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REPORT OF COMMISSIONS

(34th Session of AIUC: 7- 12 August 1990)

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I

REPORT ON RIGHT TO WORK AND JOB OPPORTUNITY: PRIVATISATION,
CLOSURE AND LOCKOUT.

This Commission had Com. A.B. Bardhan as the convenor and Comrade B.D. Joshi, Com. M.S. Krishnan, Com. Kamalapati Roy and Com. K.T.K. Thangamani as members of the Presidium. Com. T.A. Francis was elected reporter to the Committee. The note on the right to work was presented by Com. Kamalapati Roy while the document on privatisation was presented by Com. Bardhan. The note on closure and lock outs was presented by Com. B.D. Joshi. This note seeks to identify the response and suggestions of the participants to the three notes.

Closure and Lockout: It was agreed by the participants that the incidence of sickness was rising rapidly and one of the primary reasons for closures and lockouts. The participants went into the various factors that led to industrial sickness. It was felt that essential inputs necessary for production were not being adequately supplied to the producing units with the result that productivity suffered and over a period of time the unit went sick. Better inventory management was suggested.

Unanimity also centered around the opinion that since workmens representatives had no hand in the management of Industry, mismanagement unchecked leading to complete crisis and sickness. Although sickness affected the entire spectrum of industry, Cotton textiles, jute & Engineering were particularly affected.

The law on closures and lockout came in for severe criticism. Those that bled companies white after securing huge loans got away almost scot free. Most stringent action making legal provisions more effective was recommended.

The enormity of the problem was recognized from the fact that between December 1986 and December 1987, Sick units had gone up by nearly 40 percent, over 2 lacs industries were sick.

The multinationals also resorted to lockouts. These were done primarily to pressurize the workers to accept lower emoluments and retrenchments. The mandays lost due to workstoppages increased from about 17 lakhs in 1985 to about 21 lakhs in 1987.

It was also felt that the trade union movement must be more responsive to the question of productivity and the disorientation that existed in many cases on this account must be set right by the trade unions taking a firm stand and educating the workers particularly in the public sector.

Modernisation was felt to be an integral part of development but the need to consult and retrain the workers was emphasized.

The need to generate employment was considered essential in connection with closures and lockouts and the experience of Kerala and Bengal should be studied so as to form the basis of discussion for effective solutions.

RIGHT TO WORK AND JOB OPPORTUNITIES

There are about 4 crore registered unemployed in the country besides the large number of partially employed persons in the rural areas.

To tackle this problem an alternative development strategy was suggested. This was to include -

- * Encourage tiny and small industries.
- * Construction of small irrigation projects, roads and housing.
- * A large scale literacy programme with the twin objective of providing universal literacy and at the same time ensuring employment to the educated unemployed.
- * Provide financial and marketing facilities to engineers and technicians so that they become self employed and also generate employment.
- * Introduce a comprehensive land development scheme where land reforms are effectively carried out.

PRIVATISATION

This issue generated a lot of interest among the participants. It was agreed that the past Govt. and the present one is opening up public sector industry to the private sector.

The power sector and mines were formerly exclusively in the public sector but now private contractors had entered in a big way in new projects. Foreign multinationals, had also entered the major projects in a big way.

Transport industry was the target of relentless privatisation. Well known public sector companies producing famous products are now being sold particularly in Karnataka.

The new industrial policy statement does not even mention the public sector leave alone defining its role. The private sector is being welcomed in every industry with MNC's being increasingly involved.

A campaign is also ^{there to} denigrate the public sector and the world banks refusal to lend support to any economic policy which seeks to expand the public sector has led to greater privatization.

Privatization proceeds in many ways, some of which are as follows:

- a) Outright sale or closure of state owned enterprises.
- b) Reserved areas now being opened to the private sector.
- c) Collaborations agreements with TNC's.
- d) Components produced by the public sector now being allowed to the private sector under licence particularly in transport and telecommunications
- e) Handing over of the entire production facility in the name of acquiring advanced technology and design. The vehicle factory in Jabalpur which produced the Shaktiman is now to be replaced by the Tata Model.

The struggle against privatization should proceed on the following lines :

- 1) Resist political, economic and technological sell out to the MNC's.
- 2) The commanding heights once occupied by the public sector should be retained.
- 3) Struggle for an Agro-Industrial economy.
- 4) Struggle for better productivity and discharge our responsibility by telling the workers to be more aware of their role in increasing production and over-all efficiency.

42 participants spoke and 20 others withdrew at the request of the presidium.

The delegate of the CGT France gave a very interesting presentation of the situation in France as regards privatization.

II.

DECLARATION ON TECHNOLOGY AND THE MULTINATIONALS.

1. As we enter the 1990s, great new perspectives to accelerate economic and social development are opening up because of the advances in science and technology. These advances can be turned into a huge productive potential if the vast human resources, talents and skills are effectively harnessed, orienting the new technology to people's needs and social progress. At the same time, new challenges and complex problems of managing technological change are rising in all countries because of the severe contradictions, insufficiencies and imbalances in the present day economic and social organisation. As with nuclear engineering, the basic question concerning new technology is: who controls it,

to what purpose, for whom and against whom? The political intervention of the workers and trade unions must help find the right answers to this question.

2. The problems faced in India in this respect are challenging and complex. India has the third largest stock of scientific and technical personnel in the world but this tremendous potential remains mostly underused and, in addition, there is the tragic problem of brain drain. The underutilisation of our vast human resources and under-exploitation of our vast internal market are the grave weaknesses to which urgent attention should be paid by the Government and the people, including the trade unions. It is strange but true that while we have more scientific and technical personnel than Japan, in many respect is we as a country are trailing far behind most of our Asian-Pacific neighbours. The need for a long-term technology policy is urgent. The working people and trade unions must fight for a democratic socially oriented technology policy, as a part and parcel of an overall economic and social development strategy.

3. The inability of employers and government to adopt and implement a rational technology policy so far must be traced to the lack of a comprehensive and long-term plan to use new technology to maximise the development and use of human resources. Technological change has been so far oriented to short-term considerations of immediate profits through saving on labour costs. Evidently, such policies which led to a further accentuation of the unemployment problem had to be opposed and resisted by the Trade unions and the working people.

4. A democratic people oriented technology policy including measures for human resources development through educational reform, advanced vocational training and retraining of the labour force, should be elaborated with the participation of the trade unions and the community of scientists and technical personnel and adopted by Parliament. As the ILO has stated, the policies in this respect should be guided by the "fundamental principles of human rights and the protection of minimum labour standards".

The new technology in the main is controlled by the transnational corporations and they pass on only the outdated technology and place conditions like foreign investment, restriction on transfer of technology to other countries, restriction on export of product and high royalties etc.

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The Group of seven has refused to accept the new international economic order and the code for transfer of technology to be evolved under the aegis of the UNO. In the newly developing countries of Asia and Pacific the TNCs have invested heavy amounts and also transferred technology.

Further in India some of industrialists have been importing screw driver of label technology.

Hence the Government of India should reverse its new industrial policy and ensure self reliant development.

Shri K.G.Desai head of the department of personnel management of the Tara Institute of social sciences, admits that "not only is there no clear national policy on the hows whos and whats of technology, neither the Government nor the management has any conception of the implications of the technology they import. How can we assess whether it is appropriate for us? Even worse, technology is casually introduced with not a moments thought towards it's impact on health.

The approach paper the 8th five year plan and the industrial policy resolution have provided for import of technology without restrictions and foreign investment upto 40 percent of equity without the necessity of clearance from the Government.

Now the employers are free to import technology even if indigenous technology is available or even repetitive technology many be imported.

With the introduction of computerisation and modernisation there is the danger of large scale retrenchment, and lack of consideration for the safety and environmental pollution.

Inspite of these problems introduction of new technology is a must both for increasing productivity, and lightening the burden including hazard on the workers.

The Government should evolve a policy to see that indigenous technology is encouraged. The technological choice should be determined in consultation with the trade unions bipartite forums through participation.

A tripartite code should should be evolved for the introduction of new technology. Measures should be taken through legislation and tripartite agreements to strengthen job security, sharing of benefits by workers and consumers reduction in hours of work and period of service and provision for training and retraining and redeployment of workers. Wherever the retraining and redeployment is not possible the employment to the dependant should be ensured. Funds for relief to the unemployed should be provided from the gains of improved technology.

An immediate reduction of working hours (without loss of wages) in all enterprises with introduction of new technology. The working days to be reduced without loss of benefits.

There should be expansion of industry, to absorb, surplus labour, and give more employment.

In the age of new technology as is now widely admitted, the participation of the working people and trade unions in management of production and services has become a clear necessity. Under the scheme of Workers Participation of Management there should be co-determination of New Technology to be introduced.

The Managements should share all information regarding the proposed introduction of new technology and no change can be effected without an agreement with the union. Every industry must invest atleast 5% of tis Turn-over in Research & Development on Technology and to evolve Indigenous Technology and make country Self-Reliant in this sphere.

In the frame work of international trade union co-operation, steps should be taken to set up data Banks on technology issues and to promote trade union joint actions for the ILO code of conduct on transfer of technology and other common demands. It should be the duty of the employer to ensure safety and prevention of environmental pollution.

The 34th Session of the A.I.F.U.C. invites all central trade union organisations, industrial Federations/ Employers and all trade unions in co-operation with scientists and economists to conduct discussions and arrive at a consensus regarding introduction of new technology suitable to Indian conditions and to promote nationwide joint actions for the adoption of a democratic social-oriented technology policy and for the workers demands.

III

REPORT OF THE COMMISSION ON SOCIAL SECURITY

The Commission met on 10.8.90 under the Chairmanship of Comrades G.V.Chitnis, Nihar Mukherjee and Srinivas Rao.

Nearly 350 delegates attended the meeting of the Commission. Out of these 51 delegates participated in the discussion. Many comrades gave their suggestions in writing.

After the discussion the Commission elected a Drafting Committee comprising of Comrades Parduman Singh, G.V.Chitnis, Nihar Mukherjee and T.A. Joseph. The Commission authorised the drafting committee to prepare a report and a draft resolution for the Congress.

The Drafting Committee met in the afternoon and went through all the written as well as oral suggestion and prepared a report as well as a draft resolution for the consideration at the plenary session.

RESOLUTION ON SOCIAL SECURITY

1. The 34th Session of AITUC views with grave concern that after 43 years of independence an overwhelming majority of the work force (22-25 crores according to 1981 census) is not covered under any social security scheme. This figure includes 14.8 crores agricultural workers. Out of the remaining 7.45 crores, a majority of workers in small scale and unorganised industries and sweated labour do not have any social security cover.
2. Apart from the above in the modern concept of social security, provision of housing is a part of social security. Millions of people in our country have no roof over their heads. Hundreds of millions live in most unhygienic conditions in villages and cities. The Government of India and the State Governments have hardly any housing programmes for the poorest of the poor. Unhygienic and insanitary living conditions result in diseases and loss of production.
3. The concept of clean and healthy environment free of pollution is relatively new in our country and hardly any attention is paid to it by the Government, employers and the trade unions.

But this has great relevancy for the working people and society at large which has been realised after the Bhopal tragedy.

This Congress takes note that the Government of India has not ratified the I.L.O. Conventions on environment since 1975.
4. There is no comprehensive social security scheme in India even for those who have some sort of social security cover. There is as yet no old age, invalidity and survivors pension scheme except in the case of Government employees. There is no scheme for unemployment relief and no scheme for family allowances.
5. The working of the existing major social security schemes i.e., the E.S.I. and the E.P.F. is totally unsatisfactory. The bureaucratic control of the Government over both the schemes is complete and corruption is rampant. The benefits under the E.S.I. scheme are not being liberalised whereas huge surpluses to the tune of hundreds of crores are being accumulated. The Government valuer had passed strictures against the Corporation in this regard. The workers face great delays and hardships in settlement of their claims and applications for advances under the E.P.F. Scheme.
6. However, this Session of the AITUC notes with satisfaction that many of the demands raised in the resolutions adopted in the 32nd and 33rd sessions of the AITUC have been accepted due to continuous efforts made by AITUC at various levels, e.g.,

A) Under the E.P.F. and Miscellaneous Provision Act:

(i) The rate of family pension for the survivors of subscribers who die while in service has been increased. The minimum pension has been increased from Rs. 140 to Rs. 225 per month and the maximum pension has been raised from Rs. 630 to Rs. 750 - per month.

(ii) The eligibility condition for entitlement to family pension i.e. the member having contributed to Family Pension Fund for a period of not less than one year has been reduced to contribution for a period of not less than three months.

(iii) The benefits under the Employees Deposit Linked Insurance Scheme have been substantially increased.

Firstly instead of calculating average balance in the Provident Fund of the deceased member for the preceding 36 months, now average balance in the preceding 12 months will be calculated.

Secondly, previously the subscriber was entitled to payment equivalent to his average balance in the preceding 36 months or the balance during the period of his membership whichever was less but not exceeding Rs.2000. Now if his average balance in the preceding 12 months, exceeds Rs. 15,000, the amount payable shall be Rs. 15,000, subject to a ceiling of Rs. 25,000.

Thirdly, the minimum average balance in the account of the deceased subscriber for eligibility to the family pension has been reduced from Rs. 1000 - in the preceding 3 years to Rs. 500 in preceding 12 months.

(iv) The rate of contribution to the Provident Fund which was 6-1/4% and 8% was first raised to 8-1/3% for all. Subsequently this rate in respect of 96 industries has been raised to 10%.

(v) The rate of interest on the Provident Fund Deposits has been raised to 12% for the year 1989-90. For the year 1990-91 the Central Board of Trustees' proposal is 12.5%.

(vi) An old age, invalidity and Survivors' Pension Scheme has been drafted and is being discussed in the Central Board of Trustees.

(vii) The forfeiture clause in the Provident Fund Scheme has been abolished. Now every subscriber is entitled to both the employer's and employee's share irrespective of the service rendered by him.

(viii) The salary limit of workers for coverage under the Provident Fund Scheme has been raised from Rs. 2500 - p.m. to Rs. 3500 - p.m.

(ix) The E.P.F. organisation has set up its own recovery machinery for recovering the arrears due from employers.

(x) The penalties for violation of the Act and Scheme have been enhanced substantially.

B) UNDER THE E.S.I. SCHEME

(i) The rates of permanent disablement benefit and dependents benefit has been substantially raised with effect from 1.1.1987. Now these rates are on a percentage basis taking into account the salary and age of the insured person at the time of disablement or death.

(ii) Funeral expenses limit has been raised from Rs. 100 to Rs. 500 with effect from 1.1.1987.

(iii) The ceiling on expenditure on full medical care has been enhanced from Rs. 130 to Rs. 210.

C) UNDER THE PAYMENT OF GRATUITY ACT.

(i) The salary limit for coverage under the provisions of payment of Gratuity Act has been raised from Rs. 1600 p.m. to Rs. 2500 p.m. with the provision that the Government can raise it further by notification.

(ii) For the purpose of calculating the days on which the employee has actually worked, the days on which he has been laid off, the days on which he has been on leave with full wages earned in the previous year, the days on which he has been absent due to temporary disablement caused by accident arising out of and in the course of his employment and in the case of a female, the days on which she has been on maternity leave not exceeding 12 weeks will be taken as days on which he/she has actually worked.

(iii) It has been clarified that in the case of monthly rated workmen, the 15 days wages shall be calculated by dividing the monthly rate of wages last drawn by him by 26 and multiply the quotient by fifteen.

(iv) It has now been laid down in the Act that the employer shall arrange to pay the amount of gratuity within thirty days from the date it becomes payable and if does not make the payment in this period, he shall be liable to pay simple interest at the rate declared by the Central Government from time to time on long term deposits.

(v) The ceiling on payment of gratuity has been fixed at Rs. 50,000 instead of twenty months' wages.

(vi) The penalties for making a false statement or representation to avoid payment of gratuity and for non payment of gratuity and for non implementation of the Provisions of the Act have been greatly enhanced. It includes compulsory imprisonment for a period from 3 months to 2 years and compulsory fine from Rs. 10,000 to Rs.20,000 or with both.

This session of the AITUC demands that:

(a) A separate legislation for provision of social security cover for agricultural workers and marginal farmers should be enacted at the earliest.

(b) Massive housing programmes must be undertaken by Government of India and the State Governments to provide housing to the shelterless and to worker living in slums in cities and villages.

(c) A comprehensive social security scheme free from bureaucratic control of the Government and by combining all the existing schemes be enacted.

(d) An old age, invalidity and survivors' pension scheme be brought into force immediately.

(e) Schemes for provision of unemployment relief and family allowance be formulated and brought into force.

(f) The E.P.F. Board of Trustees and the E.S.I. Corporation must be made really autonomous bodies free from the control of the Central and the State Governments with representation of workers on the leading bodies substantially increased. The diarchy in the administration of the E.S.I. Scheme should be put an end to. The Government of India must contribute to the social security schemes, i.e. in E.S.I. and the pension schemes as recommended by various committees.

8. In the meanwhile this session demands:

(a) IN RESPECT OF E.P.F. ACT AND SCHEME

(i) The conditions of infancy period, minimum service, the minimum number of employees in an establishment and wage limit be removed. The Act should cover all industrial workers but initially the coverage be extended to establishments with 10 or more workmen.

(ii) All claims and applications for advances be settled within a period of 30 days.

(iii) The pre takeover and post takeover arrears of Provident Fund in N.P.C. mills be reimbursed by the Govt. immediately.

(iv) Penal damages upto 100% of the amount in default should be levied on the employers. The arrears of Provident Fund should be recovered immediately.

(v) The rate of contribution in the Textile and Jute industry should be raised to 10% immediately. Similarly the rate of contribution in all the remaining industries should be raised to 10%.

(vi) The interest on E.P.F. deposits be credited on monthly balances.

(b) IN RESPECT OF E.S.I. SCHEME:

(i) The coverage should be extended to all the workers including the seasonal and unorganised workers.

(ii) The workers once covered should continue to remain covered though the contribution and the benefits could both be frozen at a certain level.

(iii) The workers should be entitled to medical benefit after superannuation.

(iv) All the outstanding claims for reimbursement of medical benefits should be settled within 3 months.

(v) Hospitalisation facilities be extended to the family members of insured persons in the remaining states where it is not extended so far.

(vi) Full wages be paid in the case of employment injuries.

(vii) The waiting period of 2 days be abolished.

(viii) The condition that an insured person must have 90 days' attendance in six months in order to get sickness and other benefits should be scrapped.

(ix) The ceiling on payment of sickness benefit should be removed.

(C) IN RESPECT OF GRATUITY SCHEME:

(i) The payment of Gratuity should be at the rate of 30 days' wages per year of service.

(ii) The condition of 5 years' service for payment of gratuity be abolished.

(iii) The condition of 75% attendance in seasonal factories for entitlement to gratuity should be scrapped.

(iv) The provision for payment of maximum gratuity upto a limit laid down in the Act should be abolished.

(v) A Central Gratuity Fund be created.

This 34th Session of the AITUC appeals to the Government of India to concede the above mentioned justified demands and calls upon the workers to launch sustained struggle in this regard.

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