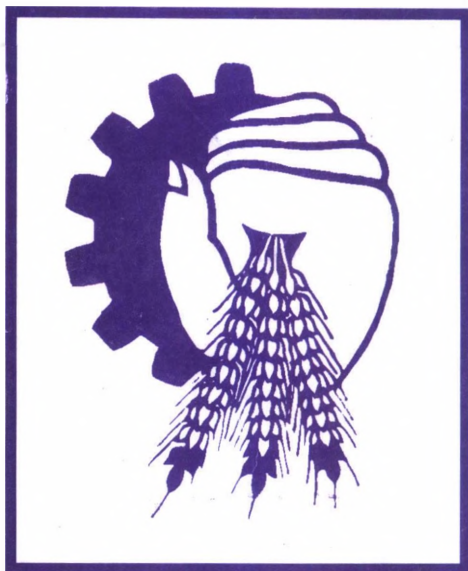


Thirty Eighth Session
**INDIAN LABOUR
CONFERENCE**

28th & 29th September 2002
New Delhi



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GLOBALISATION AND PROBLEMS OF EMPLOYMENT GENERATION

Employment offers respectable and decent life. However, surprisingly, in our country have policies, focusing attention at GDP/ GNP. The policy makers always thought that with GDP/ GNP growth, employment automatically would grow. As sequel to this misnomer the planners of Indian economy strived to design the growth and did not make employment generation as independent pivots of policy making. Nothing concrete has been done, in this direction so far.

In the era of globalisation the assumption is totally faltered, causing the poor Indian to suffer at the hands of wrong policies. While unemployment grow continuously under the nose of the policy makers, no efforts were ever taken to meet the challenge of unemployment till decade of 1970s.

In decade of 1970, some programmes were taken up with the beginning of 6th five-year plan. This opened new paradigms. Various self-employment programmes came up. Employment guarantee scheme. IRDP, Jawhar Rojgar Yoganas, Prime minister employment scheme etc are some such schemes in vogue. The program helped creation of source of earning in rural areas, in proximity of residential places of job seekers. The effort however is transitional besides the fact that the programme as whole has failed to create the permanent productive assets.

It is generally believed that major chunk of the budget allotment is weaned away by politicians, bureaucrats and contractors and a small fraction only reaches the needy hands.

UNEMPLOYMENT A CHALLENGE

The human development report on "Seventh Asia 2001" states that in India there are Twenty Two crores people who are unemployed or partly employed. The National sample survey (55th) reveals the unemployment @7.32%. This is major cause for poverty and starvation and only solution is employment generation.

ZERO EMPLOYMENT GROWTH

The drumbeaters of globalisation claim the GDP growth during last decade rising from 5.2% to 6.7% between 1994 - 99. Ironically during the same period the employment growth slumped down from 2.7% to 1.07%. Now unemployment is @7.32%.

The experts believe that the capital-intensive technology has been brought in play during last 7 years. The indiscriminate automation is a real cause for decline in economy's potential in creating jobs. No concrete efforts were taken by Govt. to formulate the technology policy to avert this situation. B.M.S. has given the Govt. enough warning in 1993 itself by launching nationwide stir demanding formulation of national technology policy. The effort has gone in vain. On account of capital-intensive technique, the labour elasticity rates have decreased. The graph of employment generation in relation to investment and production is constantly going down. Now the economy's potential has come down to one third of what we had prior to globalisation.

The prospects are very grim. There are rampant job cuts in private and in public sectors either by closure/ retrenchment or by way of VRS/ CRS. The possibility of jobs creation in the organised sector is Zero, nay, it is in negative. In 1999 – 2000 alone, the job losses are above 150 thousands & PSEs contributing to 100 thousands.

Thus the burden of creating employment is consequentially being born by unorganised sector. This is the very sector, which is being preyed upon by the hawks of globalisation.

The special group constituted under Dr. S. P. Gupta has taken adequate stock of this situation. The report says that during 9th five year plan the unemployment has gone up. And no specific efforts were made to retain labour intensive technology in production process. The organised sector even if achieves the growth rate of 6.5% the unemployment rate would grow from 7.32% to 11% i.e. a growth of 2 crores in numbers.

The report specifically points, attention at bringing labour intensive technology into play, and does not leave the efforts merely to growth.

YOUTH – UNEMPLOYMENT

The younger people of current generation aged between 15 & 29 are at receiving end. The report reveals the following facts

Young unemployed between of age 15 – 29 per thousand population

Year	Rural		Urban	
	Male	Female	Male	Female
93 – 94	90	76	137	212
99 – 00	111	106	147	151

VICTIMISATION OF SC / ST AND POOR PEOPLE

The 55th national sample survey shows that the unemployment which was @ 8.3% (93 – 94) is now @ 9.8% (99- 00). It is suspected that there must be steep rise in subsequent years.

Similarly the poor people have been natural victims of unemployment.

Income per month (in Rupees)		% of unemployment	
Rural	Urban	Rural	Urban
0-225	0-300	11.31%	9.61%
420-470	665-775	6.48%	9.19%
more than 950	more than 1925	5.25%	4.10%

REGIONAL UNEMPLOYMENT

State	Unemployed percent	
	Rural	Urban
Kerala	21.7%	19.1%
W.B	17.0%	10.6%
A.P.	8.1%	7.6%
Bihar	7.0%	9.3%

CREATION OF 10 CRORE JOBS

The announcement of creation of 10 crore jobs made by Hon. Prime Minister on 15-08-1998 was followed by creation of (T.F.E.O.) Task Force on Employment Opportunities under chairman ships of Shri. Montek Singh the Ex. Finance Secretary. The TFEO stated unemployment at level of 2.2%. It also was loaded fully in favour of MNCs and foreign powers. It repeated the rhetoric of GDP growth as recommendation for unemployment alleviation and suggested as follows-

1. Corporatisation of Agriculture.
2. Exposing SMEs and cottage industries to international trade and de-reservation of product list.
3. Foreign players in Retail Trade.
4. Amalgamation of small transport companies.
5. MNCs in food processing Industry.

The TFEO also used the opportunity to recommend labour law changes, suggesting hire – fire policy and opening production process to contractual labour. It laid emphasis on quality employment than quantity.

REPORT OF SPECIAL GROUP – MAY 2002

The group presented following four important points

1. Quality of employment is important, but quantitative increase on incremental scale was essence.
2. Potential of organised sector in creating additional jobs is almost NIL, while 92% jobs would come from unorganised sector.
3. Job creation could not be left alone to GDP growth; supplementation efforts are necessary in proper direction.
4. Only 30 million jobs could be generated in 10th five-year plan, if India attains the 8% growth rate.

The special group focuses attention to farming plantation, SMEs, Education and IT as some of the areas where an extra ordinary growth in employment by 19.3m jobs is estimated.

The special group has heavily come down, as the inability of private sector as jobs providers. The group estimates that even 20% growth rate would not ensure a small 1% jobs creation in this sector.

GOVT's. IRRESPONSIBLE POLICIES

The successive Govts., during last decade have neglected the crucial areas of growth and of jobs creation. Instead of protecting them, the Govt. has exposed this core sector to ruthless globalisation.

The employment elasticity, which was at 0.70 has gone down to 0.10 level in last seven years in Agriculture sector. Withdrawal of subsidy and free import of Agriculture produce need an urgent review and needs immediate corrective measures.

The rural investment has been withdrawn and so also resource distribution by almost all state. e.g. Maharashtra, Punjab, have caused a severe cut in rural expenditure.

The irrigation, which used to get a big share of 27% of rural expenditure is now at 6.4% level.

Small-scale industries, which provided 1785 m employment in 2000, are under constant hammer of Govt's wrong policies. The sickness in SMEs is at the peak, causing a big spread of unemployment. The sector needs urgent policy correction.

TALL PROMISES AND MAL- PERFORMANCE OF MNCs

The agents of globalisation had said that foreign capital also would bring in more jobs. The facts are strange.

1. Bayer India has cut 40% jobs but has multiplied the profits.
2. Nestle India grow @55% in business and in employment by 1.5% only.
3. Sandoz India has cut jobs by half but has carried. Profit from 194 crores (1984) to 1856 crores (1995)

The worldwide MNCs have in single year of 1994 cut 0.262 million jobs.

BMS DEMANDS

1. Rejection of Montek Singh report forthwith.
2. Implement S. P. Gupta report instead in consultation with the trade unions.
3. Open nationwide debate on improvement of organised sector to aid the job creation.
4. Prescribe national policy on technology for every production process.
5. Effect in complete land reform and distribute surplus land to landless people. In time bound manner.
6. Protect Agriculture subsidiary to the European levels. And provide rates to Agriculture Produce based on cost of production.
7. Focus planned alteration in training, re-training courses, and creation of new skills by providing skill training in newer professions.

SOCIETY SAFETY NET

Right to social security is one of the basic human rights. Although the Constitution of India does not recognize it as a fundamental right, the Supreme Court has ruled that the right to livelihood is inherent in the right of life, which is a fundamental right. As the ultimate object of social security is to assure everyone the means of livelihood it follows that the right to social security is also inherent in the right to life.

ILO has defined social security, as the protection which provides for its members, through a series of public measures, against the economic & social distress, that other wise would be caused by stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age & death and the provision of subsidies for families with children. Thus idea behind social security or are contributing to the wealth & welfare of the country should be protected against certain risks in adequate measures.

The idea is well on strained in our Vedic heritage since long time, to quote "पुमान् पमांसं परिपातु विश्वतः ।" meaning let man protect from all sides.

The subject of social security goes through the whole domain of sociology & touches the fundamental needs of human living like the concept from the natural desire of communities for greater protection. It is protection from life problems, from uncertainties, disease & deprivation. It is a collective action against economic hardships & social risks which individual cannot provide through his resources. Social security is aimed at upholding human dignity & social justice.

At ILO level "Income Security Recommendations, 1944" & "Medical Care Recommendations, 1944" are land mark recommendation. These recommendations have helped to evolve comprehensive set of principles on social security. Social Security convention attempt to cover various nine contingencies viz.

- 1) Medical care
- 2) Sickness benefits
- 3) Old age benefits.
- 4) Unemployment benefits
- 5) Employment injury benefits
- 6) Family benefits.
- 7) Maternity benefits

- 8) Invalidity benefit and
- 9) Survivors' benefit.

Idea of comprehensive social insurance extends to cover the whole population. ILO convention has prescribed basic minimum target for each branch of security benefit & set out broad framework of common standards.

Development of Social Security in India

The first five-year plan recognised that in order to translate into action the thinking embodied in the directive principles of state, socio economic framework has to be remoulded. According it was envisaged to implement Employees State Insurance Act & Provident Fund Act. Properly before any new steps are taken. The second plan enhanced the rate of PF contribution & it recommended integration of PF & ESI Scheme, which is only partially achieved. Third plan declared to rope in State Govts. & Local bodies – urban & rural to participate in schemes undertaken by way of social assistance & social security. In 1964 a Govt. at Center took a major step in promotion social security by setting up a separate department of social security under Ministry of Law and Social Security.

A present various social security schemes in existence are as below

- 1) The Workmen Compensation Act, 1923 provides employment injury benefits.
- 2) The Provident Fund Act, 1925 & 1952 providing contributory provident fund to Govt. employees. This act provides old age benefit & invalidity benefits, and survivor's benefits.
- 3) Employees State Insurance Act, 1948 to protect employment injury benefits, maternity benefits, sickness benefit, & survivor's benefits.
- 4) Maternity Benefit Act, 1961 to protect maternity benefits.
- 5) Employees Family Pension Scheme, 1971 replaced by a new legislation viz. The Employees Pension Scheme, 1995. Pension will ensure bread & butter to some extent to retired person.
- 6) Payment of Gratuity Act, 1972, Gratuity as some sort of retirement benefit available to an employees for long, good, efficient, faithful & meritorious service rendered by him.
- 7) Employees Deposit – linked Insurance Schemes, 1976 in addition to above there exist separate PF Act for seamen, coal mines, Assam

Tea Plantation, Coalmines pension scheme, GPF for central & state Govt. employees etc.

The Govt. has introduced social assistance schemes, financed by General revenues and social services i.e. Sanjay Gandhi Nirdhar Yojana, Central Govt. Health Scheme (CGHS), Family Planning, Child Care, Welfare, Preventive Action in Health Care.

The Social Security Laws can be broadly divided in two categories, namely contributory and non-contributory. In contributory schemes contributions are made by workers & by employers & in some cases it is supplemented by contributory grants from Govt. ESI, PF Pension & Deposit Linked Insurance Schemes are contributory while workman Compensation Act, 1923, Maternity Benefit Act, 1961 & Payment of Gratuity Act, 1972 are non contributory.

But on the background of such fundamental approach there is no declared policy on social security in India even after 54 years of independence. There are various schemes framed at various times in a piecemeal manner. This is a sad reflection both on Govt. & Indian Labour movement.

The total workforce in India according to 1991 census is 320 million as against which shows a wide gap between desirable coverage and actual coverage, on the back drop of which comprehensive social security scheme looks a distant Goal.

Apart from this wide gap between intention & performance common shortcomings of various schemes can be mentioned as below: -

- 1) The schemes have restricted coverage. Neither are industries nor all workers covered. Different Pension Scheme exists for Govt. employees in organised sector could be covered. Further such benefits are not available to workers in unorganised sector.
- 2) Security benefits are not adequate; pension benefits under employees pension scheme 1995 are quite inadequate. In ESI benefits are much below the requirements of insured persons.
- 3) Where as many schemes target same group of employees, others are entirely left out. More over such multiplication creates multiplicity in organisational set up, enforcement machinery & thereby increased cost of administration.
- 4) Self-employed, unemployed & workers from unorganised sector are left out, and they do not have protection from any scheme.
- 5) All hazards are not covered.

6) Administration of scheme is lethargic & corrupt.

Need for Quantitative as well as Qualitative Improvement

Existence of social security reduces mobility of labour & contributes to stability. Un-stabilised workforce works under stress of insecurity and is always dissatisfied. Stabilised workforce is an asset to the organisation.

It is essential to extend social security measures to those still uncovered. In addition to existing measures, qualitative improvement in measures provided for rehabilitation, reemployment & retraining of the handicapped & employees working under obsolete technological conditions; extension of the present schemes to small factory units, shops & commercial establishments is necessary. Past globalisation socio-economic changes have given rise to new problems. It has threatened individuals as well as their dependents security & hence there is an immediate need for greater & wider social security measures to meet adverse eventualities.

Present Crisis

All the opportunities of restructuring of industries were lost with the result that liberalisation with human face lost its human face. Now at present rate of economic growth has slid down, industries are in recession. After economic reforms it was hoped that our industrial growth will become faster & industries will become more competitive. But after a decade it has remained only a pipe dream.

As regards new employment in private sector, news indicates that 23 companies of manufacturing sector have cut their workforce by a whopping 40,000 in the last two years amounting to almost 16 percent of their total workforce. According to analysis made by one research bureau, this employee rationalisation measures have no impact on the bottom line growth of these companies.

Against the above mentioned situation with regard to unemployment, industrial sickness, dismal failure in providing promised, safety net, restructuring of industries, Finance Minister in his latest budget speech (2001-2002). Promised protection in terms of health, safety, welfare, social security etc. Simultaneously he also proposed Ashraya Bima Yojana to meet short-term impact on organised labour force of the on going liberalisation of the economy.

After this budget announcement, organised labour in the country is up in arms against such one sided decision by passing Indian Labour Conference & Labour Commission. Reasons are obvious. Though labour has accepted VRS in many units but experience indicates that VRS has neither resulted in any long-term social security nor after VRS,

employees have been able to find any alternative work. Rates of interest on PF have been decreased from 12 percent in 1999 to 9.5 percent in 2001. Similarly rate of interest of Post Office Monthly Income Scheme has been reduced from 13 percent in 1999 to 9.5 percent in 2001. Same is the position of interest of Kisan Vikas Patra which was 13.43% in 1999 is slashed to 9.5 percent in 2001. Workers do not find any safe investment options of the VRS benefits.

It is pity that in India some multinational are demanding free hand of rigidity of Labour laws. Therefore, after a decade of all such experiences and experiments in India, one will have to come to the conclusion that only way out is first to have a sound, coherent social security scheme both for organised & unorganised workers. Lack of coherent approach & piecemeal solution have turned Indian Labour anti-reforms. This is now a very dangerous situation.

Social Security Package – A precondition

A) At present employees working in public sector & private sectors industries are covered under the following social insurance as well as employee's liability schemes.

- ESI Schemes for health insurance
- Scheme framed under the Employees Provident Fund Act.
- Workmen's Compensation Act, 1961 for accidents & disability.
- Maternity Benefits Act, 1961.
- Payment of Gratuity Act, 1971.
- Industrial Disputes Act, for terminal benefits.

B) There was time & again talk about unemployment insurance/ allowance scheme at various forms but no headway has been made. In addition to the above benefits, many of the organisations have various schemes, such as in banks, hospitalisation expenditure is reimbursed & there is an accident insurance. Many of the PSUs & well-organised industries also have such schemes. Some of them give educational benefits, HBAS, vehicles Allowances etc.

Apart from low expenditure in India coverage is also limited. First & foremost is to effect extension of medical care & sickness benefits as well as benefits of PF, Gratuity to all employees without salary limits and without numeral qualification.

C) Funding of schemes is a very important aspect. In India, pension scheme for Govt. employees, which is in vague since the days of

British Govt., is also now facing financial crisis. So regarding funding of pension scheme for salaried employees, it should be on the basis of social insurance principles i.e. workers & employees should contribute. In addition to this a government wedded to social justice should also make available funds from its revenues so that to guarantee minimum pension. Funding by the workmen only, is against the basic principles of social security enshrined in ILO Conventions.

- D) Regarding Compensation in the case of injury benefits. The employers should continue to fund the expenses. All Industries, Establishments & employees be covered.
- E) The ESI Act has inbuilt provision for extension of its coverage to all classes of establishments industrial, commercial, agriculture or otherwise besides factories. It covers all categories of employees.

The power to extend ESI to additional classes of establishments rests with State Govt. But due to lack of initiative on the part of State Govt. it could not be extended to new areas/ establishments.
- F) ESI hospitals are not fully utilised optimally & wastage of valuable resources ESI Corporation be associated with National Safety Council to increase safety awareness & to prevent accident.
- G) In case of evolving a good pension scheme payment of gratuity, Gratuity Act was amended by Act of 1987, but it has not been notified for implementation so far. Be implemented forthwith. This will create new climate in case of regular payment of gratuity.

After Economic Reforms, to have unemployment Insurance Scheme by ordinance, in view of large-scale retrenchment – whether voluntary or otherwise – VRS cannot be accepted as an alternative to the social security. In addition to this social security to already retrenched employees should be made.

To these employees, benefits should be so devised that existing workers are ensured benefit at 50% of the last salary drawn. For those who have lost job because of restructuring of economy since 1991 can be given such pension at higher rate than 50 percent.

The maternity protection is very much essential to ensure that working woman could sustain. The number of working women is increasing every year and hence it is important to ensure that the conditions of service of pregnant woman are as liberal as possible prior to confinement & for proper care of support of the child.

The Maternity Benefit Act applies to every factory mine, plantation, shop or establishment in which 10 or more persons are employed or were employed on one day of the preceding twelve months except to factories or establishments to which the provisions of ESI Act 1948 apply.

Being not applicable to all to classes of establishment many women employees in industrial, commercial and other establishments are not entitled to benefits.

- 12 weeks period of leave is not commensurate with need & necessary. Maternity leave should be extended to 135 days instead of 12 weeks.
- There should be job security for extension of leave for care of mother herself or baby up to 1 (one) year.
- Paternity leave with pay to 30 days be allowed to husband after confinement of wife of an employee.
- Payment and medical bonus be increased from Rs. 250/- to Rs. 1500/- considering increase in costs.
- National Maternity Benefits Fund be established to pay cash benefit where employer is not in a position to pay the same.

Social Security & Social Protection – Fair system for women in all sectors.

Most workers in the world to day have no form of social protection aside from their ability to work & to save from their earning. And the massive incorporation of women into labour market in recent times has also called into question those social protection schemes, such as social security, which do exist.

This view of family structure has changed significantly over the years, because of the important increase in the number of working women – employment based social security schemes suffer from a fundamental flaw vis-a-vis the informal sector. There is no clearly defined employer (most informal sector workers are casual wage workers or are self-employed) & where an employer exists (in the case of small enterprises, factories, contract work etc), the employer's contribution towards social protection for the employee is rarely legislated or enforceable. These workers have extremely long working hours, most often in very poor conditions & for a very low wage.

In general women undertake tasks with lower risks of accidents than men but are more exposed to specific health risks. Certain health

disorders are related to occupations or industries, which employ large number of workers – few examples –

- In agriculture women are exposed to harmful pesticides & to heavy work during crop cultivation & harvesting. Traditional “Female” tasks are less likely to be assisted by mechanical devices than “male” tasks.
- Workers in microelectronics industries, where women are over represented, are exposed to hazardous chemicals.
- Beedi work & in nursing an occupation dominated by women, there is high incidence of back injuries due to nature of the work.

Also woman workers are more prone to suffer from stress, chronic fatigue, premature aging and other psychosocial & health effect because of their dual reproductive & economic roles. Women often hold less qualified & more precarious jobs than their male counterparts & perform activities not linked to decision – making. An important issue, which had not yet been discussed, was the need for social security systems to address gender aspects of the HIV/ AIDS epidemic. Mothers were being faced with additional responsibilities of supporting & raising their young children alone when their husbands died & older women were having to care for entire families of orphans as the parents died.

Social dialogue is a means to promote decent work for men & women & ensure the removal for gender-based inequities – A unique set up for nurturing democratic life & promoting economic growth with social justice. But the participation & representation of women in the social dialogue process need to be improved.

So picture emerges from above study that only partial social security is available to a very small section of work force. Financial support as well as expert support to build up an infrastructure. UNO, ILO, ISSA, can play a vital part, again Trade Unions, Political Parties, Govt. & NGO's should make maximum efforts Fiscal measures should be thought over.

GOVERNMENT POLICY ON DISINVESTMENT

Government policy on disinvestment has evolved over a period of time. From a presentation prepared for/ by the Department of Disinvestment following is the evolution of such policy.

PHASE I

A) Interim Budget 1991-92 (Chandrashekhar Government)

Policy: To divest up to 20% of the Government equity in selected PSEs in favour of public sector institutional investors.

Objectives: To broad – base equity, improve management enhance availability of resources for these PSEs and yield resources for the exchequer.

B) Industrial Policy Statement of 24th July 1991.

Policy: To divest part Government holding in selected PSUs

Objectives: To provide further market discipline to the performance of public enterprises.

C) Budget speech 1991-92

Policy: To offer up to 20% of Govt. equity in selected Pus's to mutual funds and investment institutions in the public sector as also to workers in these firms.

Objectives: To raise resources, encourage wider public participation and promote greater accountability.

D) Report of the Committee on the Disinvestment of Shares in PSEs (Rangarajan Committee) April 1993.

“Emphasized the need for substantial disinvestment and stated that while the percentage of equity to be divested should be no more than 49% for industries explicitly reserved for the public sector, it should be either 74% or 100% for others.” As per Rangarajan Committee recommendations, there are only six Schedule A industries where the Government might consider holding 51% or more equity namely

- I Coal and lignite
- II Mineral Oils
- III. Arms, ammunition, in defence equipment
- IV. Atomic energy

V. Radioactive minerals, &

VI. Railway transport

E) The Common Minimum Programme of United Front Govt. 1996.

- 1) To carefully examine withdrawal from non-core areas
- 2) To set up a Disinvestment Commission.
- 3) To take and implement decisions to disinvest in a transparent manner.
- 4) Job security, opportunities for retraining and redeployment to be assured.

F) Disinvestment Commission Recommendation: Feb. 1997, Oct. 1999.

- 1) 72 PSEs were referred to the Disinvestment Commission during 1996 - 1999. The Disinvestment Commission gave its recommendations on 58 PSEs.
- 2) The Disinvestment Commission recommendations gave priority to strategic/ trade sales, with transfer of management, instead of public offerings, as was recommended by the Rangarajan Committee in 1993.

The Following Table gives the details:

PHASE II

A. Budget speech 1998-1999.

- Policy:**
- a) To bring down government shareholding in the PSUs to 26% in the generality of cases (thus facilitating ownership changes, as was recommended by the Disinvestment Commission)
 - b) To retain majority holding in PSEs involving Strategic considerations.
 - c) To protect the interest of workers in all cases.

B. Budget Speech 1999-2000.

- Policy:**
- a) To strengthen strategic PSUs.
 - b) To privatise non-strategic PSUs through gradual disinvestment or strategic sale.
 - c) To devise viable rehabilitation strategies for weak units.

Approval of Clear Guidelines for Strategic/ Non Strategic Classification by the Cabinet (16th March 1999)

Cabinet classified the PSUs into strategic and non-strategic areas

Strategic PSUs Defence related
 Atomic energy related, with some exceptions
 Railway transport

Non-Strategic PSUs All other

In case of Non-strategic Public Sector Enterprises, reduction or Government stake to less than 51% or to 26% to be worked out on a case to case basis on the following considerations.

- a) Whether the industrial sector requires the presence of the public sector as a countervailing force to prevent concentration of power in private hands/and
- b) Whether the industrial sector requires a proper regulator, mechanism to protect the consumer interests before Public Sector Enterprises are privatised.

C. Budget speech : 2000-2001.

Main elements of the policy

- To restructure and revive potentially viable PSUs
- To close down PSUs which cannot be revived.
- To bring down Government equity in all non-strategic PSUs to 26 % or lower, if necessary.
- To fully protect the interests of workers.
- To put in place mechanisms to raise resources from the market against the security of PSU's assets for providing an adequate safety-net to workers and employees (applicable in case of companies which cannot be revived)
- To establish a systematic policy approach to disinvestment and privatisation and to give a fresh impetus to this programme, by setting up a new Department of Disinvestment.
- To emphasize increasingly on strategic sales of identified PSUs
- To use the entire receipt from disinvestment and privatisation for meeting expenditure in social sectors, restructuring of PSUs and retiring public debt.

Finance Minister's Budget Speech included

"The entire receipt from disinvestment and privatisation will be used for meeting expenditure in social sectors, restructuring of PSUs and retiring public debt."

D. President's address to Parliament during Budget Session 2001

"The public sector has played a vital role in the development of our economy. However, the nature of this role cannot remain frozen to what it was conceived fifty years ago – a time when the technological landscape – and the national – and international economic environment were so very different. The private sector in India has come of age contributing substantially to our nation-building process. Therefore, both the public sector and private sector need to be viewed as mutually complimentary parts of the national sector. The private sector must assume greater public-responsibilities just as the public sector needs to focus more on achieving results in a highly competitive market. While some public enterprises are making profits quite a few have accumulated huge losses. With Public finances under intense pressure, Governments are just not able to sustain them much longer. Accordingly, the Center as well as several State Government are compelled to embark on a programme of disinvestment."

E. Budget Speech : 2001-2002

The Finance Minister's speech included.

"Given the advanced stage of the process of disinvestment in many of these companies, I am emboldened to take credit for a receipt of Rs. 12000 crores from disinvestment during the next year. An amount of Rs. 7000 crores out of this will be used for providing restructuring assistance to PSUs safety net to workers and reduction of debt burden. A sum of Rs. 5000 crores will be used to provide additional budgetary support for the Plan primarily in the social and infrastructure sectors. This additional allocation for the plan will be contingent upon realisation of the anticipated receipts. In consultation with the Planning Commission, I shall come up with sectoral allocation proposals during the course of the year."

In view of the actual chain of events following the above policy declarations by the successive government in the past and in the backdrop of various committee recommendations for and against disinvestment, we can therefore appeal for a tripartite consensus on the contentious issues which we summarise as follows :

- Need to clearly define the objectives of disinvestment
- Clarity about the strategic implications of the sectors identified for disinvestment
- Ensuring the transparency of the disinvestment process
- Valuation
- Method of disinvestment
- Disinvestment to whom
- Domestic versus foreign
- Sale of stake to employees
- Land related issues
- Assurance on business conformity
- Impact of Foreign Investment & reserves
- Government stake after disinvestment
- Social audit
- Need for Safeguard of National Sovereignty

A detailed debate on the above points, with an open mind, and in a transparent manner alone can set the things right.

BMS Demands

Indian Labour Conference, twice before, has pondered over this issue of disinvestment. Every time BMS and other CTUs in unequivocal voice have stated that they are not in favour of unmindful and indiscriminate disinvestment.

BMS has aired their views on many foras in the last decade opposing the disinvestment, which is loss of sovereignty.

BMS has demanded in the past and also demands now that –

- 1) The Ministry of Disinvestment and GOM should be dismantled forthwith.
- 2) The disinvestment commission should be restructured immediately. The bureaucratic clout on the commission is operating senselessly there. In place of the present disinvestment commission and new tri-partite body comprising of equal representation of labour must be constructed forthwith.

- 3) The sale of PSE, while effecting the disinvestment must place the employees the suppliers and renders, the customers on priority list to get the right issue. Subsequent to follow has to be the common public I.P.O. of the stock can be made by ascertaining price of a share by inviting biddings.
- 4) BMS demands that the disinvestment should not create private monopoly as has been done in the past in case of Maruti and BALCO. The CAGs report in pipeline, reportedly has thrown light on BALCO sale and confirmed what CTUs said earlier. Disinvestment should not mean transfer of ownership. No single industrial house should be allowed to have hold on company and administration e.g. A Limit of 5% holding for any business family and not more than 5 shares far any individual and his family could be prescribed. This type of disinvestment if by restructured disinvestment commission could be made retaining Govt. control.
- 5) The Govt. must make it public how the disinvestment programme is strengthening public sector far the disinvestment commission recommendations say that first claim disinvestment proceeds has to be that of public sector. Govt. has failed to disclose this.
- 6) The Govt. must ensure that the common people must understand what this disinvestment programme is for. It therefore, first of all must spell out what the disinvestment is for. There shall have to be a nationwide debate. First in Parliament by making a special session for review of these policies.
- 7) BMS demands of this Govt. to stall the disinvestment of profit making PSE forthwith and never enlist the core PSEs like oil and defence production far disinvestment any time in future. Disinvestment of NALCO must be stopped for good. The opposition is unanimous and has cut all barriers.
- 8) The Govt. must explain what production activity the Govt. as an alternate is engaged into by using the proceeds of PSUs sale, if the money is used to compensate far budgetary revenue defect. It must stop the practice. If the money in spent on social sector or development of infrastructure, how this investment is useful in creating productive resources must be explained.
- 9) The Govt. must encourage profit-making PSUs and strengthen them financially.

THE SMALL SCALE AND MEDIUM ENTERPRISES IN ERA OF GLOBALSATION

The small scale and medium enterprises (SMEs) have contributed to Indian industry in more than many ways. They are employment generation exporters and major providers of wage, goods and utilities. Their pivotal role has been well appreciated by report of special committee of planning commission in 2001.

The providers of opportunities to rural and backward masses the SMEs have functioned on relatively small resources. They create employment and assist big industries. This peculiar nomenclature has endowed a significant role for them in under developed for countries to develop themselves. This is equally true for India. In India, we define them as industry, which has investment within limits of Rs. One crores, while limit of Rs. twenty-five Lakhs is marked for tiny sector. The registered units in this sector have grown from 4.2 Lakhs in 1974 to 32.3 Lakhs in 2000. Besides there are no of unregistered units functioning mainly in rural sphere. Estimatedly 72% of the total number of 145 lakhs units functioned in rural as on 1994-1995, involving almost same number of families in business. A major chunk of these fall under tiny sector. An estimated 93.8% units need investment of around Rs. 5 lakhs. They are engaged in production of about 7500 different commodities. The growth of this sector is regionally imbalanced 59% of these units are situated in following six state. They are Punjab, U.P, W.B., Gujrath, T.N. and Maharashtra. They contribute to 62% of employment and 69% of production of these states.

Despite innumerous restrictions and problems, this sector has kept a high rate of growth.

Growth Rate in %

Year	S.S.I. Sector	Total Industry
1990 – 1991	9.1%	8.2%
1995 – 1996	13.0%	11.4%
2000 – 2001	8.1 %	5.0%

An interesting feature from employment generation point of view is clearly earmarked. From labour productivity and capital productivity counts, the S.S.I. units have proved better performers on later count, while there is much scope to improve efficiency on the former. The export from S.S.I which was at level of Rs. 393 crores in 1973 – 74

amounted to 15.6% of the total export has risen to Rs. 53,974 crores amounting to 33% of the total export of India.

Role of S.S.I sector in developed countries.

Drumbeaters of globalisation hope end of small sector and hope it to be replaced by the efficient organised Industry. However facts reveals that even in developed nations they have carved out their place in the industrialisation despite tough competition.

The units working under Small Business Act of U.S.A contribute 50% of GDP and of employment. It is almost the same story in Japan, Germany and China. 75% of urban employment in China comes from this sector accounting for 80 Lakh units.

In all these nations they are supported and nurtured. In Japan SMEs are protected from unnecessary competition. In Germany they are given special farms and help. China has begun help schemes on big scale. Korea also is not much behind.

IMPACT OF GLOBALISATION

The SSI units are badly hit by the policies of successive Govts. of India.

1. The policy of protection of SSI units laid in 1967 is being systematically given good Bye. The commodity list of products earmarked for SSI sector, which had reached to 836 Nos. The recommendations of Abid Hussain Committee were used first by all domestic big industry to invest in the production of the enlisted commodities under the garb that 50% of such production would be exported. Later this opening was used as pretext for allowing foreign goods without any excise or customs duty laid on them.

However experts on the provisions of WTO treaty claim that within obtainable frame of rules even now import tariffs could be clamped on commodities enlisted for SSI units.

2. The policy formulated in 1956 streamlining Govt. 50% purchase from enlisted 409 commodities to be made from SSI sector using NSIC as nodal agency. Now the purchase has climbed down to 15% and commodities list is also shrinking. The initiative to protect and sponsors this sector is no more left with Govt. Govt is withdrawing form this core function.

BANKERS NEGLECT S.S.I. UNITS

RBI reports that during last four years there is shrinking bank loan share to this sector which came down from Rs.6344/- crores to 3454/- from

1997-1998 to 1999-2000 respectively. This treatment of neglect is wetted out to this sector despite that the NPAs in this sector surprisingly have reduced in percentages. The NPAs, which were at levels of 26.4% in 1991, have dropped down to 22.2% in 1999.

W.T.O CONDITIONALITIES HURTING S.S.I.

The SMEs are on broad basic divided in two types.

1. Units engaged in their own final products.
2. Units doing ancillary work.

WTO conditionalities on TRIMs do not accord with India's bilateral policies forcing Indianisation of MNC's and Indian outfits. In automobiles the Indian conditions used to force the Auto giants to purchase spares and accessories from Indian producers. India lost this privilege in international litigation closing in on the opportunities of Indian entrepreneur to clinch this business. This has smothered the development of this sector.

The provisions of WTO treaty against the unfair trade practice of dumping by foreign producers are tough to practice. The financially weak unit cannot stop this. The Govt. has no effective mechanism to keep tab on dumping while the custom duties almost slashed to nil, there is no control over import, nor the smuggling is effectively controlled on both these counts there is serious threat to SSI sector. It has been their life and death problems. Their struggle for survival has no takers in the Govt. This has added to sickness. 2.21 lakh sick units of 1991 are almost razed while in the new millennium has seen a fresh lot of 3 lakh units going sick. There sickness beside other causes, has stemmed from globalisation and uncaring EXIM Policies of Govt.

LACK OF UNDERSTANDING WITH TRADE UNIONS

The SSI units look towards trade union activity on their precinct suspiciously. They take formation of unions as another calamity.

They fear that with formation of union and entry of T.U. Leader in their premises would cast a spell of doom. But the responsible and sensible Trade Unions here can play a role of protector and support. The union of workers would help industry in building healthy relations and it also help labour rise on productivity count. This added force at disposal of employers, in form of friend and not a foe, has power to ward off the daily operational problems. Trade Unions could help do away with the menace of Govt. interferences and to end "Inspector – Raj".

This new awareness needs an urgent consideration. The process must get an early start. The social partners must help each other in the times of their struggle for survival and create a joint pressure – block - to mend policies.

END INSPECTOR RAJ

The urgent need is to do away with constant interference from host of Govt. officials who have grazed in these greener pastures for decades. Govt. must provide a single window scheme for SSI sector and stop interference. The units where employer and trade unions both have established healthy relations and where both jointly declare such intentions, Govt. must grant the unit waiver of compliance and do away with inspection formality.

SCATTERED SMALL AND MEDIUM ENTERPRISES

- Since a very small number of units are organised from the big registered chunks of 32.3 lakhs of units, they lack the bargaining power.
- Hence, Govt must create help centre and create conducive atmosphere for these units to form their guilds and organisations.
- Govt. also must start awareness camps and use the tools like CBWE and NLI to educate and train the units and the entrepreneur.
- This may help them develop marketing skills, industrial relations skills and develop own brand for production.
- The Govt. must always remember that SMEs make backbone of India's industrial stability and prosperity.

Major points in the “Note of Dissent”
in the report of 2nd National Commission on Labour
submitted by the member Saji Narayanan C.K.

The following are the major points in the Note of dissent mainly on the chapter on “Review of Laws” in the report of 2nd National Commission on Labour, given by Saji Narayanan C.K. who is one of the 10 members of the Commission and one of the two trade Union representatives in the Commission. Saji Narayanan is the National Vice president of Bharathiya Mazdoor Sangh. The other trade union representative in the Commission is Sanjeeva Reddy of INTUC. The said note of dissent on the below-mentioned controversial issues is appended with the Commission’s report.

1. **Chapter VB-The following recommendations on Chapter VB are opposed**

The following recommendations are opposed as they are devoid of any rationale-

1. Total removal of prior permission for lay off and retrenchment.
2. Raising the limit from 100 workers to 300 for applicability for closure.
3. Ch. VB is to be repealed progressively.
4. Post facto permission after 1 month of lay off in establishments with more than 300 workers.
5. Varying scale of compensation for sick units and profit making units.
6. If the Government within 60 days of the receipt of application does not grant permission, the permission will be deemed to have been granted.

I do not agree with any of these proposals.

I propose that the scope of Chapter VB should be enlarged

Chapter VB prescribes prior governmental permission for retrenchment, lay off and retrenchment in large industries having more than 100 workers. Intention of Ch. VB is to discourage retrenchment, lay off and closure, which are detrimental even to the society through prior permission procedure. Provision for Government scrutiny will discourage unscrupulous and mala fide

closure, retrenchment and lay off. Still at present this is only in a limited way. Hence I would recommend for –

1. Removing the limit of applicability of even 100 workers
2. Applying Ch. VB to all establishments in which employer-employee relations exist apart from the present position of application only to factories, plantations and mines.
3. Workers be protected well in the event of unavoidable retrenchment or closure, by adequate compensation and provision for re-employment.

In the changed situations due to downsizing, even the limit of 100 is on the higher side.

➤ **Industrial sickness is basically due to management failure**

Amendment to Ch. V B as proposed in the report means, for the failure of management, worker is to suffer. Reserve Bank of India is conducting yearly surveys on sickness of industries, and has come out with the finding that about 65% of the cause is contributed by management failure. Contribution by labour or strike is only 3%. Indian industrial circle wants to shift their failure mainly due to mal-administration to the shoulders of workers.

➤ **“Hire and fire” should not be given statutory recognition**

Commission's recommendation for removing the restrictions on retrenchment is to accept the principle of “hire and fire” as demanded by the Employer's organisations. Lay off and retrenchment are the initial steps of closure. If no restrictions are placed on either lay off or retrenchment, the closure would be very easy.

We find the philosophy of unsuccessful people in closures, exit policy, VRS, downsizing (or the deceptive term –“right sizing”) ban on recruitment, NRF, closing PSUs or privatisation, thoughtless mechanisation or computerization, shifting regular jobs to contract system, ‘hire and fire’ slogan etc.

2. Contract labour- Regular work should not be converted to contract labour

In the place of old methods of exploitations, new methods of exploitations like contract labour system are spreading. The direction should be to do away with modern method of human trafficking in the name of contract labour as pointed out by Supreme Court in Gujarat

Electricity Board case. The ground realities are that the employers favour contract labour, as exploitation of worker becomes easy.

Any attempt to shift any of the regular work to contract system should be totally rejected. The trend should be to progressively convert contract works to regular work. Hence there is no justification in the recommendation of the Commission to make any new category in perennial (permanent) jobs viz. 'non-core activity' for the purpose of introducing contract labour. Non-core activities also cover a vast field of industrial activity and if a distinction is made, a large number of employees will lose the existing protection under the law.

Contract labour and other exploited categories like women, badli, casual etc. cited above should be given the wage and all other benefits which a regular worker gets, so that the employer will not engage contract labour for the purpose of monetary gain. Hence the words "equal wages" should be substituted by "equal wages and all other benefits".

➤ **Job security should be a basic right of worker**

Commission has rightly recommended that after 2 years of working a worker should be treated as permanent worker. Job security is an important right of the worker accepted for a long period of time. But in many industries workers are retained in the name as casual workers, badli, temporary workers, contract workers etc. for even beyond 10 years. This is a clear abuse that is to be totally curtailed and penalised even though some legislations contain certain provisions.

3. **Strike Ballot- I oppose Strike ballot**

Commission's recommendation on Strike ballot (Para. 20) is in effect a restraint on strike. Any move to restrict the right to strike is undemocratic. Any constraint on strike or giving exemption to certain sectors from labour laws, should be preceded by a "self restrictive, alternate and effective redressal mechanism" evolved through consultation with trade unions. Then the strike can be the last resort. Other wise it will only destroy industrial peace. By restraint on strike in many public utility services (termed in some places in the report as socially essential services) the employer's benefit or profit is safe where as only worker's rights are affected.

Even smaller unrecognized Trade Unions should not be deprived of the right to strike and right to bargain, as reiterated by the Supreme Court in its latest decision in State Bank of India case. Smaller trade

unions that are merely agitating should not be accused of as doing illegal strike, and be punished (As recommended in para. 26).

➤ **Work culture and strike**

In countries like Japan where employers show a high level of work culture strike is almost a superfluity. There token protests by workers are heavily honoured. Token strike has relevance only in a world where conscientious employers show high moral level. Unfortunately that is miserably lacking in our country. The situation in India is just the reverse. During the recent Kerala Government employees strike, only after nearly one month of strike Government was ready for even to talk to the striking employees, that also under heavy public pressure. How can such Government be given the power to prohibit strike?

4. Holidays- No. of Holidays should not be decreased

I do not agree with the Commission's recommendation to decrease holidays. Instead of reduced holidays (by saying that Indian workers have addiction to holidays), overtime work, encashment of holiday or extra wages, we should encourage additional employment as a part of our labour-intensive planning suitable for a country like India.

Recently in Japan due to recession, unemployment increased and work has decreased. Japanese Government immediately shifted their policy by encouraging workers to avail holidays and carrying on the propaganda about the benefit of taking holidays and spending time with families.

Commission has visited China and had the opportunity to study their laws. China has more holidays. According to Article 7 of the Chinese law (Act 17) both Saturdays and Sundays are weekly rest days. Thus in spite of more holidays and lesser working hours China could claim that it is progressing very fast in industrial and other sectors. 5 days a week as in China should be introduced in our country also in all establishments.

Hence I do not agree with the Commission's recommendation to decrease holidays. Commission's recommendation for reducing polling days to half a day holiday is also not suitable for Indian village conditions, where people have to travel long distance to polling station and also to the workplace.

5. Working Hours - No increase to 9 hours working per day.

Maximum 8 hours working per day is universally recognised except in countries like India. China has shown a good example by accepting maximum 8 hours of work per day and 40 hours a week uniformly for all employment including Government jobs. Thus extra work can be assigned to the large number of unemployed people waiting for job.

This vision has not yet dawned in the minds our reformers. It is shameful that many of the Central statutes and some State statutes still prescribe 9 hours working per day. Strangely advocates of flexibility of working hours want to increase it. Hence I do not accept the Commission's proposal for 9 hours working.

➤ **Maximum Working Hours to be brought down to 8 hours**

Leisure, rather than being a right, is a basic necessity of human beings. Law cannot and should not compel workers to be workaholic by over work. Basic principle that we have to bear in mind is that the level of human endurance and physical tolerance does not change or increase. Squeezing a worker by overwork will not help the industry ultimately. Even in the existing framework, in banking sector ATM, 24 hours-banking etc. are working successfully. First National Commission has suggested that working hours should be reduced from 48 hours to 40 hours. This Commission should not put reverse gear to this proposal. In order to reduce stress and strain, and to generate more employment it is necessary to reduce working hours.

Hence I requested the Commission to recommend that-

1. Maximum of 8 hours daily working to be made uniform especially in many of the central statutes.
 2. For industrial establishments weekly hours should be reduced from 48 hours to 40 hours a week and for commercial establishments from 48 hours to 36 1/2 to 40 hours a week.
 3. Interval of rest shall be one hour.
 4. Maximum spread over, overtime work etc. should not be changed adversely to the workers.
 5. A new branch of ergonomics is to be introduced in labour laws, especially with regard to the newly developing I T industry.
- ## 6. Exemptions from labour laws - There shall not be any Exemptions from Labour Laws

Commission was right in rejecting the demand for exempting export processing zones and special economic zones from the purview of labour laws. The labour laws being prescribing minimum conditions, they must govern all the Industrial activities relating to workers. Government should not be given the arbitrary power to grant exemptions for the above reasons. Hence the model legislations appended to various chapters of the report of the commission should not contain such arbitrary powers given to the Government.

Supervisory and managerial staff should have right to redressal with regard to many of their wage and service conditions and should not be exempted from the purview of labour laws. Some section of workers like security and watch and ward staff, confidential staff etc., should also not be brought under exemption (Para. 22). Relief workers (Para. 58) who have no other source to earn a livelihood for themselves and their family should be treated on par with other workers. Similarly is the case of workers in Khadi and Village industries.

➤ **Separate law for Small enterprises**

The main object of the new legislation on the small scale establishments being reduction of procedural aspects and simplification of law as applicable to them and not curtailing the existing rights of the workers, the following important clause shall be added in the new Act:- "Notwithstanding anything contained in this Act, any existing provision in any of the laws which is more favourable to the worker shall continue to apply to them." Self-certification should not replace totally the existing inspectorate.

➤ **No exemption to IT industry**

IT industry also poses health and mental problems to those who work continuously before computers. The radiation from computers adversely affects the health of such worker. Without a scientific study on ergonomics, it is dangerous to suggest this idea. So there shall not be any exemption from Labour Laws to IT industry.

7. Outside leadership and political fund

Commission's recommendation against outside leadership is unrealistic. Trade union movement has progressed because of the initiative of outside leaders. Whatever idealism trade union movement had in the past and has even today is due to outside leadership. So outside leadership should not be progressively

diminished, but a healthy proportion between outsiders and insiders in leadership has to be maintained.

At the same time the recommendation to continue legal provision for political fund is some thing encouraging out side political involvement. Outside political leadership or interference should be curtailed. Sc. 16 Of Trade Union Act should be amended to prohibit political funds.

8. On Basic Philosophy

➤ Objectionable terminology used in the report

Defective concepts and terminology like labour market (where workers are undignified as a mere commodity like vegetables in vegetable market), employment market, bargaining, industrial disputes act, adversary, class feeling, class conflict (and the consequential class enemy feeling) etc. are still ruling the industrial relations in the country. The same being used to explain labour relations in the report is objectionable, as the report is meant to give a direction to the Nation.

➤ Flexibility should have a positive meaning

According to Indian industrialists, flexibility means right of management to “adjust” their labour force from time to time according to their whims and fancy. For the purpose they cited China as an example. But during our study visit to China, we have seen that in special economic zones of China foreign investors want flexible license procedures and not flexible labour laws. So in successful Chinese industrial sectors flexibility has a positive meaning. But in India the word “flexibility” has an entirely different and negative meaning.

Other proposals not accepted by Commission

➤ On Trade Union Recognition

About the procedure for recognition and registration, Trade Unions should have say. Hence I do not agree with the proposal for check off and higher percentage of vote for recognition. Recognition procedure should not end in elimination of Trade Unions. Fixing frequency of recognition is also important.

Therefore instead of leading to sole bargaining agent, the system of composite bargaining agency should be evolved. With regard to Composite Bargaining Agent-

- a. There should be secret ballot of all unionised workers.
- b. Composite bargaining agency should be constituted on the basis of proportional representation.
- c. Unions getting less than 15% votes can be excluded.

Check-off system has its own inherent defects. In the long run it creates distance between members and the union thereby making the union to loose its grip over its members. Adoption of secret ballot is the correct system of confirming the membership of a trade union. Such secret ballot shall be conducted after a regular period of time.

Division of collective and individual disputes between sole bargaining agent and other Trade Unions as recommended by the commission also further adds to the complexity.

➤ **On Bonus**

Bonus is differed wage until the gap between the living wage and the actual wage is removed. The recommendations should be-

1. 8 1/3% should be the minimum bonus even for the small enterprises
2. There shall not be ceiling on maximum percentage of bonus payable. Employer's discretion to share his profits with workers as a token of their contribution to the success of the establishment should not be curtailed by such an irrational ceilings.
3. Ceiling of eligibility limit (Rs. 3500 now) and calculation limit (Rs. 2500 now) of salary also should be raised to the level of living wages.

➤ **On Wages**

On wages I requested the commission to recommend that -

1. No minimum wage to be linked with productivity.
2. Beyond minimum wages productivity shall be a subject for negotiation with Unions.

➤ **Compulsory attendance in Conciliation**

Trade unions have given evidence before the Commission that much conciliation fail because the management does not participate in conciliation proceedings in response to the notice of conciliation issued by the conciliation officer. So Commission should recommend

in the chapter on review of laws that conciliation officer should have power for compulsory attendance of parties as in Civil Procedure Code.

➤ **Bifurcation of conciliation and inspecting Officers**

Many trade unions have requested while giving evidence before the Commission that there should be a bifurcation between conciliation officers and enforcing or inspecting officers. This is to be recommended by the Commission.

➤ **Right to work as a constitutional right**

Commission should recommend that right to work should be included as a fundamental right in our Constitution.

➤ **Worker's rights**

In Paragraph 6 Commission has rightly mentioned some of the accepted rights of workers as per ILO conventions like No 122. Following are certain other rights to be added-

1. Right to job security
2. Right to professional advancement and promotion
3. Right to safe and healthy environment
4. Right to leisure, leave and optimal working hours
5. Right against unfair labour practices
6. Right to unemployment allowance
7. Right to education, training and skill development

Ratification of many of the I.L.O. conventions is necessary.

India still is a country that has not ratified many of the important ILO conventions. There should be an effective tripartite body to expedite and see, which all conventions should be ratified, and in what priority.

➤ **Mistaken notion about Work Culture**

Generally work culture is mistaken as worker's culture alone, increased working hours and decreased holidays. But it is not a one-way traffic. Work Culture is not worker's culture alone, it includes employer's attitude as well. Only contented and satisfied workers can contribute to the development of industry. Work culture should start from above.

➤ **Abuses in Trade Union field**

Abuses in the field of trade union are not only a headache to employers but also to the trade union movement as well. Abuses include proxy or benami works, sale of jobs by workers, closed shop system, dadagiri trade unionism, professional trade unionism, politicisation of trade unions, criminalisation, Trade Union leader taking up contract work to earn money etc. These issues should be addressed directly and prohibited. Instead many a times these issues are generalised and wrong remedies are proposed like taking away normal trade union rights, right to strike etc.

➤ **We require employment generating technology**

Our National economy badly requires employment-generating technologies. In the west they have more capital and less number of workers. In India it is otherwise. Considering the large army of unemployed in the waiting, all our planning and reforms should be labour intensive and not labour displacing.

When technology advances the fruits of technology should be shared by the three social partners, viz., employer in the form of profits, worker in the form of higher wages and reduction in working hours, and consumers in the form of reduction in prices. Arrival of a new machine should help workers to reduce their working hours and their burden rather than displacing the workers out of work. Machines and computers are to assist human beings and not to displace them, nor become their masters. In reality what happens is that by the introduction of mechanisation or modern technology employer reduces the number of employees thereby reaping more profits for him and adding to unemployment in general in the society without any benefit to the society by way of reduction of price. Hence India is a country that requires labour intensive technology, labour intensive planning and labour intensive deployment of labour.

➤ **Reforms should not be anti-labour**

Previously several reports which are controversial like Montek Singh Ahluwalia Committee report on 'employment opportunity', Geetha Krishnan Committee report on expenditure reforms, Rakesh Mohan Committee report on privatisation in Railways, planning commission sub committee report etc. have been instrumental to propagating Capitalist ideology while making their recommendations. They discuss how much rights of workers are to be curtailed and why not employers be given unfettered rights against workers.

One of the impacts of globalisation is that it downsized the organized sector and pushed many into unorganised sector. In the new era of globalisation, workers are looking upon every change proposed in labour laws with caution. So recommendations that can create confidence among workers is required.

➤ **Other points**

There is disagreement on certain other minor points also which are detailed in the dissenting note. I had agreed with the overall recommendations contained in other chapters relating to women & child labour, social security, unorganised sector, globalisation & its Impact, and skill development, training & workers education.

Penny-wise pound-foolish policies of Govt. must be put to peoples strict moral audit.

- 1. Banks are saddled with NPAs to the tune of 85000 crores, which has been looted by corporate sector. The small investors hard earned earnings, won by sweat and blood, are skillfully weaned away by swindlers. The present system is designed to protect them. They are sheltered in the name of protecting industry.**
- 2. UTI is mismanaged and Govt., in the name of protecting small-scale investor is shelling out thousands of crores of Rupees (latest being 2000 crores) to manage US-64. The previous withdrawal from investment from UTI came from same business world, who were insiders and had information about downslide of US-64. It is the same hawkish business community. Does this fund come from the proceeds of PSU sale ?**
- 3. The tax evasion legalised through "Singapore Pass" has caused Indian to lose at least Rs. 50,000 crores of revenue.**
- 4. There are unpaid taxes of one hundred thousand plus crores mainly involve private corporate which are locked in the litigation and nation cannot realise them.**

On this backdrop, the policy makers are thirsty for the sale of PSUs, which generates few thousand crores of Rupees, as if India is gasping for liquidity.