frustrated over the non-cooperative attitude of a section of employers. Though the workers are fully conscious of their pledge, the employers are showing a signal lack of understanding of the grave situation created by unabashed Chinese aggression and are taking all advantages out of the emergency by oppressing the workers in all possible manners".

6. In its General Council held in April, 1963 the AITUC expressed the view "that since its very inception the Truce resolution was utilised by employers, both public and private, to the disadvantage of the workers. Continuation of the resolution is now hampering the growth of normal industrial relations and is leading to irritation and unrest among the workers as the employers tend to use it more for their own class benefit than for national interest".
Whatever initial enthusiasm the Code had evoked had gradually waned away and the parties do not seem to take it very seriously now. The same is true of the Truce Resolution. The spirit of the Code and the Truce Resolution has unfortunately not percolated down to lower levels. The Code, however served a useful purpose. It has, to some extent, diverted attention from compulsory adjudication and other legal enactments, for obtaining relief in industrial matters, to the imperative need of direct negotiations and mutual settlements without outside interference. It may be hoped that in course of time, the Code may provide the basis for effective collective bargaining in India.

**Code Of Efficiency And Welfare.**

Encouraged by the initial gains of the Code of Discipline and to consolidate and stabilise them, the Union Minister for Labour proposed a Code of Efficiency and Welfare at the 17th Session of the Standing Labour Committee in October, 1960. Tracing the origin of the idea of the proposed Code, the Minister stated that it was provoked by the constant complaint that Indian Workers' Efficiency was low and industry

1. In an Official Review of the Resolution presented at the 21st Session of the Indian Labour Conference held in July, 1963, it was observed that "its impact was well-pronounced in the first few months but thereafter it started tapering off. Recently the truce has been broken in several major cases and the industrial relations situation seems to be deteriorating.

2. "Probably the most important result for the present is to keep all in industry talking and thinking about the method of approach to industrial relations problems which the Code attempts to set out." - Indian Institute of Personnel Management - Personnel Management in India, 1962, p.148.
was burdened with increasing labour costs. The Code, he observed, gave certain firmness and reality to talks about productivity. He urged the employers to remember that what was at stake was not a document of a few clauses but a whole approach and avenue of peaceful progress of industry, the alternatives to which were only more legislation and more conflicts. The Committee recognised that an increase in productivity was imperative, if the goal of raising the standard of living of workers was to be achieved. As the efficiency and welfare of workers were closely interlinked, it was proposed to cover the welfare aspect also.

At the suggestion of the Sub-Committee on workers' Participation in Management and Discipline in Industry, a committee with Shri V.K.R. Menon as Chairman was set up in December 1969 to obtain the views of employers and workers mainly at the unit level on matters relating to the proposed code. The Committee submitted its report in September, 1961. The draft Code prepared by the Committee provided inter alia for the organisation of training programmes for workers and management, 1 the introduction of incentive and suggestions schemes, the association of workers in the implementation of laws and regulations relating to health and safety in the undertaking, the avoidance of inter-union rivalry etc. Unlike the Code of Discipline and Inter-Union Conduct which emphasized the negative aspects or the 'don'ts' of labour-management relations, the proposed Code stressed the positive features or the 'do's' of industrial relations.

1 and 2. Both these provisions reiterate the case for labour participation in management.
The report was discussed by the Indian Labour Conference in October, 1961. Only I.N.T.U.C. favoured the adoption of the Code. Other workers' and employers' organisations felt that the time was not ripe for introducing the Code. Employers' representatives rather expressed the view that the adoption of another Code, when the one relating to Discipline was still in an experimental stage, would only complicate matters and it was better to watch the latter's progress. It was also suggested that Code of Discipline was sufficient to achieve the objectives set for Efficiency Code, provided it was observed in letter and spirit by both parties. They also wanted some time for studying the implications of the proposals made in the report. A tripartite Committee was, therefore, set up to examine the recommendations in greater detail. Due to the indifference of employers and labour organisations, the proposal is in cold storage since then.

Voluntary Arbitration.

One of the important provisions of the Code relates to voluntary arbitration and lays down that "the parties agree to bind themselves to submit the unresolved disputes for decision by voluntary arbitration". The 17th Session of the Indian Labour Conference held in July, 1915 reiterated that "increased recourse should be had to mediation and voluntary arbitration and recourse to adjudication avoided as far as possible. Matters of local interest, not having any wider repercussions should, as a general rule be settled through arbitration". Industrial Truce Resolution of November 1963, also laid emphasised that there should be maximum recourse to voluntary arbitration.
Voluntary arbitration as a method of dispute settlement has much to commend itself. From the point of view of the trade unions, method of strike is full of dangers and uncertainties and the method of compulsory adjudication is cumbersome, dilatory and expensive. Compared to these, voluntary arbitration promises to be more expeditious and more reliable. To the employees it ensures quick disposal of workers' grievances and early end of the state of tension and suspense which characterise all industrial disputes; there is also the assurance that the award would be acceptable to the unions. The readiness on the part of the parties to submit a dispute for decision by an impartial third party, acting as an arbitrator proves not only their bonafides but also their desire to reach a fair and final settlement in the shortest possible time without getting involved in legal technicalities, appeals and litigations.

In the present labour legislation, voluntary arbitration is provided for under section 10-A of the Industrial Disputes Act. Though the reference to arbitration is voluntary but the award is binding on the parties just like the award under compulsory adjudication but unlike the latter there is no appeal against it.

Slow Progress.

Inspite of the indisputable value of voluntary arbitration, it has not made much headway in this country. For example, during 1961 out of 1305 cases in Delhi, Maharashtra, Madras, Punjab and Uttar Pradesh in which the State implementation machinery requested the parties to accept voluntary arbitration, it was agreed to only in 84 (65%) cases. During November, 1962
and May, 1963, out of 2682 cases in the State sphere in which conciliation had failed, arbitration was agreed to by the parties in 101 (3.9%) cases. The worst offender was West Bengal, where arbitration could be accepted only in 3 out of 1176 cases. Similarly an analysis made by the Evaluation and Implementation Division revealed that in 1960–61, out of 336 cases in Mining industry, only in four (less than 1%) both parties were willing for voluntary arbitration and arbitration actually took place in only one. Even in centres where arbitration was agreed to for a number of years, it was not available for subsequent years. For instance, at Ahmedabad voluntary arbitration machinery broke down between 1938 and 1952 and the experience of having recalcitrant employers was by no means rare.

Reasons for Slow Progress.

Trade Unions hold the employers responsible for the failure of voluntary arbitration. In a memorandum on labour policy, I.N.T.U.C. observed that "a section of employers seems to have a psychological complex to voluntary arbitration" Employers explain that it is not possible to accept arbitration in all cases proposed by the union primarily because many of

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2. In 63 of these cases both the parties were reluctant to refer the differences for voluntary arbitration and in the remaining 268 cases, the employers rejected the proposal for voluntary arbitration while the unions were agreeable. In one case, the parties made a joint application for adjudication and not arbitration and this was done.
them are not fit cases for arbitration. At a Seminar on Code of Discipline, a section of employers expressed the opinion that the provision relating to voluntary arbitration should be deleted altogether from the Code as the trade unions were exploiting it by insisting on arbitration whenever it suited them and management's refusal to accept it was termed as a violation of the Code.

Besides lack of mutual faith and confidence, some practical difficulties also impeded the progress of voluntary arbitration. Important among these are: absence of well-defined rules of procedure for conduct of arbitration proceedings, non-availability of suitable persons acceptable to both parties to act as arbitrators, its financial implications, confusion regarding the suitability or otherwise of particular issues for arbitration etc. Difficulty has also been caused by the provision that the award is binding only on the parties to the agreement; it is not binding on other unions, if any in the undertaking and in that case the award may become inoperative. It is in this context that some legislation to compel the minority unions not a party to the agreement, to abide by it becomes relevant.

1. Out of 268 cases in the mining industry referred to above in which management rejected voluntary arbitration, adjudication was allowed by the Ministry in only 18 cases, which shows the unsuitability of a large number of disputes for arbitration.
2. Seminar on the working of the Code of Discipline in Industry (New Delhi September, 1961) organised by the Employers' federation of India and All India Organisation of Industrial Employers.
3. Trade unions' refusal to accept arbitration in 63 out 336 cases, partly substantiates the allegations that unions agree to or ask for arbitration only when it suits them.
4. At present expenses of arbitration have to be borne by the parties.
The binding character of the award and the denial of the right of appeal are also said to have discouraged frequent recourse to arbitration. This, however, misjudges the entire concept of voluntary arbitration. Voluntary arbitration implies a commitment by both the parties to accept and implement the award. Legislative provision to that effect, though ordinarily unnecessary, should in no case be a deterrent. An arbitration forced on the parties is ab initio contrary to the very spirit of voluntary arbitration.

It is often forgotten that voluntary arbitration is only an aspect of collective bargaining and will develop slowly with the growth of collective bargaining. Absence of a recognised union and pre-eminence of compulsory adjudication hinder both collective bargaining and voluntary arbitration. If employers and unions are made to believe that alternative to voluntary arbitration is not compulsory adjudication but strikes and lockouts, more serious efforts would be made to resolve the disputes by mutual agreement. This, however, requires a change in the basic approach towards compulsory adjudication.

In the meantime practical difficulties in the working of voluntary arbitration should be removed. For example, it would be advisable to draw out a schedule of disputes, normally considered suitable for arbitration, in consultation with employers and workers' organisations and State should/active

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2. Some of the difficulties, for example, the non-availability of suitable persons to act as arbitrators, the repudiation of the award by 'other' unions are sought to be removed through an Amendment to the Industrial Disputes Act, 1947 introduced in the Rajya Sabha on December 2, 1963.
Interest in providing facilities for arbitration. Arbitration
is not just a device which can be fitted in to the framework
of industrial relations of a country, it must grow from within.

**Grievance Procedure.**

A well-defined Grievance Procedure is an essential
element of a sound industrial relations machinery. Prompt and
effective disposal of workers' grievances is the key to
industrial peace. In the absence of a satisfactory procedure
to handle them, day to day grievances will accumulate with
the consequent risk of their degenerating into disputes.
A grievance has been rightly described as an "embryo of more
serious trouble and a canker in the organisation."

On the whole, grievance machinery in Indian industry
is in an elementary stage; a formal grievance procedure is
something uncommon. There is no legislative provision for a
well defined and adequate grievance procedure excepting clause
15 of Model Standing Orders which specifies that "all complaints
arising out of employment shall be submitted to the manager
or the other person specified in their behalf with the right
of appeal to the employer".

**Usual Procedure.**

The usual procedure, which is informal and oral, is
for the worker to approach the immediate supervisor and failing
to get a satisfactory answer to go directly to the Labour
Officer or Personnel Manager of Factory Manager which may be
considered the second stage. The last step consists in
approaching the General Manager or the Managing Agent as the
case may be; but this is rarely resorted to. In some undertakings top management entertains workers' complaints directly while in others, Labour Officer is treated as the 'first and the last stage in the grievance procedure'. In a few others, the Works Committee or the Joint Committee is entrusted with the responsibility of dealing with grievances. In some units, workers are allowed to present their grievances through the recognised union. In a Textile Mill in Bokhao, if the worker is not satisfied with the disposal of his grievance by the Departmental Head, the latter is called to the Plant Labour office and both the worker and the departmental head are allowed to question each other.

Grievance Settlement In Ahmedabad Textile Industry.

In a few industrial centres, trade union and/or employers' association have taken the initiative in getting redress for workers' grievances and have set up formal or informal machinery. In Ahmedabad, Textile Labour Association has set up an effective area-wise grievance procedure. The Association recognises that "it is the primary function of a trade union to redress the grievances of its members", and regards the complaint Department as the pivot around which multifarious activities of the union revolve. Through a system of elected shop stewards, attempt is made to solve the grievance at floor level. Failing this, the complaint is recorded at the Association's office and the inspector at the lowest rung of the ladder and the Secretary at the top, try to resolve the dispute either at the mill level or with the Mill Owners Association, as the case may be. A notable feature

of this scheme is that this facility is available to non-members also.

During 1960-61, the Association received 22952 complaints out of which 17189 were concluded during the year and 5263 remained pending. Majority were settled successfully, 10 were rejected as false, 304 as repeated and 4843 had to be closed for other reasons.

Grievance Settlement In Jute Industry.

In contrast to this, the grievances in the Jute Industry around Calcutta are settled more or less informally through the initiative of the Labour Department of the Indian Jute Mills Association. Association's Group Labour Officers visit their regional complaint offices every week at fixed time. Workers who cannot settle their grievances at the mill level come to this office to appeal against management decisions. They may, if they so desire, be accompanied by a trade union leader. The Group Labour Officer immediately investigates into the matter and if necessary, goes to the factory to make on the spot enquiry.

1. Detailed analysis of complaints received during the year is as under:

<table>
<thead>
<tr>
<th>Nature of complaints</th>
<th>Number of complaints</th>
<th>Nature of complaints</th>
<th>Number of complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>6899</td>
<td>Holidays</td>
<td>106</td>
</tr>
<tr>
<td>Hours of work</td>
<td>449</td>
<td>Muster</td>
<td>4681</td>
</tr>
<tr>
<td>Conditions of work</td>
<td>4489</td>
<td>unjust penalties</td>
<td>3105</td>
</tr>
<tr>
<td>Treatment and procedure</td>
<td>2749</td>
<td>Relating to unions</td>
<td>8</td>
</tr>
<tr>
<td>Sanitary arrangements</td>
<td>122</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing and welfare</td>
<td>--</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>344</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total........ 22952.

His findings are generally respected both by the management and the workers. Commenting upon this system, N.R. Dey observed that "the unwritten yet widely accepted grievance procedure introduced by the Association is an innovation which is unique." Interesting thing about this system is that there are no recognised unions in Jute Industry.

Of late, the industry has begun to realise the importance of a formal grievance procedure and the part it can play in maintenance of harmonious labour management relations. Some well established firms have laid down a clearly defined grievance procedure in recent years. In most cases it forms part of the collective agreement. By and large, they conform to the Model Grievance Procedure (described below), the main point of departure from the Model being that there is no provision for voluntary arbitration.

Unsatisfactory Character Of Usual Procedure.

Various methods of settling workers' grievances, prevalent in Indian Industry, are unsatisfactory both from the workers' and management's point of view. The worker does not know whom to approach in case of need nor what the next stage will be. It takes too long to settle a grievance because there

1. Following figures from a particular area having ten factories bear out the popularity of this informal but effective grievance procedure:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of grievances registered at Association's Labour office</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>94</td>
</tr>
<tr>
<td>1957</td>
<td>366</td>
</tr>
<tr>
<td>1958</td>
<td>358</td>
</tr>
<tr>
<td>1959</td>
<td>256</td>
</tr>
</tbody>
</table>


is no fixed time limit for each stage; the worker also feels aggrieved because it is always the managerial decision which is imposed on him and there is no one to represent his case. Some firms positively discourage unions' involvement in this matter; workers are afraid that if the case is taken up by the union, decision will be definitely against them. They, therefore, take special care to avoid the presence of union representative while presenting their grievance to the management. Top management's practice of directly disposing off the complaint is administratively unsound because it causes annoyance and frustration to lower levels of management who think they should have been consulted but have been ignored.

Even when a formal grievance procedure exists, it is generally not followed; well defined stages remain only on paper. It appears that none of the parties concerned feel that it is worthwhile adopting the steps, however, well defined they may be.

A cross section of workers' and management's views is given in the footnote.

1. Workers' views: (i) There is no sense in making a complaint since no one listens. A complaint only offends the supervisor-worker; (ii) The method of handling workers' grievances is too complicated and no worker can avail of it. - Worker. (iii) When I go to the recognised union for any grievance, the first thing they ask me is to become a member of that union which I do not like. I think, the union should first take up the grievance and if I am satisfied, I shall become the member voluntarily. - Worker not belonging to recognised union. and (iv) "The written grievance procedure has nothing but ornamental value" - Union Leader.

Managements' views: (i) "The procedure remains on paper and the complaint goes directly to Works Superintendent's room" - Officer. (ii) "I have no choice but to listen to a worker's grievance who approached me directly because he says no one at lower level will listen to him" - Factory Manager. (iii) "When top men do not take any objection to workers' direct approach, how can I take it; If I do, imagine what the workers will think of me" - Supervisor, and (iv) "Union's association with grievance-settlement only complicates the issue" - Labour officer.

Some of these views have been compiled from Case Studies on Labour Management Relations by Bombay Labour Institute; others based on personal interview.
Model Grievance Procedure.

Realising that the establishment of a grievance Procedure, acceptable to management and workers, in an industrial unit might be helpful in improving industrial relations, the Ministry of Labour and Employment sponsored a Model Grievance Procedure, which was accepted by the Indian Labour Conference in 1958. The Procedure outlines in details the steps through which a grievance should be processed and the principles to be applied in settling them. Its main features are:

1. Clearly defined stages for the settlement of a grievance.
2. Time limit for each stage.
3. Provision for a Grievance Committee consisting of workers' and employers representatives.
4. Provision for voluntary arbitration.

It is further provided that when a grievance arose out of an order given by management, this has to be complied with before the procedure is invoked.

This Model Procedure has to some extent, created a sense of awareness and made the workers and managers conscious of the importance of a well defined grievance procedure. It is however, unfortunate that the provision in the Code of Discipline requiring establishments to set up a mutually agreed grievance procedure has remained largely unimplemented even after five years of adoption of the Code. To find out how far this impression is correct, the Implementation and Evaluation Division of the Ministry of Labour conducted a survey in the Manganese Mining industry. It was revealed that out of 173 units which filled in proformas, regular grievance procedure
was obtaining only in 13 units, i.e. 8% of the units surveyed. One of the reasons given by employers for this omission was the small size of mines. But findings of the Study Team do not warrant this contention. Eight out of thirteen mines having regular grievance procedure employed less than 100 workers each and there was no grievance procedure in a single mine employing more than 500 workers. The Report further states that none of the grievance procedure exactly conformed to the Model. Either there was no grievance committee or time intervals had not been stipulated for disposal of grievance at different stages.

Reasons For Non-observance.

Reasons for non-observance or non-establishment of a formal grievance procedure are not far to seek. Grievance procedure is only a part of larger collective bargaining relationship. The latter has developed in India only to a limited extent and in its absence either a formal grievance procedure will not be set up or if it happens to be there it is not likely to work effectively. Another reason for the failure of the grievance machinery is the absence of recognised unions in general in Indian Industry. Experience has shown that a grievance procedure remains largely ineffective in a plant unless an active union exists to make it work and given a specific role within a larger bargaining frame work." By and large, management in Indian Industry has not yet 'accepted' unions as an integral part of the industrial system and even when a recognised union exists, it is generally ignored. In many enterprises, deliberate efforts are made to keep the union away from grievance settlement. The manager of a
Cement Factory where a union representative is not allowed even to accompany the worker clearly stated that "Union's association with grievance settlement only aggravates the problem. It encourages workers to convert every minor inconvenience into a grievance." The General Manager of a Textile Mill expressed a similar view when he stated that "Union makes mountain of a molehill and complaints which without union intervention would have been easily settled keep on hanging for long." Some management still have a paternalistic attitude and regard a formal grievance machinery as 'unnecessary'. The manager of a Sugar Factory who directly disposed of all grievances of the workers opposed the very idea of setting up a grievance procedure on the lines of the Model and explained that "I follow an open door policy; all workers have direct access to me and I settle their grievances to their satisfaction. What for should I have a formal grievance procedure?"

Briefly stated, the same practice of 'muddling through' which characterises other aspects of industrial management in India applies to grievance settlement also and a formal grievance procedure will develop only with the growth of collective bargaining. It will work effectively and satisfactorily only if the union is associated with it and taken into confidence. Sincerity of purpose on the part of management is also an essential pre-requisite. Workers having grievances should be encouraged to avail of the procedure for settling them. This can partly be done by avoiding a legalistic approach such as constant reference to Standing Orders and sometimes.

1, 2, and 3. Based on personal interviews.
even departing from rigid adherence to rules and regulations for making a few concessions to workers. A conscious management policy to encourage the use of grievance procedure will go a long way in making it a success.