

COLLECTIVE BARGAINING PRACTICES

in

TEXTILE & NON-TEXTILE INDUSTRIES IN COIMBATORE

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PREFACE

Over the last nine decades the collective bargaining has developed as an institution of immense importance in industrial relations. It is a democratic process of decision-making in industry by the management and the labour unions. The history of industrial relations in general and that of collective bargaining in particular reveals that successful collective bargaining depends upon certain factors both within and outside the industry and labour unions. While conducive labour policy, a favourable political climate and highly encouraging legal framework are the external factors promoting collective bargaining, a strong trade union movement, a positive attitude and a consistent approach of the management towards collective bargaining, enlightened and pragmatic trade union leadership are some of the internal factors. Collective bargaining being a bipartite method of decision-making the internal factors are more important than the external ones. Even in the absence of a conducive labour policy and encouraging

legal framework collective bargaining could develop if the managements and the labour unions have a conviction in the efficacy of the method, as the early history of collective bargaining in the industrialised market economies like the Great Britain, United States of America, Canada etc. reveals.

In India, collective bargaining has been in existence for over 75 years now. The first instance of negotiations occurred soon after the Second World War in the textile industry at Ahmedabad. And as a Survey conducted in early 1960s. by the Employers Federation of India has revealed collective bargaining has been accepted by a large number of employers and trade unions even before independence. But this institution of industrial relations has developed rather unevenly in different industries and industrial centres. Yet it has been the important method of determining various issues of interest to both the parties.

Collective bargaining in the textile and other industries in Coimbatore region has been in existence for the last three to four decades.

During this period it has not only developed into a strong institution but has given rise to new patterns of collective bargaining. The bargainers have been able to adopt certain healthy practices like not discriminating the unions in the industrial relations matters, the unions joining hands to negotiate the common issues, etc. As a matter of fact, collective bargaining in this region occupies a unique place in the Indian industrial relations system. Therefore, with a view to understanding the different practices that have been adopted by the managements and the labour unions leading to the emergence of new patterns of bargaining, this study was undertaken.

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I am equally indebted to my respondents. It is very difficult to name all of them here. But, I would be failing in my duty if I do not acknowledge the help extended by the following friends from different fields. First and foremost, I must thank Mr. S. Bangaswamy, the Secretary of the Southern India Mills Association (SIMA) and his colleagues Mr. Visweswaran, the Law Officer, and Mr. Nagarajan, the Industrial Relations Officer (Taxation) and others for helping me to study the documents. I am also thankful to the management executives from different mills and factories and particularly Mr. C.P. Chandra Doss, the Manager (Personnel) of the ABT Parcel Services, Mr. K.M. Nagarathinam, the Manager (Personnel) of the Kotharis (Madras) Ltd., Mr. Eswaran, the Industrial Relations Manager of the Textol Co., Mr. S. Devarajan of the Ramakrishna Industrials Pvt. Ltd., Mr. H.A.C. Poppen of the Asbestos Cements Ltd., Mr. V. Murali, the Advisor (Personnel) of the National Corporation (T.N.&P.), Mr. S. Jagadish, the Labour Officer of the Laxmi Mills Co., Mr. V.V. Karthikeyan, the former Administrative Officer of the L.G.B., Mr. Swaminathan of Vasantha Mills, and Mr. Doraiswamy and his


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Chapter 1.

THE PROBLEM IN ITS PERSPECTIVE

The term collective bargaining was coined in 1881 by Beatrice Webb. According to her it represented an attempt on the part of a group of workers to secure higher and better wages and other economic benefits than it would be possible through bargaining. During the last nine decades the scope of collective bargaining has become so flexible that it can include any issue in its ambit. If any issue is not covered it is because the parties across the table do not want to consider the same. During this period it has also extended itself from the 'manual-working producers' to white-collar and professional employees, from regulating labour markets to regulating managements thereby revealing the evolution of thoughts.

The predominant purpose of collective bargaining is 'to negotiate an agreed set of rules to govern the substantial and procedural terms of employment relationships as well as the relationship between

the bargaining parties themselves'. To state it in sociological terms, 'collective bargaining refers to the complex of relationships through which the terms and conditions of employment are negotiated and agreed upon between the employers and organised workmen. These relationships embrace the arrangements varying from formal national industry-wide negotiations between the representatives of the federations of employers and trade unions to the informal, unwritten frequent understandings reached by the representatives of the workmen and the employers. These relations are meticulously designed and authored by both the parties; hence, are purely democratic'

Webbs used this term only to describe the procedure adopted by the trade unions to get some concessions from the employers. But to-day it is accepted even by the conservative and recalcitrant employers in the capitalist democratic societies as a method, with full of consequences, of defining the labour management relations. In such societies all over the world it has been highly institutionalised. In countries like the United States of America, collective bargaining is the central institution

of the industrial relations and the most potent force in determining and directing the relationships of labour and management. It is accepted as a democratic decision making process in industry. This institution has enabled the employers and workmen to have a better management of the mutual affairs. In most of the industrialised market economies it has achieved the status of a pre-eminent method of industrial rule making. Therefore, it is rightly viewed by Neil W. Chamberlain and James W. Kuhn as a means of contracting for the sale of labour (the market theory of collective bargaining), as a form of industrial government (the governmental theory), and as a method of management (the management theory).

Collective bargaining has established and proved its institutional strength and vitality. It has grown to a fairly high level of maturity and has been capable of effectively responding to challenges and problems in industrial relations. As a matter of fact, all other methods of determining the conditions of employment and industrial relations are given secondary and tertiary place and importance.

Whereas in the Indian industrial relations system collective bargaining is a combination of voluntary negotiations and third party intervention in the form of conciliation, compulsory adjudication and/or arbitration or mediation by influential outsiders. And over the years third party intervention in general and compulsory adjudication in particular have acquired pre-eminence. Compulsory adjudication instead of collective bargaining has become the central institution of the industrial relations system. The system, however, does not preclude the parties from engaging in direct negotiations.

The history of collective bargaining over the last sixty and odd years shows that the employers' and workmen's organisations have complete conviction in the efficacy of the method in decision making and industrial government. Especially after 1947, the employers and trade unions have been adopting this method in an increasingly large number of issues to be negotiated and settled. According to a Survey conducted by the Employers' Federation of India in 1963, the collective bargaining has been in practice for quite a long time. Of the total industrial units reporting the existence of collective bargaining

tradition 3.5 per cent units reported that in their establishments the collective bargaining was in practice even prior to 1947 (Employers' Federation of India: 1966:25-6). Similarly in a study on conciliation conducted by this author in Karnataka in 1972-73 it was found that at least 50 per cent of the employers and trade unions have adopted the collective bargaining as the basic method of settling the issues and differences between both the parties (Patil:1977).

But the institution of collective bargaining in India has developed unevenly in different industries and regions. This development should necessarily be attributed to the lack of statutory provision for creating the bargaining agent of the workmen and according to a legal status to the collective agreement per se, the supremacy of compulsory adjudication over other methods of disputes settlement, the multiplicity of trade unions and inter-union rivalry, weak and politicized trade unionism, plethora of labour legislations laying down the floor in many labour matters and the employers' legalistic approach to industrial relations problems, etc.. There has been no change

in the labour policy of the Government with reference to collective bargaining. The emphasis on the third party intervention in industrial relations continues to endanger the institutionalisation of collective bargaining in Indian industrial relations system.

Moreover, the industrial relations law in India, while allowing the registration of any number of trade unions (of course with a minimum of 7 persons) in an industry or an industrial organisation, do n't provide for compulsory recognition of a union as representative of the workmen with which the employers or their representatives could negotiate. These laws neither encourage nor compell the parties to bargain in good faith; also they do not provide a legal status to the collective agreements. Where the recognition of a bargaining agent of workmen is statutorily provided, the problem has been that of multiple unions and the non-recognised unions refusing to accept the settlements signed by the employer(s) and the recognised union. The best example in this regard may be drawn from the textile industry in Bombay. On this issue of recognition, the Bombay mill workers have been on a strike since October 1981 demanding the withdrawal of recognition

granted to the Rashtriya Mill Mazdoor Sangha by the Bombay Mill Owners' Association. So far no solution has been evolved on this issue and the strike continues. It is, however, somewhat heartening to note that in many industries and different regions the problem of recognition of unions has been solved either by recognising a single union on the basis of membership claimed by the unions or by secret ballot, or by de facto recognising all the unions irrespective of their size. Such of the employers in different industries and regions have been able to establish good bargaining relationships. Over a period of time certain healthy practices have come into vogue notwithstanding the problems persisting. The good traditions established by this group of employers have influenced and motivated others to follow their example.

My own broad observations over a period of 3 years during 1978-81 revealed that the millowners, their association and the labour unions in Coimbatore have been able to establish certain healthy practices and good traditions in industrial relations in general and collective bargaining in particular. The employers have solved the problem of multiple

trade unions and recognition of a bargaining agent - the solution being de facto recognition granted to all or major unions operating in the mills or at the regional level. In response to this kind of recognition the trade unions were able to come together to negotiate with the employers or the millowners' association at regular intervals by constituting a Joint Action Council. The various agreements and settlements signed by the parties during a period of 25 years since 1956 revealed that they had evolved certain standards, principles and formulae to determine various issues and guide the labour-management relations. One such formula evolved bilaterally was the bonus formula that was much different from the statutory formula. The industrial relations never appeared to be violent that is a characteristic feature of industrial relations in other centres in India

As a matter of fact, it was decided to take up an empirical study on the collective bargaining practices in the textile and other industries in this centre with the following objectives:

1. To study in detail the collective bargaining practices evolved by the employers and the labour unions;

2. To study the development of collective bargaining in textile and non-textile industries on a comparative basis;
3. To identify and analyse the developing patterns of collective bargaining;
4. To identify the factors that make the collective bargaining practices in this centre characteristically different from the practices prevailing in other regions; and
5. To study the role of the organisations of employers and labour unions in promoting and developing collective bargaining.

METHODOLOGY

This is a diagnostic-descriptive study based on both the primary and secondary sources of data. The secondary sources of data were: the agreements and settlements signed by the Southern India Mills Association and various trade unions operating at the regional (district) level - the latter constituting a Joint Action Council of trade unions, the reports of the Court of Inquiry (1947), the Textile Tripartite Enquiry Committee (1953), the minutes of the proceedings of the Standing Negotiation Committee, the Committee of Association, the by-laws of trade unions and the millowners' association, the publications of SIMA namely, Awards and Settlements, the press cuttings on the 1979 statewide textile

textile strike as well as the copies of the settlements signed by the individual mills and factories with the unions operating in those mills/factories.

On the other hand, the primary data were collected from the personnel executives and the trade unionists - both the district and unit level leaders - the general managers of textile mills, the labour consultants who were the personnel executives, the officers of Southern India Mills Association and the Research Associate of Southern India Textile Research Association. To put it in detail, 13 personnel executives in textile industry including the Advisor (Personnel) of the National Textile Corporation, 5 personnel executives from the engineering industry, 2 from transport and 2 from cement industry; 9 district level trade unionists from textile industry, 2 from the engineering and general industries and 39 unit level leaders from different mills and factories - 14 from two mills, 20 from 3 factories, 3 from asbestos cements, and 2 from transport. In addition to these, 2 industrial relations consultants - one of whom was working in an

engineering unit and the other in a textile mill - two general managers of textile mills, 3 officers of SIMA and one officer of SITRA were interviewed.

The Personnel Executives and trade unionists were interviewed with the help of interview schedules developed separately for the two groups, while others were interviewed using an interview guide intended to seek to gather their rich experiences, opinions and views. The data sought from the management executives and the trade unionists were by and large identical. They included; Profiles data on the organisations, the beginning of collective bargaining practices at the association and mills/factories levels, ~~the~~ **procedures** and strategies adopted, the problems faced in negotiations, the procedures followed in failure of negotiations. the collective agreements and settlements, the negotiating committee and the bargainers, the institution of Joint Action Councils, the influence of collective bargaining practices developed in textile industry on other industries in the region.

PERIOD OF STUDY

The study was conducted during May-June 1983 and also for one week in October . 1983 to fill the data gaps.

DATA PROCESSING

The data collected were processed manually. The readers will find that the data are interpreted with a qualitative bias.

LIMITATIONS

Since the major objective of this study is to identify, analyse and describe different practices and patterns of collective bargaining over a period of time, the data are analysed with a qualitative bias.

CHAPTERIZATION

This study report is presented in nine chapters. The first chapter is entitled as 'The Problem in its Perspective'. It seeks to give an adequate background to the problem taken up for study, the objectives, and the methodology adopted, the limitations of the study and the scheme of chapterization. The second chapter makes an attempt to depict the profiles of the bargainers - the employers and their organisation, and the workmen and their unions in the textile and non-textile industries, besides seeking to present a

sketchy picture of the industries. Hence, it is titled as 'The Bargainers'. The Beginning and Evolution of Collective Bargaining is the third chapter, which seeks to trace the origin and development of collective bargaining in the textile industry while discussing agreements and settlements signed during the last three decades. The fourth Chapter also deals with the same subject but in non-textile industries, namely, engineering, transport and cement industries. Therefore, it is titled as 'Collective Bargaining in Non-Textile Industries'. The collective bargaining process in existence, the procedures followed in conducting negotiations, the problems faced, the strategies adopted to tackle the unions, the negotiating parties and the Standing Negotiation Committee, the procedures adopted in failure of negotiations to settle the issues, etc., constitute the fifth chapter. It is titled as 'Procedures and Problems in Collective Bargaining'. The sixth chapter - 'Developing Patterns of Collective Bargaining' endeavours to identify and analyse four patterns of collective bargaining that have been in vogue in the textile and other

industries, viz. coalition bargaining, sectionalised bargaining, convertive bargaining & pattern bargaining. The Seventh chapter seeks to discuss the position of collective bargaining vis-a-vis the tripartite methods of conciliation, adjudication and voluntary arbitration. Hence, it is titled as 'Collective Bargaining and Tripartite Methods'. Any study on collective bargaining in Coimbatore region is incomplete without due reference to the role of the Southern India Mills Association. As such the eighth chapter is devoted to the discussion on the role played by SIMA in promoting collective bargaining in the textile and other industries and also in solving the problems connected with collective bargaining. The ninth chapter endeavours to arrive at broad conclusions on the findings of the study.

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Chapter 2.

THE BARGAINERS

Collective bargaining is a bipartite process of determining and regulating the relations between the management and organised labour. It is successful and effective only when both the parties are strong organisationally and otherwise. Often the age of the industry and its development too contribute to the successful bargaining. Hence, in this chapter we shall try to understand the industrial development mainly with reference to textile, engineering and other industries covered by the study, the employers and their organisations, and the workers and their unions.

The Industrial Development

Coimbatore is an industrial city in South India. First and foremost, it is considered as the centre of textile industry. In Coimbatore alone there are 79 mills employing about 53,000 workers.

Hence, it is rightly described as the Manchester of South India. But this Manchester does not have the credit of having the first and oldest textile mill in the south. The first mill in Coimbatore, viz., the Stanes Mill, was established in 1888 i.e. one decade after the establishment of the Buckingham Mills at Madras, which has the honour of being the first textile mill in the south. The Stanes Mill in Coimbatore was established by a British Company motivated by the availability of cotton grown in plenty in and around Coimbatore, a suitable climate, and the availability of labour. It was the fourth mill to be established in Tamil Nadu and the southern region. Two years later in 1890 the second mill was established just a few yards away across the railway lines. By 1910 two more mills came into existence - the first one again very close to the existing mills and the second one a few miles away in the village of Peelamedu. Both these mills were established by the Indian entrepreneurs. During the late 1920s two more mills came to be established bringing the total number to six. Both these mills belong

to same company and they were established during a short period between 1927-29. These six mills had a capacity of 1.5 lakh spindles and 989 looms employing together 5600 workers.

In 1930s, however, there was a rapid growth of the textile industry in Coimbatore though the outside world was experiencing the economic crisis due to the world economic depression. During this decade about 25 new mills sprang up bringing the number of mills to 37 in 1937 in the district which employed 25,971 workers. Almost all of them were of moderate size; by and large each one of them had about 10,000 spindles capacity. More importantly, most of these mills were working at their peak capacity when their counterparts in north India and Britain were facing the crisis caused by economic depression.

Towards the end of 1930s, however, a few mills started experiencing the prangs of economic crisis. It is said and argued that this situation was due not so much to the economic depression as to the greed of the managing agents and a few aristocratic mill owners who did not have the foresight. Some of

these mills certainly continued to experience the financial difficulties both during and after the Second World War ultimately ending up with the label of 'Sick Mills'.

But by 1951 the total number of mills in Coimbatore district alone rose to 42 which were spinning and/or weaving. These 42 mills had the installed capacity of 8,49,664 spindles, and 2365 looms providing employment to 32,023 workers. It may be noted that the capacity of the mills was increased by more than 6 times, except in case of weaving mills, over a period of 30 years. Furthermore, 4 of the 42 mills were established during a 5 years period between 1946-51. Besides these 42 mills, quite a good number of new mills were in the construction stage during the same period, i.e 1946-51. The completion of Pykara Hydro Electricity Scheme in the Nilgiri Hills appears to have given the necessary impetus to this boom of textile mills. Other important factors responsible for this phenomenal growth of the industry was the availability of cotton grown in the region and a suitable climate.

The growth of the industry in the region kept pace during the subsequent decades too. During 1950s, due to planned agricultural developments and timely rains, cotton was available in plenty; the labour supply was not only highly encouraging but the working class was becoming less and less militant. Simultaneously, the prosperity of the mills was also increasing; the mills earned huge profits during and after the II World War. Resultantly, many mill owners started establishing new units in different villages and suburbs of Coimbatore, which ultimately brought the number of mills to 80 in 1963. i.e. 200% increase over a period of 25 years. Of these 80 mills, 60 were in and around Coimbatore city itself. But in many of these cases, the new units were created mainly by modernising the old mills and transferring the old machinery to the new ones. Hence, these new mills are often rightly described as 'Number 2' or 'B' mills. It is heartening to note that even these mills are viable units though they were started with old machinery.

During the 1950s, however, a few of the older mills had reached the stage of closure threatening hundreds of employees with non-employment and a

state of joblessness. Thanks to the concerted efforts of the trade unions in the region who exerted maximum pressure on the State Government to persuade them to take over the 'Sick' mills. It would not be out of context to mention here that a Padayatra of the workers of these sick mills was organised from Coimbatore to Madras - a distance of 500 kilometers to impress upon the Government the urgency of taking over the sick mills. Consequently, the state government formed the Tamil Nadu Textile Corporation and took over 12 sick mills in Coimbatore district. But the very next year these mills were handed over to the National Textile Corporation and the Tamil Nadu Textile Corporation ceased to function. Today these mills are managed by the National Textile Corporation with its headquarters at Coimbatore located in the premises of one of the 12 mills. Both the management and workers are striving to raise these mills to a higher level of efficiency and progress. Many of them are no more the losing concerns. The NTC is gradually modernising these mills installing new machinery manufactured locally.

Similarly, the private mills are also fast modernising. There are hardly a few mills which have not gone for rationalisation of the mills. The unprecedented longest strike by the textile workers of Bombay has given a further fillip to modernisation of mills. The market for the yarn produced by the Coimbatore mills has been continuously increasing.

Rationalisation and modernisation of the textile mills in Coimbatore is greatly facilitated by the local manufacturing of new textile machinery by half a dozen engineering units. These units have been utilising the new technological knowhow developed either abroad or locally. Some of these units have their own Research and Development Departments while others are helped by the South India Textile Research Association. Two big units are manufacturing the new machinery in collaboration with a **Reiter** - a West German firm under the brand name **Laxmi-Reiter**. This company has also been exporting the textile machinery to other developing countries and has been winning the Export Promotion Awards since last six years. This company has also a unit manufacturing automatic looms. One of the branches of this Company was formally inaugurated

only on June 13, 1983. As a matter of fact, the textile industry in Coimbatore has been able to modernise regularly and in turn foster the growth of the engineering units.

The engineering industry in Coimbatore is not confined to the manufacturing of textile machinery alone. It has also been producing the motor pump sets for irrigation purposes on a large scale. Perhaps largest number of pump sets are manufactured in Coimbatore by a large number of small and big factories. Most of the small factories are not covered under the Factories Act, while the big ones employ less than 1000 workers, except one.

Furthermore, there are hundreds of small units manufacturing domestic appliances, steel furnitures, iron safes and almirahs. But all these units are also small in size employing less than 10 workers. Though several hundreds of persons are employed in various engineering units in this group as well as the manufacture of motor pump sets etc., the engineering industry in Coimbatore occupies the place next to textile industry in terms of employment.

Besides these two major industries, this industrial centre has also a cement factory. The Madukkarai Cement Works was established in 1934, but within two years it was merged with the Amalgamated Cement Company. It is now known as the ACC Madukkarai Unit, which is the only unit of ACC in Tamil Nadu. This factory has also undergone the process of rationalisation. The rationalisation of the manufacturing process both in its quarries and factory resulted in the voluntary retirement of a large number of aged workers on payment of huge sums of compensation. Of late, it has stopped employing new hands. As such, this factory employs only few hundred workers. Besides this cement factory, there is a cement products factory, which was established in 1953 by a company owned by British interests. But recently the shares of the company are purchased by the Indian entrepreneurs and a change in management is in the offing.

A fourth major industry in Coimbatore is transport - both passenger and goods transport. This is rather a service industry directly depending on the growth of other industries and population of the city. The goods transport and at least fifty

percent of the passenger transport is in the private sector. In passenger transport both the private and public sectors compete neck to neck to render effective service to the public. In private sector, however, the entrepreneurs are small in terms of the fleet of buses owned; only one of the private entrepreneurs is big having a number of units directly and indirectly related to transport, such as automobile workshops, tyre retreading, petrol pumps, etc. Most of the transport owners operate from a nearby town. The public sector transport undertaking was formed in 1971 by nationalising the big private passenger transport undertakings. Since then it has been growing from strength to strength. Its growth was so phenomenal that in 1982 it was split into two organisations - one for Coimbatore and Nilgiri districts and the other for Periyar district.

Although this study covers only four major industries, viz. textiles, engineering, cement and transport, it may be noted in brief that there are also other service and manufacturing industries. These include: the cotton ginning and pressing,

waste cotton cleaning and processing, electronics, manufacture of automobile radiators, speedometers, tea processing and packing, steels products, button manufacturing, banking, trade and commerce, cinema, printing and news papers, hotel, etc. It may also be noted that in this industrial centre the services like hospitals and education are offered on a commercial basis turning the hospitals and educational institutions into industries. This is mainly so because many of the leading textile mill owners and other industrialists have taken up these activities in addition to running the mills and factories.

EMPLOYERS

An important feature of this industrial centre has been that a very large number of small and big entrepreneurs constitute the private sector. Whereas the public sector constitutes only a section of the employers in textiles, engineering and passenger transport. But all these public sector units were originally owned and controlled by the private employers. It was either because of mismanagement of the mills and factories or because of the Government's policy to nationalise the private sector

units that these public sector units came into existence during the early 1970s.

The employers in textile, engineering and transport industries in Coimbatore are small, medium and big in terms of both the capital invested and the number of workers employed. The medium and big size employers, of late, have been raising funds through public deposit schemes and floating shares. Yet the style of management and administration have not undergone any change. The top management of the industrial units is on hereditary basis. It is rather feudalistic in nature, especially in case of the textile mills and a few big engineering units. The owners of the textile mills and engineering units belong to two or three communities such as the Naidus, Chettiars, Gounders, etc., of whom the Naidus own and control the largest number of mills and factories, i.e. about 70% of the mills in Coimbatore district while Chettiars have about 20% of the mills.

These people have imbibed aristocratic and dictatorial styles of management; they have been patronising persons only from their respective

communities. It is true that the middle and lower level management cadres are fast professionalising. But it would be surprising to note that these professional executives, by and large, belong to the community of the mill owners or the occupiers of the factories. For instance, if a mill owner is a Naidu all the executives below the top level executives, the managers, the staff, and majority of the workers are also Naidus. Similarly, if the owner is a Chettiar he employs persons from his own community, often turning away the job seekers from the other community. It is said that these two communities are rivals and compete with each other in many matters and fields. In other words, the degree of nepotism in textile and engineering industries in Coimbatore is of a very high order and highly pronounced.

While the textile and engineering industries the nepotism is community based, in other industries it is regional in nature. One would find hardly a few units which are free from the influence of nepotism and feudalism. It is only in such few units that the professional managers are in complete control of administration and decision making.

Despite this narrow outlook on the part of the private employers, it may be interesting to note that a good number of them are able to put Coimbatore on national and international industrial maps. Many leading industrialists of Coimbatore have found place on the state and national bodies - both governmental and voluntary; they have held high offices in such bodies. At present the President of Indian Federation of Chambers of Commerce and Industries is a textile magnate of Coimbatore.

EMPLOYERS' ASSOCIATION

The interests of private employers are often better promoted if they come together in the form of an association. An association adds a new dimension to their strength. Collectively they could fight more effectively in safeguarding their interests against the governmental measures, their competitors in trade, and the labour organisations. Hence, in India the industrialists and the employers have organised themselves into associations at the local regional and national levels. In Coimbatore also one finds that the employers in textile and engineering industries are organised. Of the two groups, however,

it is the mill owners who are better organised and their association is actively involved in the industrial relations matter. The association of engineering units is taking care of the business interests of its members vis-a-vis the government and the industrial colleagues.

The textile mill-owners were the first to organise into a regional association. The initiative to organise the mill owners was taken by Mr. R.K. Shanmugam Chettiar, the then Finance Minister, Government of Madras, who himself was an industrialist. The association - though organised in 1933 - was registered only on 14th December 1959.

During 1933-59, it was a lose body of mill owners. Often the member mills did not honour the agreements signed by the Association, at least till an industry-wide agreement was signed in 1956 following the Tripartite Textile Enquiry Committee. The association was rechristened on 19th June 1978 as the Southern India Mills Association to enlarge the geographical and entrepreneurial coverage leading to higher enrollment of members.

We do not find a similar organisation of employers in other industries except the Coimbatore District Small Scale Engineering Establishments Association. This Association is only to protect the trade interests of the small scale entrepreneurs.

The membership of the Association is open to all the textile mills in South India who would abide by the Constitution of the Association and pay the prescribed fee without default. At present the Association has 225 members spread over in five southern States and one Union Territory, viz. Tamil Nadu, Kerala, Andhra Pradesh, Karnataka, Maharashtra and Pondicherry. The membership from these States and Union Territory is as follows:

<u>States</u>	<u>Total Membership</u>
1. Tamil Nadu ..	170
a. in Coimbatore Dist. 79	
b. in Periyar Dist. 6	
c. Outside Coimbatore and Periyar dists. 85	
2. Kerala	21
3. Andhra Pradesh	18
4. Karnataka	14
5. Maharashtra	1
6. Pondicherry	1
Total	<u>225</u>

When the association was formed the membership was largely confined to Coimbatore. Hence, in 1933, the association had only eleven (11) members. The membership strength has kept pace with the growth of the industry in the region. Yet, it may be noted that not all the mills in South India are the members of the association, for it is basically an association of private mill owners and a voluntary body. Therefore, the textile mills now controlled by the National Textile Corporation are outside the association. Some co-operative mills in the region, however, are also members. In the recent past an unsuccessful attempt was made to persuade the NTC to enroll themselves as members of the SIMA.

Being a voluntary organisation, the membership fluctuates from year to year. But it was gathered that the membership is ordinarily above 200.

A member ceases to be a member of the association on the following grounds specified under Rule 12 of the Memorandum of Association: (1) on default in payment of subscription, within 3 months after it has become payable, (2) on expulsion from membership by a majority of three-fourths of the members present and entitled to voting at the General Body Meeting

of the Association duly convened, and (3) on removal of a member by the Committee for not honouring the bonus settlements negotiated by the Association authorised by the member as stipulated under Rule 12(A). Rule 12(A) reads as follows:

1. Any member authorising the Association in writing to settle the bonus in respect of his mill by negotiation or otherwise and the Association acting accordingly and the concerned member doing any act contrary to the Association in terms of the authorisation of the member, the member shall be deemed to act prejudicially to the interests of the association.
2. The Committee shall have the power to remove any member from the membership of the Association acting, in the opinion of the Committee, prejudicially to the interests of the Association as referred to in Sub-Rule (1) above by a majority resolution of the members of the Committee present and voting on the resolution and the committee shall cause to give to the concerned member, opportunity to be heard on the proposal to remove him from membership. The decision of the Committee in this regard shall be final and binding and the Committee shall not be bound to give reasons to any person or authority to such decision.

Provided however, the Committee may, on a written undertaking being given by the concerned member, subject to the full satisfaction of the Committee and in the manner required by the Committee, not to act prejudicially to the interests of the Association, reinstate him as a member.

It may be noted that this amendment to the Rules of membership was made in 1980 after a number of

mills paid bonus to their employees over and above the agreed sums under a bipartite settlement signed by the Association and labour unions in October 1979.

Furthermore, Rule 14 provides that every firm, every co-operative society and every company which is admitted as a member of the Association shall have a right to nominate a principal member and two 'alternative members' as representatives to act and vote on its behalf at all general meetings of the Association. It is stipulated that any person nominated as a principal member or alternate member should not be below the rank of a Factory Manager. The alternate members have the voting rights only in the absence of the principal member and in the order of priority indicated by the member at the time of nominating the alternate members.

OBJECTIVES OF THE ASSOCIATION

The Southern India Mills Association has adopted a large number of objectives so as to serve its members and the society at large. These objectives may be grouped into (i) promotion of trade/business and economic interests, (ii) research and development - scientific, technological, and

education, (iii) industrial relations, (iv) financial (taxation), (v) educational, (vi) lobbying or legal and otherwise matters, (vii) social and charitable, (viii) rural development, (ix) public relations, and (x) others. Though the Memorandum of Association has listed a large number of educational, social, charitable and rural development objectives, they are still in the book of Memorandum of Association. It is only now that the Association is planning to give effect to these objectives as a part of its Golden Jubilee celebrations commencing from Sep.83.

Only two of the objectives relate to industrial relations, one of them only partially. These are:

3. To create and encourage co-operative feeling and unanimity amongst the textile mills on all subjects connected with their common good and to secure good relations between the textile mills and their employees with a view to maintain industrial harmony and production of textile as a basic necessity of the society (emphasis added to indicate the relevant part).
4. To resolve disputes arising among members INTER SE or members and their employees and arrange for the parties involved in the dispute, willing and agreeing to submit to arbitration, such arbitration in accordance with the Arbitration Act.

It may be noted that various activities are undertaken in pursuance of these and other objectives. But before going into the details of the activities let us know the organisational and administrative structure of the Association.

ORGANISATIONAL AND ADMINISTRATIVE STRUCTURE OF SIMA

As per Rule 22 of the Memorandum of Association, the affairs of the Association are managed by a Managing Committee called 'The Committee'. This Committee consists of a Chairman, two Vice-Chairmen, 16 other members, 3 ex-chairmen of the Association immediately preceding the Chairman in office as ex-officio members. Thus the size of the Committee is 23 as at present. The Committee is assisted by a full time paid Secretary and a Joint Secretary, who in turn are assisted by seven officers and other staff. The office-bearers of the Association are elected by the General Body in its annual meeting held before 31st March of every year. The retiring members are eligible to seek re-election. The Chairman may hold the office for two consecutive terms of one year each. The Committee meets at least once a quarter while the emergency meetings

could be held with a three days' notice to the members

The Committee is empowered under Rule 32(1)(a)(i) to appoint the Sub-Committees of its own members and other members for special purposes and to delegate to such sub-committees such functions and powers as may be necessary. Important among the sub-committees are (1) the technical sub-committee, and (2) the Labour sub-committee. While the technical sub-committee takes care of the matters related to production, work load and rationalisation schemes of the member mills, the labour sub-committee deals with all labour problems of the member mills. The labour sub-committee is a body purely of the managers from the member mills. It is a platform to express freely the views and discuss the problems brought before the Association. This sub-committee meets regularly, i.e. at least once in two months.

The Association is represented on several of the governmental and quasi-governmental bodies such as: the Indian Cotton Mills Federation, the Standing Committee on Cotton of the ICMF Development and Research Association, Yarn Committee of the Cotton Textiles Export Promotion Council, Tamil Nadu Electricity Consultative Committee, Tamil Nadu Electricity Board's

Consultancy Cell (as a permanent member), the Tamil Nadu Textiles Committee on Labour Laws, Regional Advisory Committee of the Central Board for Workers' Education, the Committee on Industrial Relations Award Scheme, the Indian Standards Institution, the State Labour Advisory Board, the State Evaluation and Implementation Committee, the State Committee on Labour Welfare Board, State Committee on Subsidised Industrial Housing, etc. The Association has also formed a cotton development research association as a subsidiary organisation.

ACTIVITIES OF THE ASSOCIATION

The Association has a large number of activities adopted in pursuance of its objectives. These activities may be classified into: (1) Labour, (2) Taxation, (3) Commercial Services, (4) Industrial licencing and control of supply of cotton, (5) Finance, (6) Statistics, (7) Indian Standards, (8) Representation in other organisations, (9) Public relations and (10) Library. But a close study of the organisational structures, functions and the time spent by the executives reveals that the industrial relations and taxation are the predominant activities of the Association. Of the

seven officers, one is the Law Officer, three are industrial relations officers and one for helping the member mills in matters of taxation.

The activities of the Association in the area of labour are as follows:

1. To hold talks with recognised unions on labour matters at the mill level or on the industrywise basis on behalf of the mills which are members of the Association.
2. To decide on issues relating to the wages and work assignments for operatives and other staff with the approval of the managing committee of the Association.
3. To assist the mills to resolve disputes relating to labour and other categories of employees in the mills.
4. To advise the members on the wages and agreements and settlements and to inform the mills of decisions of courts.
5. To represent before the Tribunals, Labour Courts and conciliation authorities as and when required by the member mills and to

brief the advocates when cases are taken to civil courts.

6. Bonus negotiations.
7. To study the changing statutes and administrative policies of the central and state governments and to advise the mills on the same and to represent to the various commissions on labour issues whenever convened.
8. To represent in the various Employers' Organisations and to suitably represent the matters connected with the labour and industry and to represent at the various conferences summoned by the federation of employers and the government.
9. To represent the industry in various committees concerning textiles. To represent whenever necessary on the problems facing the industry to the central and state governments.
10. To collect labour data on the wages and allowances and information on strikes and lock-outs.
11. To maintain cordial relations between employers and employees.

The predominance of the activities related to labour, taxation, financial, industrial licencing and control of supply of cotton, representation to the Central and State Governments is natural and legitimate when we view them in the light of the fact that the members of the Association are private entrepreneurs who are primarily interested in enlarging the size of their share of the cake.

THE LABOUR AND THEIR ORGANISATIONS

Presently, the textile mills in Coimbatore employ second, third or fourth generation of workers drawn from the local community. But their ancestors were the migrants from the villages in and outside Tamil Nadu. Perhaps till independence the neighbouring states of Kerala and Karnataka continued to supply labour to the textile mills and factories in Coimbatore. Whether the first generation of textile workers came to Coimbatore seeking jobs during the 19th or 20th century, they are all encultured and integrated very well into the local society. Since the textile mills provide ample employment opportunities to women, they constitute a sizeable section of the labour force in the textile mills in Coimbatore. Though the labour

force consists of younger generation of workers, the level of education is still low in majority of the textile workers and especially among the women workers. The textile workers in particular and the industrial labour in general have been regarded as highly efficient as compared to their counterparts in other textile centres. These workers have been ungrudgingly accepting higher workloads, revised every three or five years with appropriate wage increase. Similarly, the efficiency and productivity of the workers in engineering and other industrial organisations has doubled over the last thirty years. This quality of the workers has facilitated the rationalisation of mills and factories at a faster rate. The experience shows that the industrial labour in Coimbatore are highly conscious of their rights and 'business-minded'; they calculate the probable gains they would get before accepting anything.

The industrial labour in Coimbatore is a highly organised section of the working class. In some mills and factories we find that the entire labour force is organised while in others more than sixty percent are the members of one or the other union. In other words the problem of multiplicity of unions is very much

prevalent in Coimbatore. While nine "recognised" trade unions, registered as district level organisations (besides half a dozen minority unions) are functioning in the textile industry, in other industrial organisations five to fifteen unions registered either as plant unions or district level unions are operating.

The workers in the textile industry were first organised in 1920. The Coimbatore Workers' Union, which was organised by V.O. Chidambaram Pillai and Ramaswamy Iyengar, was treated by the mill owners in a hostile manner that could be very well compared with the treatment meted out to the Madras Labour Union and Mr. B.P. Wadia by the management of Binny Mills, Madras. The Coimbatore Workers Union was registered only in 1931 with a membership of 244. But this registration was a short lived one, for the government cancelled the registration within one year causing dissatisfaction among the mill workers. Thus, this union had to face employers' strong opposition and resistance and the government's discouraging attitudes and approaches from the very beginning. Even in the absence of a registered union

sporadic strikes were organised during 1932-36, though unsuccessful.

Mr. Basudev, a Justice party worker from Madras, was successful in resurrecting the Coimbatore Workers Union in 1936. But he was not able to carry with him the local leaders. Mr. Basudev was more concerned about his political career with an eye on the Assembly elections. Often he was using strong arm tactics in handling the union affairs. The simmering discontent among the local leaders exploded when he signed a settlement with the mill owners bypassing the local leaders. When the attempt of the local leaders to censure him failed they walked out and formed the Socialist Workers' Union. The new union backed up the candidature of N.G. Ramaswamy who contested the election to the Madras Legislative Assembly as a candidate of the Congress party. Mr. Ramaswamy was a spinning master and belonged to the community of the mill owners. Hence, they also supported his candidature. After getting elected Mr. Ramswamy decided to associate himself with the Socialist Workers Union. Very soon he became the Vice-President of the union irking the millowners. It also marked the beginning

of a course of collision with the mill owners till his death in 1943.

Mr. Ramaswamy was the right type of labour leader to build up a popular and mass labour movement in the textile industry in the circumstances prevailed then. He had the necessary temperment to be accessible to the workers unlike his predecessors. The mill owners were trying to oppose and suppress all efforts of the workers and their unions to improve the working conditions, wages and job security etc. The mill owners strongly believed that they were doing a charitable act in running the mills and providing employment to the workers. They were consistently refusing to recognise the labour union while putting many impractical conditions. This attitude and approach of the millowners caused a number of prolonged strikes from 1937 onwards. The mill owners tried to break the strikes by employing outside elements. They were not prepared to negotiate with the union for a peaceful settlement; instead they preferred physical assaults on Mr. Ramaswamy and other activists. The government had to intervene to settle the difference between the two parties, but often these efforts were unsuccessful. Even when the government appointed a

Court of Inquiry to study the conditions existing in the industry and recommended the implementation of the findings of the Court of Inquiry, the employers did not give much importance to these feelings. Often the conflict between employers and the labour was not for getting some wages or other benefits or re-employment of dismissed workers but to establish the right of the unions to exist.

The Socialist Workers Union was not without factions. One section of the leaders were guided by the Communist ideologies while the main group was guided by nationalist-congress ideals. The strike in 1937 by the workers demanding the restoration of customary bonus given at the time of Deepavali gave an opportunity to the Communist faction to grab the union by electing a new set of office bearers of the union in an emergency general body meeting and renaming the union as the Coimbatore District Mill Worker's Union. This move of the communists resulted in the formation of another union after a month, namely, the Coimbatore District Textile Worker's Union, by the other faction lead by Mr. Ramaswamy marking the beginning of multiple trade unionism, inter-union rivalry, and conflict and violence in

industrial relations.

Till independence, the Mill Workers Union and the Textile Workers Union were the only two unions. They were non-competing since they had their own strongholds in the groups of mills located in different areas. Yet during late 1940s the rivalry between the two unions gave rise to frequent conflicts resulting in violence, physical assault on activists, and murders.

The period from 1952 onwards is marked by the origin and growth of many unions either due to the formation of national federations of trade unions and their affiliates at the local level mainly as splinter groups, or the regional political parties coming into existence with their own labour wings and forming the unions at the local level. Thus beginning in 1952, more than a dozen trade unions came into existence as district level unions by the end of 1979.

In 1952, the Congress sympathisers in the Textile Workers Union came out to form the National Textile Worker's Union when they failed to get the union affiliated to Indian National Trade Union Congress which was formed in 1948 because of the strong opposition from the other group. It was

also during this period that the regional political parties started being organised. The Dravida Munnetra Kazhagam was formed in 1950s with its labour wing viz. the Labour Progressive Front. The Labour Progressive Front organised the Coimbatore District Dravida Panchalali Thozhilalar Munnetra Sangham during 1957-58; it became one of the major unions in the region, gaining strength within a short period. During this decade itself the Coimbatore District Textile Worker's Union suffered another verticle split in its ranks. The president and the general secretary of the union had differences with other leaders of the union which prompted them to organise the United Textile Labour Association in 1957. This union, however, has not been able to enroll a large membership and become one of the major unions; at present it has a membership of only 3500 from a number of mills. But it has all along retained its image of a trend-setter and a genuine 'well-wisher' of the workers. Both the Textile Worker's Union and the United Textile Labour Association are affiliated to the same federation of trade unions, namely, Hind Mazdoor Sabha. Several times HMS had split into two organisations and reunited at the

National level HMS & HMP or HMS(K) & HMS(V), etc. But these two unions at Coimbatore have always remained separate, not influenced by the mergers of national factions.

During 1968 the Coimbatore District Mill Worker's Union had to suffer a verticle split following the split in the Communist Party of India and the formation of Centre for Indian Trade Unions by CPI(M). The CITU organised the Coimbatore District Mill Labour Union in 1968. Both the unions - the Mill Workers Union and the Mill Labour Union - have been able to enroll large membership. Similarly, with the split in the Congress party at the national level in 1969 and the subsequent infights among the office bearers of the National Trade Union Congress resulted in the formation of two factions in the National Tectile Worker's Union. One faction was in favour of continuing with the I.N.T.U.C. while the sympathisers of the syndicate (congress) were in favour of seeking the affiliation of the National Labour Organisation that came into existence in 1969 at Ahmedabad because of the split in the Congress party. The factional fight continued for some years without any organisational crisis.

But during 1973-74 the sympathisers of syndicate were able to have a complete control over the National Textile Workers' Union. Therefore, the other group organised the National Textile Employers' Union.

But both the unions still claim to have been established in 1952. Both the unions share the same building for their offices. The differences between the two unions became sharper with the establishment of the Janatha Party and formation of the Janata Party Government at the centre in 1979. At the local level, it appears that, the National Textile Workers' Union is relatively stronger than its rival.

The Dravida Munnetra Kazhagam also had organisational crisis in 1974 resulting in the formation of Anna Dravida Munnetra Kazhalagam by the then Treasurer of D.M.K. and a mass based popular leader Mr. M.G. Ramachandran. The new party also formed its labour wing, namely, the Anna Tbozhirsangha Peravai at the state level and various unions at the industry and local levels. Thus, in 1974 the Panchalai Anna Tozhir Sangham was formed at Coimbatore for the textile workers. With the backing from the ruling party, this union has been growing from strength to strength.

Towards the end of 1979 the National Textile Workers Union suffered a crisis leading to the formation of Bharatha National Textile Workers' Union by its general secretary. But this union has been the smallest union at the district level with a membership of 2,500; so also it is one of the minor unions in different mills.

Besides these major trade unions in the textile industry, during 1960s two more trade unions, namely, Coimbatore District N.G.R. Textile Workers Union and the Swatantra Trade Union had come into existence. Similarly, during 1971-72 seven unions were organised. These were: Socialist Textile Worker's Union, Textile Employees' Association, Coimbatore District Textile Staff and Jobbers' Union, Coimbatore District Staff Union, Coimbatore District Jobbers' Union, Panchalai Nirvaga Uliyargal Munnetra Sangham, and Tamil Nadu Textile Mills Electricians' Trade Unions. Though this list suggests that there are four or five unions for the staff and supervisors, they are not involved in negotiations after 1972, primarily because they are minority unions. These unions seem to be defunct in recent years. The important reason perhaps is the unwillingness of the staff employed in the mills to

be members of the trade unions. They are afraid of the consequences of incurring the displeasure of the millowners who are averse to trade unionism among the staff. Whenever an agreement is to be negotiated with the staff, five elected representatives of the staff are involved in the negotiations, invariably both the parties signing settlements. But it should be noted that in the NTC mills not only the staff and the supervisors are organised but also the managerial employees. Thus, in the entire industry only one officers' (managers) association has been functioning since last three years.

Trade unionism in textile industry reveals one important change. This is rather an attitudinal change on the part of the employers. The mill owners are reconciled with the right of the unions to organise themselves. They have granted de facto recognition to all the major unions operating in the industry or the mills in the area, and negotiate with them the issues arising out of employment relations. This change has come about mainly because of the realisation of the fact that both

can co-exist only in an atmosphere of mutual confidence and co-operation. Gradually the hostility has given way to mutual co-operation and accomodation.

Trade unionism in the engineering industry is broadly identical with the trade unionism in Textile industry. The Trade Unions are functioning both at the industry-cum-regional and the unit levels. The major trade unions are also affiliated to the same federations of trade unions - both national and regional. Lastly, almost same number of trade unions are found in the engineering and textile industries, i.e. 5 to 15. However, in this industry one would find that unions are organised by the employees of an organisation exclusively for themselves. But unlike the trade unions in textile industry these unions do not have very large membership. Even in the biggest of the engineering units the membership of any of the unions does not exceed 300, mainly because the engineering units, as a general rule, are small in size.

It seems that the AITUC took the lead in organising the workers in this industry in 1945. This was followed by another union by the socialists who organised the

Coimbatore District Engineering Workers Unions in 1947. Subsequently, the INTUC, the Labour Progressive Front, the CITU, the TNTUC, etc. organised their unions.

Whereas in transport and cement industries the workers are organised at the unit level. In these industries also multiple unionism is a general rule. Thus, in ACC cement factory, eight trade unions are operating while in the Asbestors Cement factory six unions are functioning. The ACC cement factory has recognised only the majority unions of the workers and the staff - one for each category - affiliated to AITUC and INTUC respectively. Recognising one union for one category of employees is unique to this organisation. It has been able to do so mainly because the negotiations on almost every issue is undertaken at the Company's level.

In the public sector transport undertaking there was only one union between 1971-80. But in 1980 the worker-members owing affiliation to the communist parties shouted slogan in favour of their respective parties which immediately resulted in the popularisation of the members and formation of eight (8) unions - six for workers and 2 for staff. Though this is

supposed to be the immediate disposing factor, the management's decision not to have extra-constitutional relations with the union consequent to an ugly incident in one of the depots (self-immolation bid by a worker) was responsible for politicization of the workers and formation of these 8 unions helping the political parties and their labour wings to make a dent on this organisation. The management has, however, not recognised any single union; all are invited for negotiations.

OBJECTIVES OF UNIONS

The trade unions in Coimbatore in recent years have re-formulated their objectives on more constructive lines. These objectives besides seeking to promote the economic and non-economic interests of the members and their dependents and good industrial relations, endeavour to promote good social relations among the workers, better inter-union relations and national interests by achieving socialism. To realise these objectives the trade unions have adopted various industrial and social programmes and activities. Besides, the routine and regular activities of helping the members to resolve their problems at the workplace, they have undertaken a few welfare activities such as running schools for

the children of the members, getting housing accommodation and promoting co-operative movement among the members.

ORGANISATIONAL STRUCTURE

The trade unions in textile and engineering industries, being district level organisations, have a different type of organisational structure - a three tier structure. At the mill/factory level there is a branch committee consisting of the members working in the concerned mill/factory. These branch committees have their office-bearers elected by the members of the union. Annually or biannually the members of the branches also elect one or two representatives to represent them and their branch at the district level. All such representatives constitute the general body of the union, which is commonly known as the District Council. The size of the District Council of any union does not exceed 115 including the honourary members. The District Council elects the office bearers and other members of the central executive committee.

OLIGARCHIC UNIONS

Though this three-tier structure suggests a highly democratic style of functioning within the union, as a general rule, we find that in each union the internal functioning is oligarchic. It is the president and/or general secretary who decide the matters or guide the decision-making in the manner they want. Often they take decisions on their own and get them ratified by the Executive Committee and the District Council whenever they are convened. It is little disturbing to note that some of these central leaders do not have confidence in the capacities of the lower level leaders and the members of the union. Yet it is a fact that many of the unit level leaders are emerging as the middle order district level leaders often representing the workers of other mills/factories on behalf of the central union. This has been possible because the branch committees have been given a certain amount of autonomy in negotiating with the mill/factory managements on local issues including the work load and wages affecting the interests of their members working therein.

INTER-UNION RELATIONS

The fact that the trade unions in the textile industry in particular and all the industries in general have been coming together in the form of a Joint Action Council to negotiate with the employers and the SIMA clearly indicates that the trade unions in Coimbatore have better inter-union relations. They co-operate with one another in settling the issues with either the individual employers in all the industries or the SIMA. Over the last 20 to 25 years this has become a general rule replacing the intense inter-union conflict that was very common during 1937-55. The rivalry, hostility and conflict that were characteristic of the early period of trade unionism in this centre are not exhibited and experienced today. It is only occasionally that the conflict among the unions erupts, but in a mild form, in localised issues that mainly affect the interests of the individual members, such as seniority, promotion, confirmation in service, absorption of badli workers, festival bonus, etc. Such situations have certainly resulted in the polarisation of unions to get 'justice' from the employers. At times there have been prolonged strikes also. But such conflicts have not

affected the formation of a coalition of unions on general issues.

It may also be noted that the unions are informally clubbed into communist and non-communist unions - the two blocks not co-operating with each other at times. Recently, the communist unions did not join the Standing Negotiation Committee formed at the SIMA level consisting of the representatives of both the parties, though they participated in the initial deliberations.

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Chapter 3.

THE BEGINNING & EVOLUTION OF COLLECTIVE BARGAINING

Once the organisation(s) of workers come into existence and start gaining strength the employers, sooner or later, are compelled to negotiate with the unions on various matters of mutual interest. The experience in Indian industries, however, indicates that the trade unions had to struggle hard to establish a bargaining relationship with the concerned employers. They had to face strong resistance - sometimes collective resistance - from the employers and opposition from the government interested in protecting the interests of the employers under the laissez faire policy. It was only when the unions and workers persisted in their efforts to get recognition from the employers that the latter started to take cognizance of the unions and talk with the representatives of the workers across the table. The experience at Coimbatore is not different from this general condition that prevailed elsewhere in the country.

Though the first textile mill was established in Coimbatore in 1888 and the workers organisation came into existence in 1920 (and that of the employers in 1933) the joint negotiations by the employers and the union seem to have started only in 1936-37. The Coimbatore Workers' Union established in 1920 was defunct between 1927-36 due to the employer's resistance and government opposition. It was in 1936 that Mr. Basudev, a Justice Party leader from Madras, resuscitated the Union and negotiated a settlement with the management. The contents and the coverage of the settlement are, however, not available (Ramaswamy: 18).

It was this settlement that brought to the surface the simmering discontent among the local leaders against the strong arm methods of Mr. Basudev which ultimately resulted in the formation of the Socialist Workers' Union in 1937. Though the office bearers of the Socialist Workers Union and the employers had identical national/political interests, the bargaining relationships did not take roots, for Shri N.G. Ramaswamy, whose candidature to the Madras Legislative Assembly was backed up by the millowners

since he belonged to the community), started taking keen interest in the welfare of the working class. His election as the Vice-President of the Socialist Workers Union marked the beginning of an era of confrontation and intense conflict between the mill-owners and the union besides resulting in the formation of rival unions, viz. Coimbatore District Mill Workers' Union and Coimbatore District Textile Workers Union in 1937 owing affiliation to the Communist and Congress parties respectively. The millowners employed all possible methods and tactics to break the trade union movement, including physical assaults on Mr. Ramaswamy. But when the Textile Workers Union succeeded in impressing upon the Government of Madras to appoint a Court of Enquiry under the provisions of the Trade Disputes Act, 1929 to remedy the deplorable conditions of textile workers in 1937 and getting a Report favourable to the workers, the millowners simply refused to accept the recommendations of the Court and enforce them. They continued to decide unilaterally the matters affecting the workers.

The end of World War II, however, brought about some change in industrial relations in the textile

mills in Coimbatore as it did elsewhere. It is gathered from the dissenting note of the labour representatives on the Tripartite Textile Enquiry Committee appointed by the Government of Madras in 1951 that the trade unions and the South India Mill Owners' Association had begun the practice of negotiating bipartite agreements during mid 1940s. In 1946 an agreement was signed by the South India Mill Owners' Association and the two trade unions stipulating that individual mills should not deal with the unions on labour matters and that the same should be left to the association for negotiations' (Government of Madras: 1953:115). It may further be noted that between 1946 and 1951 a few other agreements were negotiated. But these agreements were not respected by the member mills of South India Mill Owners' Association as was alleged by the Labour Representatives in their note of dissent. It was pointed out by them that the South India Mill Owners' Association was a loose unregistered body and that the collective agreements reached with the SIMA were not respected by the mills. The member mills were questioning the authority of the Association to act on their behalf on labour matters.

Despite this allegation of the labour representatives, it cannot be gainsaid that during 1940s and 1950s the employers' association negotiated with the trade unions the general issues based on the recommendations of Venkataramaiah Award of 1946 and the Tripartite Textile Enquiry Committee Report of 1953. The former was the outcome of the proceedings of a Court of Enquiry constituted by the Government of Madras on 5.7.1946 in response to the representations received from the Madras Provincial Trade Union Congress and other unions. This one-man Court of Enquiry was asked to enquire and report, inter alia, on the following matters:

1. Whether the conditions of service of the textile labourers in the Province are satisfactory. If not, what changes are needed with regard to (i) wages, (ii) leave, (iii) security of service, and (iv) effective production.
2. Whether provident fund and/or gratuity (or pension) should be made obligatory on all mills, and
3. Whether the existing statutory provisions relating to strikes and lock-outs are adequate; what provisions should be made for preventing unreasonable strikes and lock-outs and for a peaceful and speedy settlement of disputes between the mill owners and the workers.

The Tripartite Textile Enquiry Committee was constituted in 1951 on the basis of the recommendations of the Special Industrial Tribunal headed by Justice Shri. P. Rajagopalan, that the disputes relating to workloads, wage structure, leave facilities, etc. should be decided on an industry-cum-regional basis for all the textile mills in the state. This Tripartite Committee was, therefore, asked to "examine and enquire into the existing terms and conditions of employment for the workers in the textile mills in the state in respect of wage structure, dearness allowance, workloads, leave facilities, bonus, provident fund, gratuity, standardization of occupations security of service, classification of workmen, hours of employment, shift working, termination of employment, means of redress against unfair labour practices and treatment of wrongful exactions by the employer, compensation for involuntary unemployment, housing, labour welfare, labour-management relations with particular reference to internal joint machineries for prevention of disputes and promotion of settlement of minor disputes.

It may also be mentioned that the Government of Madras had appointed another Committee namely,

the Standardization Committee under the Chairmanship of Thiru Uthandaraman to look into the question of job classification.

Thus starting in 1937 various labour matters that could have been bilaterally negotiated and settled were left to the state to be decided on the basis of the recommendations of the Courts of Enquiry, industrial tribunals and tripartite committees. The basic reason being the reluctance of the mill owners to meet and talk with the labour representatives. According to Justice Venkataramaiah, who headed the Court of Enquiry, there was a total absence of opportunities, for the employers and employees to meet, discuss and negotiate agreements. "Somehow or other they do not meet and they do not appear to wish to meet even", thus wrote Justice Venkataramaiah. The millowners in general were not prepared and willing to be present even as 'observers' when the labour representatives were required to give evidence before him. The millowners were highly conscious of their 'superior' status vis-a-vis that of the workers and their leaders.

But when the Tripartite Textile Enquiry Committee submitted its report in 1953 with dissenting note of the labour representatives, the Government advised the mill owners in the state to settle bilaterally the matters relating to classification of workers, workload, wages, etc., the situation changed quite remarkably. The Millowners Association invited the three trade unions then operating in the industry in the region, viz. the Coimbatore District Textile Workers Union, the Coimbatore District Mill Workers Union and the National Textile Workers Union, for bipartite talks on wages, workload and other related issues. The negotiations were successfully conducted under the initiative and leadership of the then Hon'ble Secretary of the Millowners' Association, Shri. K. Venkateshulu. Undoubtedly, the labour unions also participated with equal interest. Resultantly, an industry-wide agreement was reached on 25.9.1956. This agreement, by and large, adopted the recommendations of the Tripartite Textile Enquiry Committee, and the Standardization Committee. It covered the issues such as occupational nomenclature, duties, workloads, gradations, basic wages, wage differentials

and production bonus of workers in 41 mills in Coimbatore District. The agreement classified the textile workers into 146 categories while grouping them departmentwise and skillwise. It also defined the duties of each occupation, the qualifications required, and the relation between jobs, the basic wages for each occupation listed but in relation to workload and efficiency, production bonus for spinners based on the number of spindles handled, reserve piecers and doublers.

This agreement attained great significance in the years that followed. It has been the basis for a number of agreements negotiated subsequently with regard to workloads, wages, etc. whether in individual mills or in general. The basic wages fixed through this agreement are still in vogue, of course, with subsequent additional components. More importantly, this agreement marked the beginning of a new era in collective bargaining and industrial relations not only in Coimbatore region but in the country as a whole. The fact that three trade unions and the Mill Owners' Association jointly negotiated this agreement was

in itself a great achievement when viewed in the light of the absence of necessary statutory provisions on collective bargaining and recognition of a bargaining agent. Knowingly or unknowingly the Millowners' Association and the labour unions had set a new pattern in collective bargaining, namely, the coalition bargaining. Coalition bargaining means bargaining by a group of trade unions forming a coalition to negotiate with a multi-union employer or a group of employers or with their association. More will be dealt with this subject later.

Ever since this agreement was signed collective bargaining in the textile industry in Coimbatore region has been growing from strength to strength. It is highly institutionalised despite the problem of multiple unionism and the absence of encouraging statutory provisions to recognise a representative union. In fact, the absence of statutory provisions to recognise the bargaining agent and to register the agreements have not been problems and/or obstacles in bargaining either at the association level or at the individual mills level. Coalition bargaining, wherein the trade unions form a Joint

Action Council has helped to solve the problem of recognising a representative union. Collective bargaining has developed to such an extent that even minor matters are negotiated with the employers and attempts are made to resolve them bilaterally before seeking **intervention** of conciliation officers. **More importantly, in mills like Coimbatore Spinning and Weaving Mills, the agreements reached are not registered with the government machinery. Instead mimeographed copies of the agreement are circulated among the trade unions and the workers, and enforced in all sincerity by both the parties. Whereas in other mills and at the association level the agreements are registered either as settlements arrived at in the course of conciliation proceedings or as the settlements arrived at in course other than conciliation, i.e. as either Sec.12(3) settlements or Sec.18(1) agreements.**

The development of collective bargaining since 1956 in the textile industry may be analysed in terms of collective bargaining at the association level, and collective bargaining at the unit/mills level. Furthermore, collective bargaining at the mills

level may be viewed in terms of comprehensive bargaining covering the entire mill, and sanctioned bargaining covering a section/occupational category within a mill. Collective bargaining at the association level has been instituted even prior to Independence while at the mills level only from 1960s, i.e. subsequent to the industry-wide agreement of 1956.

Collective bargaining at the association level has been regular and periodical. Since 1946 a large number of agreements have been signed by the trade unions and the mill owners' association on behalf of the member mills at an interval of 3 to 5 years besides accepting the tripartite settlements and arbitration awards. Every time a new agreement is negotiated by the Association a larger number of labour unions are involved as the negotiators and larger number of mills are covered. Unlike in the past the member mills of the southern India Mills Association have been showing greater faith and confidence in the Association and accepting the terms and conditions of agreements without any resistance.

Collective bargaining at the Association level has been able to introduce not only a kind of uniformity in labour and personnel relations in the member mills but establish good traditions and practices that have been quite novel and have set new trends and patterns of collective bargaining reflecting the level of maturity attained in labour-management relations.

In terms of subject matters covered, collective bargaining at the Association level is of two types: (1) bargaining for wages, allowances, work assignment, job classification, duties and qualifications of workers and all other non-monetary or personnel matters, and (2) Bonus negotiations. Negotiations for wages, work assignments, etc. have been held following the recommendations of the tripartite bodies such as the Tripartite Textile Enquiry Committee, the Court of Enquiry, and Tripartite Wage Boards. Thus the negotiations were held in 1956, 1957, 1960, 1962, 1969, 1970, 1972, 1974 and 1979. The parties negotiated two agreements each in 1969 and 1979. As has been mentioned already the 1956 agreement was very comprehensive and a turning point

in the history of collective bargaining in particular and industrial relations in general. During the subsequent year, i.e. 1957, an identical agreement was negotiated by the Coimbatore District Textile Jobbers' Union with the South India Mill Owners' Association covering the first line supervisors namely, the Jobbers, Maistries, Oilers, etc. laying down the duties, qualifications, job assignments, wages, production bonus, etc. besides classifying these supervisory staff. This settlement was signed with retrospective effect in terms of wages and prospectively with regard to work assignments and workloads. This agreement was also based on the recommendations of the Tripartite Textile Enquiry Committee Report of 1953.

When the First Wage Board for Textile Industry submitted its report in 1960, the implementation of its recommendations gave rise to a dispute. The mill-owners were not willing to accept the recommendations in their totality, for according to them the mills were not in the same conditions - the mills were grouped into old mills and new mills; the mill-owners were not willing to accept the

recommendations for the new mills. Whereas the trade unions were pressing for the acceptance and implementation of the recommendations of the Wage Board. These divergent stands of the Mill Owners' Association and the trade unions, resulted in an agitation by the workers. Since the agitation was prolonged the state government intervened in the matter.

The trade unions however, came together to negotiate a settlement. The negotiations resulted in a compromise settlement providing for wage increase, fixed and variable dearness allowance differently for workers and staff employed in old and new mills.

It also provided for the appointment of bipartite committee to settle the matters related to rationalisation finding which to refer the matter for arbitration by an Umpire. According to this settlement the wages of workers have been shown in four components: (1) basic wage, (2) Wage Board increase at two points of time, i.e. ₹.8/- from 1-1-1960 and ₹.8/- plys 2/- from 1-1-1962, (3) fixed dearness allowance, and (4) variable dearness allowance. This break-up of wages still continues, of course, with subsequent additions.

The rationalisation issue left to be decided by a Tribunal was, however, settled amicably in 1962 through the mediation by the then Finance Minister, Government of Tamil Nadu, and the Commissioner of Labour, laying down the work assignments, work load and wages rates for spinners, piecers, doffing boys, etc.

Similarly, when the Second Wage Board for Textile Industry submitted its report towards the end of 1968 and the Government of India accepted the majority recommendations on 7th May 1969, the National Textile Workers' Union demanded the implementation of the recommendations of the Wage Board. Though the matter was taken up in conciliation by the Special Deputy Commissioner of Labour, the parties negotiated the issues bilaterally and arrived at an agreement. The negotiations were conducted by the Negotiating Committee of the South India Mill Owners' Association and six (6) trade unions viz. National Textile Workers' Union, Coimbatore District Textile Workers' Union, Coimbatore District Dravida Panchalari Tozhilar Munnetra Sangham, Coimbatore District United

Textile Labour Association, Coimbatore District NGR Textile Workers Union, and Swatantra Trade Union. The agreement was signed on 5.9.1969 in the presence of the Special Deputy Commissioner of Labour as a settlement arrived at in the course of conciliation proceedings. This 'settlement' provided for dearness allowance and its merger with the basic wages, linking revised wages to productivity, annual increments, gratuity and rationalisation. As for the issue of rationalisation was concerned, it was agreed to request the Government of Tamil Nadu to constitute a permanent expert Committee consisting of the Deputy Commissioner of Labour as its Chairman and two representatives of the South India Textile Research Association - a textile technologist and an industrial engineer. It was further agreed that the disputes regarding rationalisation should be referred to it by the management or the union(s) concerned and its decision to be final and binding on the parties concerned and workers of the mills. This agreement covered 52 mills. In respect of four (4) mills it was agreed to hold separate negotiations. This agreement was signed for a period of five (5) years with effect from

1.1.69. It was also agreed that during this period of five (5) years, no demand for revision of the matters covered by the recommendations of the Wage Board be raised by the unions.

The Mill Owners' Association and the unions agreed through a settlement dated 26.12.1962 to leave the question of wages for different categories of workers employed in 11 new mills to be arbitrated by the then Chief Minister, Mr. M. Bhaktavatsalam. Accordingly, the Bhaktavatsalam award was given on 20.12.1963. After 7 years of this award, in early 1970 the trade unions demanded the revision of wages in the new mills. But the negotiations failed. Hence, strike notices were served by the National Textile Workers' Union and the Coimbatore District Textile Workers Union on 30.3.1970. Despite the strike notices, the representatives of both the parties held negotiations at the Association level with a view to evolving general norms of work assignments and wages for implementation in those mills, to secure uniformity in the matters, and to avoid inter-mill disparities. The parties arrived at an agreement on 23.7.1970 after prolonged negotiations. This agreement sought

to link workload and piece-rate wages in different departments. It made a provision for unit-level settlements following the norms evolved while stipulating that the settlements arrived at the unit level would be for a period of 5 years.

Despite the agreement that between 1.1.1969 and 31.12.1973 there shall be no demand for revision of wages and allowances, the unions demanded revision of wages and dearness allowance, recruitment of relatives of the employees, occupational wages, filling of vacancies, subsistence allowance to workers under suspension, protection to women employees, bonus for supervisory staff, anomalies in the implementation of the Second Wage Board recommendations, increase of workload, age of superannuation, etc. The Charter of Demands covering these subjects was submitted to the employers and their association on 7.12.71 following which the negotiations were held at the association level. But there was no meeting of minds on any issue resulting in strike from 12.2.72 for four weeks. During the strike period, the conciliation proceedings were instituted and

finally the parties reached an agreement on 9.3.72. Important among the terms of agreement were that the issue relating to revision of basic pay and allowances was left to be decided in six months time by a Conciliation Board presided over by an independent chairman and 7 representatives of workmen and 7 representatives of employers as members of the Board; that the Commissioner of Labour would go into the issues relating to annual increments and fixation of wages on promotion as well as age of superannuation; and that the rationalisation Committee appointed under the Wage Board agreement in 1969 would go into the rationalisation issues and give its decision. Another term of agreement with far reaching consequence was that the parties agreed to give preference to the heirs of the existing employees provided they were suitable as per the existing practice. This clause in the agreement has given rise to problems in a few mills; in one case the matter was taken to High Court and the management was able to get a favourable decision; and in another case the management refused to go by the spirit of the clause despite a settlement.

The question of wage revision once again figured in 1974 resulting in a dispute and a strike for four weeks in February 1974. The labour unions had raised a 10 point charter of demands affecting about 1 lakh workers in the region. The matters were negotiated bilaterally and an agreement was reached on 28.2.74. The South India Mill Owners' Association, on behalf of its members, agreed to effect an upward revision in wages and dearness allowance in two instalments - Rs.7.50 from 1.1.74 and another Rs.7.50 from 1.1.76. The variable dearness allowance was increased to 29 paise per point above 340 points of Madras City cost of living index (old series) from 1.1.74 and to 30 paise per point from 1.1.76. The agreement also provided for an ex-gratia payment of Rs.200/- to each worker and to treat the period of strike from 1.2.74 to 1.3.74 as leave with wages to the extent the employees had that kind of leave to their credit. The agreement was signed for a period of four (4) years. More importantly, it was agreed that the mills in co-operative sector as well as the NTC mills should also implement the agreement, though the latter group of mills were not members of the South India Mill Owners' Association.

This agreement was an 18(1) settlement, but the parties decided to file it as a Joint Memorandum before the Special Industrial Tribunal to get a consent award since the matter was pending with the Tribunal for adjudication.

A similar situation arose in 1979. The demands of the trade unions for an upward revision of wages and allowances, annual increment, casual leave, duration of shift, etc. When the negotiations failed, the labour unions served a strike notice on 23.4.79. The negotiations held after serving this notice also failed. So, the workers went on strike from 25.5.79 for 54 days. The Government of Tamil Nadu referred the dispute to Special Industrial Tribunal when all conciliatory and mediation efforts failed - even the Chief Minister of the state tried his best to mediate. The trade unions boycotted the proceedings before the Tribunal and continued their agitation pressing the SIMA to come for negotiations. Fresh negotiations were successful in arriving at an agreement. The terms of this agreement provided, firstly, for an additional monthly basic wage of Rs.45/- per worker, which, however, was not to be taken into account for calculating any

special allowance or payments calculated as a percentage of or as related to basic wages except for incentive payment, bonus and gratuity. The dearness allowance was increased to 31 paise per point above 100 points of Madras cost of living from 1.1.79 and to 32 paise per point from 1.1.81. The annual increments for workers not on time scales @ 2% of the wages including Rs.45/- to be paid as per the new agreement from 1.1.79, and for jobbers, maistries and allied workmen @ 1% of the wages. Fourthly, it was agreed to provide for 2 days casual leave for all those workmen having completed 240 days of continuous service in a calendar year. Fifthly, it was agreed to pay full basic wages and dearness allowance for working in shifts of less than 8 hours duration. Sixthly, the managements agreed to treat the strike period as leave with wages provided the workers had leave to their credit; no wages for the strike period, and no disciplinary action to be taken against any workman for having participated in the strike. This agreement was presented to the

Special Industrial Tribunal for an award though the proceedings before the Tribunal were boycotted by the labour unions.

BONUS NEGOTIATIONS

Collective bargaining at the association level is much more effective and mature as for the Bonus negotiations are concerned. Bonus negotiations have been going on since late 1940s. The quantum of bonus till 1955-56 was decided on arbitrary basis through bipartite negotiations. The labour unions, it is said, used to demand bonus equivalent to the wages for 6 or more months. But when the Labour Appellate Tribunal Formula, was endorsed by the Supreme Court, was available, the parties adopted it. A senior labour leader in the textile industry claimed that even the LAT Formula of bonus was adopted with modification, so as to enable the workers to get higher bonus.

The Mill Owners' Association and the labour unions were able to evolve their own formula in 1966 to settle the payment of bonus for 1965. The quantum of bonus payable for the year 1965

was negotiated with the labour unions by the SIMA. With a view to reaching a final settlement in the interest of maintaining production and peace in the industry in the region, the parties evolved an ad hoc basis for arriving at available surplus 'on the strict understanding that such payments should not constitute a precedent and should not be interpreted as watering down the respective stands of parties on the issue of bonus at All-India level'. It was also agreed that this ad hoc basis was not to be spelt out in the settlement, that only the liability of each mill to be expressed as percentage of earnings. The quantum of bonus was determined to be 4 per cent of the total earnings or 10 per cent of the basic earnings whichever was higher. According to a clarification issued by the Association (on October 18, 1966) the term total earnings was to be interpreted in the same fashion the term 'salary' or 'wage' is defined under Sec. 2(21) of the Payment of Bonus Act, 1965. While calculating the amount of bonus on the basis of total earnings four types of earnings were to be excluded:

- (i) over time wages, (ii) lay-off compensation,
- (iii) production bonus and (iv) conveyance allowance.

Similarly, in calculating the amount of bonus on the basis of basic earnings three types of earnings were to be excluded - lay-off compensation, over time wages, and dearness allowance paid to the clerks (of ₹.7.50. ₹.15/- and ₹.22.50). Furthermore, when bonus for the year 1967 was determined following the same ad hoc basis, the payment of night allowance was also excluded. It was also clarified that the payments to be excluded in either kind of payment were not an exclusive list.

Though the parties agreed that the basis for finding out the available surplus was an ad hoc arrangement, it was transformed into a formula and followed in subsequent years to determine the available surplus, allocable surplus and the quantum of bonus. Furthermore, though the ad hoc basis was not to be spelt out in settlements it had to be put on paper informally for the guidance of the Chairman of the Association at a later date as well as for the guidance of the Negotiating Committee. A Background Note was prepared for the perusal of the Chairman sometime in 1973. The formula given in this note is quoted below.

"Prior to the legislation of Bonus Act in 1965, the bonus payments for textile mills in Coimbatore were made on the basis of bipartite negotiations with the unions. The Bonus Act was legislated in 1965 based on the report of the Bonus Commission (1964) constituted by the Government of India with Shri M.K. Meher as chairman. The bonus for the years 1963, 1964 and 1965 was settled by mutual negotiations and a settlement was reached under Sec. 34(3) of the Payment of Bonus Act, 1965. The formula adopted was different from the formula stipulated in the Bonus Act. The same procedure was followed for the years 1966 onwards till 1972, (emphasis added).

"However, for the year 1969 (1969-70) and for 1970 (1970-71) the bonus was calculated on the basis of the SIMA formula and 1% additional payment (subject to statutory maximum of 20%) was also made."

The SIMA formula had the following deviations from the Bonus Act.

1. Return on Capital reduced from 8.5% to 7.5%.
2. Return on reserves reduced from 5% to 4%.

3. No claim of development rebate.
4. Income tax only Notional.
5. The principle of set-on and set-off though preserved under past settlements, have not been claimed.
6. Balance sheet as certified by auditors is final.

This formula helped to boost the allocable surplus enabling the workers to have larger sums of money as bonus.

A deviation from this formula was made when the bonus for 1968 was to be calculated. During these negotiations the labour unions insisted that the formula in existence should be revised putting forth two reasons -- (1) the trading results of most mills in the year 1968 were not satisfactory, and (2) the Payment of Bonus Act was amended in 1968 to give the benefit of tax rebate on the bonus amount paid during the preceding year. Due to the firm stand taken by the unions on revision of the existing formula relating to return on equity capital and reserves for 1968, the employers conceded the demand and adopted a new basis for that

year with an understanding that it would not constitute a precedent for future years. The unions also demanded the payment of an advance by all those mills where the workers would get less than ~~one month's~~ wages as bonus, but more importantly, dropping of the principle of 'set-on' and 'set-off'. The Communist unions adopted different stands - while one union refused to participate in the negotiations unless an additional 10% was paid as bonus, the other union refused to sign the settlement if the quantum was to be only 4% - the statutory minimum. This situation forced the employers' representatives to adopt a liberal stand, which is clear from the note circulated on 15.10.1969. "It appeared as if no settlement would be reached and after carefully considering the overall picture created by the likely resistance of the Communist unions and the necessity to reach a settlement and secure peace, it was finally agreed that mills which had made profits (after provision of depreciation) but pay only 4% bonus, would pay an advance of Rs.80/- to each worker in addition to the bonus amount. In respect of mills which had no profits (after provision of depreciation) it was agreed that the Association would send a circular to such mills

recommending payment of .40/- to each worker as advance". The advance amount was to be recovered in four installments. But it may be noted that whenever such advances are paid to the workers either to supplement the bonus amount or in lieu of bonus, the actual recovery has not been done.

For the year 1971 (1971-72) bonus was calculated on the basis of the SIMA Formula and in addition, each workman was paid an additional ex-gratia sum of 10 paise per day of attendance during the bonus year. Similarly, for 1972 and 1973 deviations were made. In 1972, bonus was calculated on the basis of the SIMA formula but adding back the provision made for funding gratuity for the service preceding the bonus year to the profit for purposes of calculation of bonus. Further, it was agreed to make an additional payment in the following manner:

<u>Bonus Liability of the Mills</u>	<u>Additional Payment</u>
8.33%	3%
8.34 to 14.99%	4%
15 to 20%	5%

In 1973, through the mediation of the then Chief Minister Mr. M.Karunanidhi and Minister for

Labour, it was agreed to pay bonus as was paid for 1972 and a further additional adhoc payment of 10% of the wages earned by each workman to enable them to meet the festival obligations. These adhoc payments over and above the actual bonus liability gave rise to disputes when the DMK Government was out of power. Some managements recovered the adhoc sums paid to the workers, which was resisted by the labour unions. The labour unions sought legal remedies to stop the employers from recovering the adhoc sums paid. Finally, the matter was settled in Jan 1980 through bipartite negotiations. According to this bipartite settlement the managements, through the Association, agreed to treat the sums paid as bonus for the respective years in full and final settlement of the bonus claims of the workers for those years; they also refunded the amount recovered from retired workers.

During 1975-77 collective bargaining for determining bonus issue took a back seat since the Government of India had declared the national internal emergency and promulgated an Ordinance on Payment of Bonus. This Ordinance brought down the

statutory minimum to 4% and did not permit to have negotiations under Sec.34(3) of the Payment of Bonus Act, 1965. Taking advantage of this Ordinance, the individual mills themselves negotiated the bonus issue with the unions and settled the matter purely within the framework laid down by the Ordinance of 1975. For the accounting year 1975 bonus was not negotiated even under the Payment of Bonus Ordinance 1976. The mill managements argued that they had incurred heavy loss because of which there was no surplus profit to pay bonus. At this juncture the Government of Tamil Nadu (which was then under the President's rule) appointed a Tripartite Bonus Mediation Committee under the auspices of the State Apex Body on Industrial Relations. This Committee consisted of 5 members - Mr. G. Ramanujan as the convener and 4 members representing the millowners and workmen equally. After taking into account the 'critical' financial conditions of all but 8 mills, the Committee recommended the payment of a recoverable 'festival advance' equal to 1/2 month's wages so as to 'help' the workers to meet the festival obligations. It is said that the trade

unions advised their members to accept the 'festival advance' since they were not in a position to agitate.

The situation did not change even for the bonus year 1976. The member mills themselves negotiated the issue on the basis of the bonus liability worked out by the SIMA officers for each of the member mills in Coimbatore, i.e. 56 mills. The only gratifying fact was that the workers got bonus instead of 'festival advance'; and that the quantum of bonus was more than the statutory minimum of 4%. The amount of bonus paid for the year 1976 varied between 8.33% to 20%. The workers of one mill got one per cent in kind over and above 20%, while the workers in another mill got only Rs.250/-.

Lifting of national emergency and the formation of a new government at the centre in 1977 once again changed the situation. Bonus negotiations were once again transferred to the association. The SIMA initiated the negotiations following strike notices from different trade unions. The parties agreed to work out the bonus liability as per the procedure laid down by the Bonus Act. But with a

view to ensuring uninterrupted service the millowners agreed to make additional payments over and above the actual liability of the mills. The actual bonus liability and corresponding additional payments were as follows:

<u>Bonus Liability</u>	<u>Additional Payment</u>
1. Mills having bonus liability upto 3%	8.33% + 3% additional
2. Mills having bonus liability above 3% but upto 8.33%	8.33% + 4% additional
3. Mills having bonus liability between 8.34% to 9.99%	Actual Liability +5% additional
4. Mills having Bonus liability between 10% to 14.99%	Actual liability +6% additional
5. Mills having Bonus liability between 15% to 20%	Actual liability +8% additional

This was again a departure from the statutory formula but within the legal framework. It was a bipartite agreement but the parties resolved to sign it as a settlement under sec. 12(3) of the Industrial Disputes Act, 1947. While the bipartite agreement was signed on 13.9.1978, the 12(3) settlement was signed on 7.10.78. This agreement,

however, was in effect for only one year. In response to this settlement, the trade unions assured the Mill Owners' Association that there would not be any demand or strike or any other direct action in respect of bonus in any of the 60 mills covered by the agreement. In 1979 a further departure was made. Hitherto the bonus issue was being decided on a year-to-year basis following the formula evolved in 1966. But in 1979, keeping in view the 54 days' strike for revision of wages and dearness allowance, the parties negotiated an agreement evolving a new formula to be applicable for a period of three years. It was also agreed that every year the bonus liability should be worked out on the basis of the balance sheet and work sheets of the mills. The formula evolved this time had two important features: (1) to adopt the statutory procedure to determine the available surplus, and (2) to pay 60% of the allocable surplus as an 'additional payment'. In other words, 96% of the allocable surplus was agreed to be paid as bonus as against the statutory 60%. Every mill, therefore, was required to make an 'additional payment' of 60% over and above the

actual liability. Bonus for the years 1978, 1979 and 1980 were calculated following this formula. Thus the bonus payments for the period 1978-81 ranged between 12% to 32% of the earnings of the workmen. The actual amount of bonus paid for the three years differed to the extent the gross profits of the mills varied from year to year.

This was purely a bilateral agreement and was registered as a settlement arrived at in the course other than conciliation for the purpose of Sec.18(1) of the Industrial Disputes Act, 1947. In fact, the parties wanted to sign it as a 12(3) settlement. But the conciliation officer did not agree to the request of the parties on the ground that the conciliation proceedings were not instituted by him either on the request of either party or as a consequence of a strike notice/strike. But it is gathered that the formula evolved was outside the statutory framework hence, the conciliation officer (and the Government) did not want to be a party to the formula.

the new formula and the agreement for a period of three years clearly reflected the goodwill on both the sides. This goodwill helped the parties to resolve the disputes on bonus for 1972 and 1973 which were pending in adjudication for determining the question of additional payments made on the advice of the Commissioner of Labour in 1973 and the Chief Minister of Tamil Nadu in 1974. When the negotiations for bonus for 1978 were taken up in 1979, the trade unions demanded that these two disputes should be resolved at the negotiation table by treating the additional payments made as bonus in full and final settlement of the bonus claims for the two years. The matter was, however, not clinched immediately. The SIMA negotiating committee promised to consider the issue, after consulting the General Body of members. Accordingly, the concurrence of the General Body was obtained in an extra-ordinary meeting convened for discussing various issues relating to payment of Bonus. The parties could sign a bilateral agreement on January 24, 1980. The Short Recital of the Case stated that 'As the disputes are pending for long,

the parties desired an amicable settlement in view of the settlement dated 12.10.79 relating to bonus for the year 1978 (1978-79), have reached the following agreement. It is agreed that the amount already paid as per settlements dated 10.10.73 and 11.11.74 should be deemed to be final and there shall not be any recovery by the managements for there shall be any further claim by the workmen over and above the amount already paid. However, this was subject to the settlements already entered on this issue between individual mills and workmen at the unit level.

It was further agreed that no issue covered under the Industrial Disputes 16 and 17 of 1976 pending before the Industrial Tribunal need any adjudication in view of this settlement. Hence, the parties agreed to file the settlement before the Tribunal praying for an award that the issues pending disposal before it have been settled. Thirdly, in view of the good will and gesture shown by the managements, the unions assured uninterrupted and smooth working of the mills; they also agreed to extend co-operation in rationalising the workloads wherever possible.

The Mills which signed bilateral agreements writing off the additional payments made in 1973 and 1974 were the PFD Textiles, DL Mills, Gotari Mills No.1 and 2, and PR Mills. The PFD Textiles was celebrating its 25 years of existence in 1979. Hence, the management of the mills entered into a 12(3) settlement on 12.12.78 with 6 trade unions agreeing to treat the adhoc payments made in 1974 (as per the 11.11.74 agreement) as an incentive payment for the year 1978. The DL Mills had entered into an 18(1) settlement on 2.3.79, settling the bonus issue for 1972 and 1973 once for all by way of not recovering the advances and adhoc additional payments made during those two years. The PR Mills agreed to treat the 10% advance paid for the year 1973-74, as per the Chief Minister's directive, as bonus paid for the year 1973-74, through a 12(3) settlement entered with 5 trade unions on 31.10.77. This was, however, agreed as a part of the bonus settlement for 1976-77.

Whereas the Gotaris signed an agreement on 4.11.78 under Sec. 18(1) of the Industrial Disputes Act, 1947, in response to the request from 8 unions operating in the mills, to treat the 6% adhoc payment made in addition to 8.33%

they argued that firstly, the Payment of Bonus Act does not permit payment of bonus over and above the statutory liability; secondly, no income tax rebate is given by the Government under the Income Tax Act for the excess amount paid as bonus or 'additional payment'; and thirdly, the mills were being run under market constraints and power shortage resulting in loss. The trade unions, on the other hand, adopted the stand that payment of bonus with the additional payments to the extent of 60 per cent of the actual liability had become a customary practice which must be continued. The Government of Tamil Nadu intervened when the bipartite negotiations reached an impasse and advised the SIMA to pay bonus as per the 1979 agreement as an interim payment and await the award of the Special Industrial Tribunal. The mills had to accept this advice and paid bonus. In the meantime some trade unions went in writ petition to the High Court praying for a stay of the proceedings before the tribunal. The matter therefore, is pending a decision.

These bonus agreements especially since 1966 clearly indicate the mature approach of the parties

bonus for the year 1973-74. The management agreed not only to write off the additional payments made for both the years but also to pay an additional 3.66% as bonus in full and final settlement of the bonus claim for the year 1973-74 in view of huge profits earned by the Mills during the year 1973-84. The workers thus received 28% bonus for that year. The benefit of this agreement was also given to the retired workers by refunding the recovered amounts and making the additional payments of 3.66%. The parties also agreed to file the agreement before the Industrial Tribunal Madras since the Mills were a party to the Industrial Disputes 16 and 17 of 1976 and prayed for an award in terms of the settlement.

During 1980 the Payment of Bonus Act was amended imposing restrictions on Payment of Bonus over and above the bonus liability determined as per the statutory procedure and also to negotiate bonus under Sec.34(3) of the Act. Though the millowners were not eligible to claim income tax exemption for the excess amount paid as bonus, the payments were made as per the 1979 agreement.

to the issues based on bilateral negotiations. It may, however, be noted that the employers have been concerned more about the maintenance of production and peace in the mills while the labour unions have been concerned with getting a larger sum of money as bonus year after year. The trade unions have been successful in achieving their objective except when they were extremely helpless, i.e. during 1975-77. Only once the trade unions went on strike to get their demands conceded.

The bonus issue for 1969, 1970 and 1971 resulted in disputes because of the Central Government's adhoc policy on the subject. The then Union Labour Minister Mr. RK. Khadilkar sought to raise the statutory minimum bonus from 4 to 8.33% giving hopes to the workers in the country as a whole that the floor and the ceiling on bonus would be raised substantially. The trade unions in Coimbatore, therefore, demanded a minimum bonus of 8.33% and a higher bonus in case of all those mills having a higher liability. But the millowners were not willing

to concede the demand. The issue, therefore, resulted in a strike which was settled through the intervention of the District Collector and the Commissioner of Labour on 20.10.1971. The matter was finally settled on 19.10.1972 through the mediation of the Commissioner of Labour and the Secretary to the Department of Labour, Employment and Training at Madras. This settlement provided for the minimum 8.33 per cent bonus in case of those mills having no or minimum liability and higher bonus in case of those mills with a liability exceeding 8.33 per cent. In addition to this, it was agreed to make an additional ex-gratia payment of 10 paise per day of attendance during the bonus year to each worker qualified to receive bonus. It was also agreed that the terms of agreement should be subject to a decision by the Government of India based on the recommendations of the Bonus Review Committee. Regarding the bonus for 1970 it was agreed by the parties not to recover the advance paid to bridge the gap between actual liability and 8.33 per cent as per the recommendations of the Government of India.

The fact that over a number of years the SIMA formula was in existence and bonus was paid over and above the statutory liability has helped the trade unions to strengthen their bargaining power. The Government of Tamil Nadu having realised the customary nature of bonus payment had advised the millowners to continue to pay bonus on the basis of previous agreements whenever the matter was under dispute. The bonus formulae evolved bilaterally in 1966, 1972 or in 1979 clearly indicate the nature of collective bargaining relationships the parties have and their desire to settle the matter bilaterally instead of leaving it to the third party. That the trade unions have had a stronger bargaining capacity with regard to bonus is also clear from the fact that in a few mills they were able to get bonus at a much higher percentage than was provided under the 1979 agreement. It was gathered that 8 mills had paid more than 32% of the wages earned by the workers as bonus and additional payment. A few mills signed bonus agreements on their own for the period 1978-81. In 1982, two mills signed agreements with the

labour unions providing for bonus in full and final settlement of the claim for bonus from 1981 as per the 1979 formula in preference to dragging on the issue through a legal battle and losing production consequently. The management of these two mills was convinced that sooner or later the labour would stand to gain as in the past.

UNIT LEVEL BARGAINING

The industry-wide agreements signed in 1956 and 1960 rather provided the basis and motivation to unit level bargaining on the same subjects during 1960s. Many prosperous managements had started modernising their mills. The modernisation of mills necessarily introduced higher workloads. The co-operation of the workers had to be enlisted if the modernisation schemes were to be a success. Hence, the modernising mills started the practice of bipartite negotiations with the unions for higher workload while granting an upward revision in wages. The trend was set perhaps by the Pioneer Mills in 1961. Since then many mills have negotiated the bipartite agreements with the labour

unions as and when they have modernised. Different mills have, however, started modernising in different years depending upon their financial position. During the 1960s about 60 per cent of the mills had introduced rationalisation schemes, while another 30 per cent followed suit during the 1970s. The process of modernisation has been partial and periodical, i.e. every 5 to 10 years old machines are replaced in different sections of the mill and agreements are negotiated for those sections.

Though the negotiations are held at both the levels - mill and association - for a wage revision and higher workload since 1956 there has been a basic difference between the two. The millowners' association negotiates with the trade unions on these subjects whether the member mills have modernised or not, primarily to provide a general revision of wages and allowances in the light of increasing cost of living. Whereas the individual mills negotiate higher workload linked to wages only when they take up rationalisation of the mill wholly or partly. They do not authorise the association to negotiate on behalf of them

for determining the workload since new technology and working conditions are difficult to be comprehended by outsiders including the office bearers of the association. It is, however, a fact that the mills often seek the help from South India Textile Research Association to resolve the technical difficulties in negotiating for higher workload.

Rationalisation of mills, however, has been piece-meal. At a time only a section of the mill is modernised and it would not be touched for next 10 or more years. Therefore, once a settlement is reached, fresh negotiations do not take place till a new set of machines are introduced. In such situations the old agreements continue to be in force, of course, with the general increase in wages and allowances settled at the association level. For instance, the PN mills, SRK mills, the RL mills, the Gotaris, the LT mills, etc., have been negotiating agreements periodically at the unit level as well as implementing the settlements signed by the SIMA on behalf of all the member mills. During the last 15 to 20 years a large number of agreements/settlements are signed by these mills covering different sections or departments and different categories of employees

such as electricians, jobbers, supervisors, clerical staff, etc., (a detailed analysis of this kind of bargaining and agreements will be attempted in Chapter 6). The labour unions have acquiesced into these practices, for they know that even when a new agreement at the unit level is not negotiated with the SIMA on behalf of all the mills benefiting every worker whether covered by a sectional agreement or not.

As we have already observed, a new mill in Coimbatore have been negotiating agreements with the labour unions the issues that affect all the workers employed in their respective units. The best example is the bonus negotiations since 1976. In fact, these negotiations were necessitated by the incomplete mediation by the Commissioner of Labour in 1973 and the Chief Minister in 1974. The prosperity of the mills also motivated the labour unions to demand better benefits. In 1979, after signing an agreement with the SIMA on bonus ranging from 12 to 32 per cent, the labour unions demanded still higher bonus in 8 mills, for they believed that they had earned huge profits. These mills did concede the demands. Thirdly, the desire

of the millowners to ensure uninterrupted working of the mills has motivated them to negotiate the bonus issue whether there was a common agreement or not. For instance, when the bonus negotiations for the accounting year 1981 failed at the association level and the trade unions went in a appeal to the High Court of Madras against the reference of the dispute for adjudication, the management of the K & K mills came forward to have a bilateral agreement in full and final settlement of the claim of bonus, subject to adjudication award, with five trade unions operating in both the mills. It is also learnt that after 1979 agreement some of the leading mills have been negotiating their own agreements on bonus.

Besides such general issues almost every mill in Coimbatore negotiates issues such as promotion, seniority, confirmation in service, festival bonus, etc., that affect all the workers. In such situations ordinarily the demand notice is served by one or two unions to begin with. But when the issue results in a work stoppage or when the management desires to settle it commonly for all the workers, the remaining unions also would be involved at the instance of

the employers .

These agreements at the department , unit and the association levels clearly reveal that the employers and the labour unions in the textile industry have been able to develop strong bargaining relationships over the last 30 years . Even when the negotiations have failed resulting in disputes and direct action by the employees and when the state has intervened with an offer of conciliation , mediation and or adjudication the parties have come back to the negotiation table with a view to having fresh negotiations . This approach shows beyond doubt that they have a strong conviction in bipartitism and its superiority over the tripartite methods .

Similarly , whenever the parties were not able to agree on technical and other matters they had agreed to refer the matters for arbitration by the Government or SIMA officers or for a decision by the expert committee or Board of Conciliation with a written understanding that the award or the decision of the third party would be binding and final on both . Moreover , the agreements , settlements or awards

were enforced by both the parties in right spirit for the period agreed upon except on one occasion. Unlike during 1940s and early 1950s the member mills rarely questioned the role of the SIMA in negotiating the agreements. In fact, of late, the SIMA has been negotiating for the member mills only with due authorisation with a view to avoiding the problems of non-implementation of the agreements or settlements.

Collective bargaining at the association level also reveals that over years the trade unions have gained better bargaining power despite increasing number of unions. This has been possible only because they have been able to constitute Joint Action Council every time the common issues have to be negotiated with a view to match their strength with that of the employers and their association. The workers have solidly been behind the Joint Action Council not only to help the Joint Action Council to negotiate effectively but whenever the Joint Action Council has called a strike. Even when one or two members of the Joint Action Council - the labour unions - had withdrawn from negotiations by the Joint Action

Council, their members had extended full support to the Joint Action Council ignoring the stand taken by their leaders.

In an atmosphere of multiple trade unionism collective bargaining is supposed to be difficult and at times an impossible task. This is much more when there is no compulsion to recognise a union as the bargaining agent of the workmen. The millowners' association at Coimbatore has been able to set an example in establishing collective bargaining relations and traditions because it solved the problems of multiple trade unionism by recognising, de facto, all the trade unions having a sizeable support of the workers in the mills and the region.

The fact that the millowners and the labour unions or the SIMA and the labour unions have been able to settle almost every issue across the table helps us to conclude that collective bargaining in textile industry has been institutionalised and is moving forward from strength to strength.

Chapter 4.COLLECTIVE BARGAINING IN NON-TEXTILE INDUSTRIES

Collective bargaining in engineering, cement and transport industries in Coimbatore has been influenced greatly by the practices prevailing in the textile mills in the region. The influence is not only in terms of certain practices but also with regard to its beginning and development. Collective bargaining in engineering and cement industries was started in 1956 itself - the year in which the first major agreement was negotiated by the South India Mill Owners' Association with the three unions. The influence of this agreement was so marked that three engineering units in Coimbatore, viz. the TTC, the RKI and the GIPSI negotiated a common agreement in 1956 on issues like wages, categorisation of jobs, work assignment and leave facilities, according to an industrial relations executive in one of these units. These three units are closely related to textile industry - all of them manufacture the textile machineries.

Subsequent to this agreement, however, there has been no instance of joint negotiations by these units nor by others for a common agreement. There has also been no attempt on the part of the employers in this industry to form an association of themselves following the example of the millowners to deal with the labour matters. Each unit - big or small - has been trying to settle the industrial relations matters for itself. Hence, we find wide variations in collective bargaining practices within the engineering industry. In TTC, which employs about 2100 persons the negotiations have been frequent. The management and labour unions have been able to sign agreements in 1960, 1962, 1963, 1964, 1966, 1968, 1970, 1973, 1974, 1979 and 1980 on wages, workload, job classification, work assignment, fringe benefits like leave facilities and personnel matters like promotion and transfer, etc. In addition to these agreements, bonus issue was negotiated on year-to-year basis till 1980. But in 1980-81, bonus agreement was negotiated for a period of three years, following the example of the textile industry, but linking it to productivity and production. Linking bonus to productivity and

and production . was not done by the SIm as well as any of the individual mills in the region .

The management of the TTC strongly believes in bipartism . It has been able to establish good relationships with the employees and their organisations (7 labour unions and 5 staff unions), and healthy traditions in collective bargaining . It was gathered that all major and minor issues, including the discharge and dismissals, are negotiated and settled at the bilateral level sooner or later . There has been no occasion when the joint negotiations have failed and the intervention of the third party has been sought . But the parties have been signing their agreements as settlements arrived at in the course of conciliation proceedings concluded under Sec .12(3) of the Industrial Disputes Act, 1947, with a view to preventing the unions from raising a dispute on the issues covered by the agreement or a splinter union raising the disputes .

The GIPSI the oldest engineering unit in Coimbatore has been entering into collective agreements since 1956 . Subsequent to the common

agreement in 1956, the management has negotiated agreements in 1960 working out a scheme of gratuity; in 1965 agreeing on wages, dearness allowance, workload, earned leave and a revised gratuity scheme; in 1969 again on classification of workmen in terms of workload and nature of jobs, basic wages, dearness allowance, annual increments, workload, night shift allowance, and gratuity scheme; in 1972 on workload basic wages, increase in dearness allowance, night shift and dress allowances, change over to time rate wages from piece rates; supply of subsidised meals @ Re.1/- per full meal, and classification of workers based on the length of service; and in 1981 on workload, basic wages, dearness allowance, supply of two sets of uniforms and classification of workers in terms of nature of job. The 1981 agreement is signed for three years. The bonus agreements are signed on a year-to-year basis.

This management has a policy of negotiating only with the worker leaders; it does not permit any professional leader to involve himself in any matter except in the final stage of signing the agreement or when the management wants to bring

pressure on the unit level leaders. Apparently, this policy may seem to be good one, but the management is highly conservative and at time recalcitrant in its attitude and approach. It is extremely rigid in its offers across the table. Once it makes its final offer it sticks to it what may come. It employs the 'divide and rule' strategy to see that the trade unions accept its offers. At two or three levels the management tries to create divisions among the trade unions. It tries to win over those union leaders who are inclined to accept the offers and through them bring round other leaders to accept the offers. When the worker leaders are not amenable, the active members of the unions are talked to and 'convinced' about the practicality of accepting the offers of the management. Once these active members of the unions agree to the views of the management they bring pressure on their leaders to accept the offers. Or the management gives a wide publicity on the offers made and the demands of the leaders while pointing out the impracticality of the demands of the leaders using the notice board and other channels of communication among the

workers so that in course of time an opinion favourable to the management is created. Lastly, when these methods fail to bring about the desired result, the central leaders of the unions are contacted with a request to advise the unit level leaders to accept the offers. When all these strategies and tactics fail, the management resorts to legal battle as is clear from the dispute on the age of retirement which was fought by both the sides over a decade and often the management was successful in getting an award favourable to it. Similarly, the issue of supply of free tea and coffee to the workmen was to be decided by the tribunal. It was also learnt that this management does not respond immediately to the charter of demands.

The management of GIPSI has a unique method to bring the trade unions to the negotiation table whenever it wants to increase the workload. Instead of serving a Notice of Change under Sec.9A of the Industrial Disputes Act, 1947, forcing the unions to come for talks, or sending the proposals to the unions and inviting them for direct negotiations as is being done by other organisations, this management raises an industrial dispute under the

Industrial Disputes Act, 1947, seeking the intervention of the conciliation officer on the ground that the existing workload, production and productivity of the workers are very low causing loss to the management and that the trade unions are refusing to co-operate with the management in negotiating fresh workload. When the conciliation officer takes up the matter in conciliation, the parties come back to the negotiation table, and often succeed in arriving at an agreement across the table but signing it before the conciliation officer. This method is adopted by the directors of the GIPSI in their private organisations.

In RKI, which is also a private sector undertaking, the negotiations are held almost every 3 to 6 years. After the 1956 agreement, the management and the unions negotiated for workload and wages in 1960, 1967, 1970 and 1976. At the time of data collection the negotiations were in progress to determine the workload and wages. Presently, this unit is under the supervision and control of a Liquidator and the Board appointed by the Supreme Court of India. Originally the

factory was owned by two brothers one of whom wanted to withdraw his share. Hence, he approached the Court for liquidation of the factory. But the workers went in an appeal to the Supreme Court praying for staying liquidation in view of the resulting unemployment and hardships for more than 300 families of workers. The Supreme Court in its historic decision upheld the appeal of the workers and directed the Liquidator to run the factory. The administrators and the labour representatives are trying to make the unit economically viable.

Another engineering unit, the MMT, which is also manufacturing the textile machinery besides machine tools and which employs about 330 persons, has established collective bargaining relations since 1974 (the factory management changed hands in early 1970s). The agreement signed in 1974 provided for wage revision and other benefits. Since then every 3 years the negotiations are successfully held on workload and wages. The agreement signed in 1981 is in force at present. And as for the bonus issue is concerned, the agreements are negotiated every year.

The biggest engineering unit manufacturing textile machinery in Coimbatore employing more than 4000 workers and nearly 300 staff, could negotiate the first agreement in 1969, i.e. 5 years after its establishment. This agreement provided for gradation of workers and wages. Subsequently, it has negotiated fresh agreements in 1970, 1972 and 1973. Starting in 1975-76, the management of this factory has been negotiating agreements for different departments/sections and occupational categories adopting the practice prevailing in the textile industry in the region. This is the only non-textile unit in the region that has adopted the method of sectionalised bargaining, for the management of this factory also runs a number of mills. It has extended the practice to the engineering units after having been convinced of the advantages of the method. But at the time of data collection, the management was negotiating on wages and dearness allowance for the entire set of workers except those covered by the agreements signed recently. Thus the factory stands apart among the engineering establishments in the region not only because of

the collective bargaining practices but also because of the congenial atmosphere prevailing and the various types of benefits the employees have been deriving from the agreements.

Collective bargaining practices in the engineering industry in Coimbatore thus vary from unit to unit while broadly conforming to the practices prevailing in the textile industry. It is perhaps because both the industries in the region are mutually dependent and often the bargainers are common, as in case of the Laxmi group.

In cement and transport industries, on the other hand, collective bargaining practices are still wider and differ from the practices prevailing in both textile and engineering industries in the region. Both in cement and transport industries, collective bargaining practices are of two types in terms of the levels of bargaining. Collective negotiations in these two industries are held at the unit level in some undertakings and at the corporate level in others. The cement factory at Coimbatore is one of the various units of the ACC of India; similarly,

the public sector passenger transport unit is one of the 11 undertakings of the Government of Tamil Nadu. In case of both these units, collective bargaining at the unit level is almost nil. Every issue is negotiated and determined at the corporate level either across the table or through tripartite methods. Especially in the case of cement factory the matters such as wages, dearness allowance, workload, rationalisation, bonus, promotion policy, etc. are decided through the wage boards or arbitration by a panel representing both the parties with or without an umpire. So also in case of the transport undertaking the matters are decided at the Board level under the chairmanship of the Minister for Transport. In both the cases, the industrial relations decisions are being increasingly centralised. The units at the local level are left with matters such as redressal of grievances arising out of the implementation of the terms of agreement/award and other minor matters exclusively pertaining to the unit.

Although the cement products unit at Coimbatore is one of the several units partly owned by a multinational company, the local management has

been given the necessary freedom and autonomy in matters of industrial relations and wage fixation, workload, etc. Resultantly, the management of this unit has been able to establish collective bargaining relationships since 1956. Like the textile industry, and a section of the engineering industry, this unit also negotiated an agreement in 1956 on wages, workload and other major issues. The fact that these issues were negotiated and settled in 1956 helps us to conclude that the 1956 textile agreement had its influence on this organisation too, for the collective bargaining relationships in this unit developed on healthy lines during the subsequent period. The factory management has been negotiating collective agreements with the labour unions every 3 to 4 years since 1956 covering various issues and all the workmen employed. One interesting factor is that the management negotiates only with those labour unions which were the signatories to the previous agreement. The new unions that might come into existence during the period of an agreement are invited to be a party to the new agreement only at the instance of the conciliation officer at the time of signing the agreement before him as a settlement arrived.

at in course of conciliation proceedings under Sec.12(3) of the Industrial Disputes Act, 1947. It was claimed by the Personnel Manager of this Unit that the negotiations on long term issues such as wages, allowances, workload, promotion policy, etc. have never failed and have been more rewarding to both the sides. When compared to textile workers the workers employed in this factory have been getting very high wages - the lowest paid wages are Rs.1000/- per month. And between 1956 and 1982 the workload has been increased from 56 units to 95 units per worker - the production process involves lot of human effort instead of being linked to machines. But on bonus issues the negotiations have failed several times leading to adjudication. Further, it was only in 1959 that the agreement negotiated with two unions was signed and registered with the conciliation officer as a settlement arrived at in the course other than conciliation i.e. as a settlement under Sec.18(1) of the Industrial Disputes Act, 1947. This situation was created by the majority union; it was not willing to accommodate the minority union affiliated to AITUC at that time. The latter union advised the management to sign the agreement

with the majority union and register the same with the conciliation officer. It kept up its promise to abide by the terms of the agreement.

Whereas in the case of the private sector transport undertaking the collective bargaining relations are still in an infant stage. It is only since 1977 that this management has been negotiating with the labour unions. Till then, it was gathered that, the labour relations matters were decided unilaterally. All the unilateral decisions taken by the management were accepted by the employees because of the benevolent patronage extended by the employer. The increasing size and expanding activities of the company motivated the employer to adopt the professional style of management. Therefore, in 1977 the management and the labour unions negotiated the first agreement on wages, dearness allowance and other important issues. Since then every three years the negotiations are taken up with the unions to revise the basic wages, dearness allowances, etc. and to resolve the industrial disputes. It was further gathered that in June 1983 the negotiations were in progress for the revision of wages, etc.

Similarly, it was gathered that, the small engineering units and transport undertakings, which are plenty, have been deciding the labour matters unilaterally. They are yet to establish collective bargaining relationships though the trade unions have been operating either at the unit level or the regional level.

This analysis reveals that collective bargaining in engineering, cement, and transport industries has been influenced, except in case of corporate level bargaining, by the practices prevailing in the textile industry. The 1956 textile agreement has been the prime mover of collective bargaining relationships in these industries. This is rather an expected phenomenon since the textile industry has been the pioneering and predominant industry in the region.

It may also be noted that only about 1/5th (21.73%) of the respondents from the management side felt that collective bargaining practices in the textile industry have not influenced the collective bargaining in other industries. But more than 78 per cent felt (some among them strongly) that there has been a great influence

of the collective bargaining practices in the textile industry on other industries in the region. When the statement was put in another form - the collective bargaining practices and agreements in other industries in the region broadly conform to the practices and agreements prevailing in the textile industry - only 56.52 per cent of the respondents from the same group were in agreement. Whereas 63.63 per cent of the trade unionists agreed that there has been an influence of the collective bargaining practices prevailing in the textile industry on other industries and that the practices and agreements in other industries broadly conform to the practices and agreements signed in the textile industry. As for the unit level leaders are concerned, still a larger majority agree with both the statements. While 74.35% of them agree with the view that collective bargaining in textile industry has greatly influenced the collective bargaining in other industries, 84.66% agree that both the practices and agreements in other industries broadly conform to the practices and agreements prevailing in the textile industry. Hence, we may conclude

that collective bargaining in the textile industry in Coimbatore has greatly influenced the collective bargaining practices in other industries in the region.

Yet we cannot place collective bargaining in these industries on the same pedestal. There is an uneven development of the institution of collective bargaining in these industries. While in textile industry it is well established and highly institutionalised in the engineering industry it is gaining strength and moving towards institutionalisation. In cement products unit also collective bargaining has taken deep roots but as an exceptional case, while in cement industry there is no scope for unit level bargaining. Whereas in transport industry it is still in its infant stage.

Various institutional and organisational factors have contributed to these differences. These are:

1. Age and Size of the Industry

The textile industry in Coimbatore is the oldest and pioneering one while the engineering and transport industries were slowly established as ancillary or

service industries, for the engineering units have been manufacturing the motor pumpsets and textile machinery and the transport industry has been serving these and other industries in matters of transportation. Of late, many small scale and household engineering units have come up. But compared to textile mills the engineering and transport undertakings are small in size - barring the leading engineering units. These employers/owners are more concerned about the smooth and uninterrupted functioning of their units so that the capital invested is properly utilised and adequate returns are yielded. The millowners afford to close down their mills to force the workers to accept the terms they offer mainly because of the wealth accumulated over years.

2. The Manufacturing Process

The engineering industry differs not only from the textile industry but also within in the terms of technology and sophistication of the manufacturing processes in each unit. The work methods and the skills also differ though the jobs may be the same. A worker in any section can easily sabotage the entire production. Hence, it is a problem to

enlist the co-operation of all the workers and their unions in running the engineering units without interruption which makes bargaining difficult.

Whereas in the textile industry the work methods, nature of work and the levels of skills involved are largely identical. Ordinarily a larger number of persons attend to the same work making it easy to handle the situations. Even if a small section of workers in a mill refuse to work it will not immediately affect the entire mill. This enables the management to have negotiations without allowing the interruption of production.

3. Association of Employers

The millowners in the region are well organised over the last 50 years and their association deals with various labour and industrial relations matters ensuring a high degree of uniformity as against widely ranging practices in the engineering and other industries. As a group, the millowners put up a strong resistance to the labour unions which is not possible in other industries. They continue to be unorganised and resultantly weak in their bargaining

power. Though there is an association of small scale engineering units, the industrial relations matters are not dealt with by it.

It was strongly agreed by 26 per cent of the respondents and agreed by another 43.47 per cent that the absence of an employers' association in other industries - one similar to the SIMA - accounts for the differences in collective bargaining practices in particular and in industrial relations in general. Only 26 per cent did not agree with the majority view, for according to them it is the industrial variation that accounts for the differences rather than the presence or absence of an employers' association. The trade unionists also had similar views. Only less than 1/3rd of them disagreed with the researcher's observation that the absence of an employers' association like SIMA causes the differences in collective bargaining practices. Whereas all others either agreed strongly or agreed with the observation. But nearly 50 per cent of the unit level leaders do not agree with the view, for according to them the differences are mainly due to the nature and

size of the industries and the units. Within the engineering industry there are variations in terms of the product, size, and financial and other factors. Yet we may say that the association of employers contributes to healthy practices in collective bargaining.

4. Labour Organisations and Labour Leaders

The trade unions in the textile industry, from the very beginning, are organised at the district level with the mill branch committees and area committees. This form of organisational structure is being followed by the unions in engineering and transport industries only recently. By and large the trade unions in engineering industry are organised at the unit level. Thus, the trade unions in textile industry are organisationally very strong in terms of total membership unlike those in other industries. The leadership of unions in the textile industry is well experienced, and creative in their approach to the issues and problems. They have earned a name at various levels which has been helping them to influence the decisions taken at various levels both within the industry and outside (ie Government).

Whereas the leadership in other industries, by and large is inexperienced and still emerging as a force to reckon with. Often they seek the advice and guidance of the leaders of textile labour unions.

5. Workers' Loyalty to Unions:

The rank and file of membership of the unions in the textile industry is very loyal to their unions and union leaders partly because of low level of literacy, partly because of emotional attachment to unions over a long period of time, and partly because of the benefits they are getting regularly. Whereas the workers in the engineering and transport industries are better educated, capable of analysing various issues and taking their own decisions without depending on the outsiders. It is often easy to convince and impress upon these workers unlike the mill hands. The mill workers are difficult to be convinced by persons other than their leaders. They are better co-ordinated by the trade union leaders as compared with the workers in other industries

6. Approach to Collective Bargaining

The employers and trade unions in the textile industry strongly believe in bipartitism. Even when the negotiations fail and the issues are referred to adjudication the parties negotiate and settle the issues across the table and either sign a settlement or obtain a consent award. Whereas in other industries, once the negotiations fail the parties ordinarily do not come back to the negotiation table. Hence, the settlement of the issues is prolonged. Moreover, the employers in the engineering industry in general feel that the demands of the workers for higher wages would affect the financial viability of their units. Therefore, the trade unions are often compelled to resort to direct action to bring the management to the bargaining table. It is also true that a section of these employers often prefer to concede the demands of workers going out of the way to ensure uninterrupted production, as against the practice of the millowners of strictly adhering to their guns and following the established norms and patterns.

7. Base for Bargaining

The 1956 agreement between the SIMA and the labour unions has established a strong base for negotiations on workload, work norms, classification of jobs and workers, levels of skills, wages and allowances, fringe benefits, etc. for subsequent negotiations. Collective agreements signed since then are only the improvements/modifications necessitated by the technological and socio-economic changes. Though a similar agreement was signed by three engineering units and one in the cement in 1956 itself neither they nor other industrial units took it as the basis for subsequent negotiations. Resultantly, the negotiation patterns have been different in textile and non-textile industries.

8. Wages

It is felt that there is ample scope for negotiations in the engineering and transport industries because the wages are low compared to textile and cement. The employers in the engineering industry are more flexible and pragmatic; they do not stick to principles. Whereas the millowners are

more rigid and legalistic in their dealings and approach to the problem of wages. The SIMA has also contributed to the legalistic approach of the millowners to the problem of wages. Both the millowners and their association consider every issue in the light of the norms and practices prevailing in the region and also at other textile centres in the country.

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Chapter 5.PROCEDURES & PROBLEMS IN
COLLECTIVE BARGAINING

Real Collective Bargaining is by its very nature a rough, tough undertaking. Its essence is a reluctant exchange of commitments; both parties want to yield less and get more. It is not quantitatively different from a business deal in which both negotiators have something less than 100 per cent trust in one another. Nor is it much different from the practice of diplomacy in a mutually suspicious world. In all three forms, the calculated insult and simulated anger are familiar tactics (i.e. Labour Chronicle:1971:5). Because the negotiations involve a business deal requiring reluctant exchange of commitments by both the parties who try to be very diplomatic in their approach to the problem, the negotiations differ from one establishment to another, from one industry to another and from one situation to another. Yet often we find similarities in the negotiation

process across the establishments within an industry and across the industries in a region.

Collective bargaining process is ordinarily initiated when either party intends to get changed the existing working, employment and service conditions. While the workers or their organisations send a list of demands (charter of demands) to the employer/management, the employer sends a list of proposals for bringing about changes in the working and employment conditions. Depending upon the levels of bargaining and the practices either or both the methods of initiating negotiations may prevail. However, it is often the labour unions that take the lead in initiating the negotiations.

In general, this practice prevails in all the industries in Coimbatore. Yet one would find a deviation from this general practice in the textile industry. As we have already noted, bargaining in textile industry is at two levels - association level, mills level and the shop level. At the association level the negotiations are always initiated at the instance of the representative unions in the industry. The trade unions having a sizeable

support of the workers from different mills prepare charter of demands, forward them to the managements of the concerned mills under a copy to the millowners' association. The ways and methods of preparing the charter of demands, however, differ from union to union, and from situation to situation, as well as the issues involved.

The initiative to prepare a charter of demands on issues that are of interest to all the textile workers in the region is taken by any or all of the district level trade unions. The issues, in general are revision of wages, dearness and other allowance, bonus, personnel matters, etc. The list so prepared would be forwarded by the unions to all the mills wherein their members are employed, under a copy to the association of millowners. At times, all the district level unions meet and prepare the charter of demands. The experience shows that when all the unions meet to discuss issues of common interest rarely a consensus is reached by them. In 1982 alone all but the Coimbatore District Mill Labour Union had agreed on a common charter of demands, viz. bonus. On all other occasions on

bonus issue there was no consensus. Each union had raised demands for different percentage of bonus. In 1972 and 1979 the charter of demands were prepared jointly by all the unions constituting a Joint Action Council. On both the occasions the issues involved were revision of wages, dearness allowance, annual increment, occupational wages and other related issues. In 1974, the initiative and lead was taken by the Coimbatore District Textile Workers' Union, as was claimed by its general secretary. The list prepared by it was endorsed by other unions.

On the other hand, when the issues are purely of a local nature affecting a section or all the workers employed in a mill, the concerned trade union(s) take the initiative in preparing the list of demands, and forwarding it to the concerned mill management for negotiations. Usually the mill/shop level issues are first listed by the executives of the Mill Branch Committee. The Mill Committee after discussing the issues forwards the same to the Central Executive Committee of the Union. The Central Executive Committee meets, discusses and finalises the

issues to be included in the demands notice. Some unions periodically contact their members in different mills to know whether they have any demands to make. It is also a fact that the rank and file of membership in the mills bring the issues for discussion and raising demands (as is the practice prevailing in case of two unions: Mill Workers' Union and Mill Labour Union). The issues are discussed in detail and approved by the Executive Committee of the Union as well as the District Council. It is only after the approval of the District Council that the Charter of Demands is submitted to the employer(s). Thus, the issues are discussed at various levels - the mill level, the Central Executive Committee level and the general body level (i.e. District Council Level) - so that the issues are brought out clearly.

In case of some other unions, usually the mill committees list their demands. In such cases, it was said that the mill committee first contacts the concerned management and puts forth its demands and grievances. If the committee fails to get the desired results, the office bearers of the

district level union, i.e. usually the area secretaries, are requested to take up the matter with the management on a formal basis. The Mill Workers Union has the practice of getting identified the mill level problems by the mill branch committees themselves. After the issues are identified they are discussed within the committee to finalise the list. The Panchalai Anna Thozhirsangham has the practice of convening a meeting of the general body of members of the Mill Branch Committee, ask for their demands, examine their feasibility and then prepare the list of demands.

Similarly, in case of another major union, the mill committees generally list their demands. But the general body and the executive committee discuss the issues and demands listed by the Mill Committees to finalise them before sending a demands notice to the millowners or their association.

But when it is the bonus issue, the Central Executive Committees study the balance sheets of different mills and decide what percentage of wages should be demanded as bonus. Since the

profitability of the mills differ from one to another the demands also vary from one mill to another.

Whereas the general issues are identified and listed by the office bearers of the district level unions. The issues so identified are presented to the Executive Committee for its deliberations and decision. The Secretary of a District level union said that the ideas and needs are first conveyed by the top leaders and put across to the Executive Committee of the Union when it meets. After necessary explanations and discussions, the Executive Committee endorses the issues to be raised as demands with a resolution to back up the demands.

Whereas in other industries these practices differ to a large extent, primarily because each employer deals with the labour unions on his own though often the unions form a Joint Action Committee. In the engineering industry, the demands are normally formulated by the unions convening a meeting of the general body of members in which their views, opinions and suggestions are ascertained, gathered, discussed and finally

listed so as to present them to the concerned employers. In certain cases, the unions endeavour to collect the data from other industries in the region and the same industry in other regions before formulating their demands, study them comparatively and then formulate their demands. Sometimes it also depends on the size of the unit. It was gathered that the type and nature of demands are directly related to the size of the unit - larger the size of the unit higher the wage and bonus demands. Similarly, in cement and transport industries the demands are listed separately by individual unions either by the executive committee itself or after ascertaining the views of the members. It was pointed out that ordinarily the Charters of Demands consist a large number of issues primarily because no trade union can afford to neglect or exclude the issues suggested by the members. So the managements are also forced to accept such charters for initial considerations. It is only through subsequent negotiations that the main issues are filtered and taken up for discussion. Whatever, it may be a certain amount

of democracy prevails within the unions with regard to listing of demands.

It was gathered that over years the workers' demands on wages and allowances, specially at the mills levels, have decreased as compared to the demands of workers in other industries. In textile industry these issues are ordinarily taken up by the unions on a wider basis commonly applicable to all the mills.

It was also gathered from different sources that in the textile industry the frequency of negotiations at the unit level, at the instance of the mill managements, has been increasing. Over the last two decades the millowners have increasingly become interested in modernising their mills so as to increase production and productivity. Every 5 to 10 years the machines are introduced either piecemeal or in total. This practice has necessitated them to take initiative to negotiate with the labour unions. They usually send proposals to the labour unions for increasing work-load, of course, with an offer of marginal wage increase.

Ordinarily, the unions respond favourably to these proposals and attend the negotiations with their counter proposals/demands which usually take the form of higher increase in wages. Whether the mill managements want to change the existing work norms for the entire mill or only for one or few sections, the proposals from the managements initiate the bargaining process.

When the modernisation does not take place for a long time but the mill management is interested in increasing the workload or change the work norms, the managements are found to employ either of the two other methods to bring the labour unions to the negotiating table: (1) to serve a Notice under Sec. (9(A)) of the Industrial Disputes Act, 1947, and (2) to raise a dispute and seek the intervention of the conciliation officers. Of these two methods, however, the former is more common. Under this method when the trade unions do not come forward to negotiate an increase in workload and wages, the management serves a Notice under Sec. 9(A) of the Industrial Disputes Act, 1947 - i.e., Notice of Change. This Notice stipulates maximum workload (as desired by

the management) but a nominal increase in wages. When each union is served with such a notice, under a copy to the Government, the unions immediately respond to the notice, for they are afraid of the consequences on the workers and the union. The notice, on its expiry, becomes legally binding if no objection is raised by the workmen or their union; the management acquires a legal right to enforce the notice. Therefore, the unions hurry to request for negotiations. The managements do respond to such requests, negotiate and settle the issues.

The other method of initiating the bargaining process through the conciliation officer was found to be limited to fewer managements/employers generally in the engineering industry. Only few units in the engineering industry have the practice of seeking the intervention of the conciliation officer stating that the workers are refusing to give higher work load to make up the losses being incurred and to face the competition in the product market. When the conciliation officer receives the application for his intervention, he calls for the remarks of the other party and in due course

initiates the conciliation proceedings. Once the conciliation proceedings are initiated either the parties themselves request the conciliation officer to permit them to have bilateral talks, or the conciliation officer himself advises the parties to have direct negotiations. So the parties negotiate and finally settle the issues at the bargaining table, but sign the settlement in the presence of the conciliation officer since the conciliation proceedings are suspended to enable the parties to have negotiations and their own settlement.

PREPARATIONS FOR NEGOTIATIONS

The issues to be negotiated at the mills/unit level, by and large, relate to higher workload and wages and the initiative is ordinarily taken by the managements. We find a common pattern in the preparations that precede the collective negotiations. Generally speaking, the mill managements take up the following exercises: to work-out the details of the proposed workload and the maximum increase that could be negotiated; to undertake a comparative study of the work norms; work loads and the wages existing in the industry in the region; to study

the existing working conditions in the units, estimate the manpower requirements for the proposed increase in workload; to examine to what extent labour could be saved and the methods of deploying the surplus labour. Normally on the basis of the work study, the managements workout the acceptable wage increases and the total financial implications vis-a-vis higher production and productivity. A few managements also have the practice of collecting the views and opinions of the department heads within the mills, the expert advice and guidance from the South India Textile Research Association, normally on the technical and financial implications. The discussions with the lower level executives who are directly connected with the production processes are often held to find out the areas where the changes are necessary. These discussions are followed by the consultations with the middle level managers and finally by the informal decisions at the top level. There is also a practice of constituting small committees to study the situation and ascertain the views of the workers on their existing duties and maximum they would be able to give.

It may be added that many personnel executives held the view that when the negotiations are taken up, it is always rewarding to put across the views and arguments based on comparable facts collected from other units in the industry in the region and other centres as well as from other industrial units in the same place. The data should be such that the unions cannot deny them. Secondly, it should be related to maximum workload with minimum wages prevailing in other organisations. If the unions have already signed the settlements with some other managements conceding maximum workload accepting a comparatively lower wage increase, it would be very handy in pressurising the unions to accept the offer. It should be noted that it is not the managements alone who collect comparable data as a part of the negotiations strategy, but the trade unions also do it. The trade unions usually collect data that are advantageous to the workmen minimum increase in workload but maximum wage increase. Hence the managements endeavour to collect better data and give a comprehensive analytical explanation to the view points and arguments during the negotiations.

The preparations for negotiations in the non-textile industries slightly vary from the practices prevailing in the textile industry in the region. These include: a survey of the existing workload and wages to know the prevailing maximum limit of workload and the minimum wages being paid; a study and assessment of the demands of the workers to decide which ones could be conceded; and estimate of the possible returns and gains particularly in terms of co-operation of the workers, their discipline and willingness to accept higher workload; and a study of the attitudes of the trade unions - how do they view the issues? What would be their approach and the minimum they would be prepared to accept without a strike?

These practices suggest that the managements are more concerned about the existing norms both within the mill/factory and among the comparable units in the industry in the region. It is based on the prevailing norms and the extent of proposed modernisation that the new work norms are negotiated. Resultantly, a kind of uniformity has been possible even at the unit level bargaining. Yet the trade unions endeavour to get better benefits for their

members working in different mills, i.e. when negotiating with Mill B they would try to get higher wages with lower workload than they were able to get in Mill A. The unions while negotiating with a management, but usually before signing the agreement, quote the agreement already signed by them with Mill A and demand marginal increase in case of Mill B. Often the employers concede the marginal increase to clinch the issue.

These preparations are invariably undertaken by the personnel department with the assistance of production executives. So also the personnel executives take the leading role in negotiations. In some mills and factories the Personnel Managers shoulder major responsibilities in negotiations. It was found that no organisation has a formalised negotiating committee. Only on an informal basis, the top level executives are asked to negotiate. Particularly in the textile industry the negotiators are required to discuss the course of negotiations with the millowners/Managing Directors/Executive Directors and take formal sanction before going to the negotiation table. Only about 10% of the

mills, where the management is highly professionalised, have completely authorised their executives. In majority of the cases, however, the negotiations are not delayed since there is immediate communication between the millowners and the negotiators. Whenever the millowners feel that the negotiations are being prolonged and a result is not seen, they themselves participate in the negotiations and settle the issue.

When it is a negotiation with the millowners' association, the trade unions send the copies of the charters of demands simultaneously to the individual mills and the SIMA secretary. The individual managements upon receiving such demands' notices write to the SIMA requesting them to negotiate on their behalf the various issues raised by the union(s). But before taking up the negotiations, the SIMA convenes a meeting of the general body of the member mills to discuss the issues raised by the unions and the limits/ boundaries of agreement. Alternatively, the SIMA writes to the member mills to ascertain their views on the issues to be negotiated while requesting the member mills to communicate the

limits of their offers. In case of the bonus demands, ordinarily the member mills forward a copy of the balance sheet to the SIMA while requesting them to work-out the bonus liability and to negotiate the percentage of bonus to be paid. The SIMA collects factual and other information from the concerned mills before commencing the negotiations. After knowing the views of the member mills, a sub-committee or the Negotiating Committee of the Association is constituted. This Committee invariably includes the Chairman, the Vice-Chairman, two or three members of the Committee of the Association, and the Secretary of the Association. The Negotiating Committee of the SIMA is always assisted by the Law and Industrial Relations Officers of the Association.

Since 1956 it has always been such a committee that negotiates with the labour unions. But in 1981-82 an attempt was made to constitute a bipartite standing negotiation committee to deal with the unit level problems and collective grievances of the workers so as to prevent the precipitation of issues and the snap strikes by

the workers in different mills. We shall now discuss the background of the setting up of this committee, its objectives and the issues dealt with by it.

STANDING NEGOTIATION COMMITTEE

Negotiations between management and labour unions are undertaken by the representatives of both the parties. Usually, each party will have its own negotiating committee constituted either on a permanent or ad-hoc basis. As and when the issues arise or the committee is apprised of the situation/issue, it would meet, discuss, deliberate, negotiate and settle the issue supposedly without giving room for precipitation of the situation/issue. The existence of a Standing Negotiating Committee to bargain different issues, often, indicates the level of maturity attained by the parties and the degree of institutionalisation of collective bargaining.

The experience of the millowners' association and the textile trade unions in Coimbatore, over a period of 30 years, has helped to realise the importance of a Standing Negotiating Committee. It was in early 1982 - the Productivity Year -

that a Standing Negotiating Committee was constituted by the Southern India Mills Association on the suggestion of the trade unions to realise the following twin objectives:

1. To resolve industrial disputes by conciliating and mediating as and when the issues are referred to the Committee or when the Committee deems it necessary to interfere and settle amicably; and
2. to ensure smooth and uninterrupted working and to avoid work stoppages suddenly resorted to or when they occur due to inter-union rivalries.

It is gathered that the idea to set up a Standing Negotiating Committee was mooted by the United Textile Labour Association in late 1981. The idea was endorsed by other unions and accepted by the SIMA. Hence, the representatives of both the parties met several times to give a definite and final shape, and to frame a Constitution to guide the functioning of the Committee. The Constitution adopted by the parties lays down that: (1) the Committee would consist of equal number of

representatives from managements and the unions,

(2) the Committee will meet every second Saturday of the month, (3) 2/3 representatives of both the parties should form the quorum for any meeting and the decisions taken by the committee, when the quorum is present, should be final, (4) in the absence of unanimity, decisions taken by 2/3 majority shall be the recommendations of the Committee, (5) the management and the union representatives would preside over the meetings alternatively, (6) the Committee will take up any issue concerning labour matters likely to become disputes or likely to result in work stoppages when referred to by any of the unions or the managements; matters concerning administration and finance not to be referred to this Committee, (7) the recommendations of the Committee should be recommendatory in character, (8) the issues referred to the Committee when decided should be accepted by both the parties, (9) in the case of any dispute where some of the unions or the representatives of the management in the committee are involved, the representatives of such union or the management should remain neutral and the decision given by the rest of the members to be final. (10) the

committee should give its decision within a fortnight from the date of reference, and (11) the Secretary of SIMA would be the convener of the Committee, and that the Committee would function and meet in the premises of the SIMA.

Since the Constitution of the Standing Negotiation Committee provided for equal number of representatives from the managements and the labour unions, the parties initially decided to have 8 representatives each, and the alternate members nominated by the members to attend the meetings in their absence. But before the Standing Negotiation Committee was formally constituted and could start functioning there were some differences of opinion regarding the structure and functioning of the Committee. The Mill Labour Union did not agree on some of the provisions made in the Constitution. The union, therefore, suggested certain changes which were not appreciated by the other members, as was stated by the Secretary of the Mill Labour Union. Hence the Mill Labour Union withdrew from the Committee. Subsequently, the Mill Workers Union - the other communist trade union - also

withdrew from the Standing Negotiating Committee on the direction of its District Council. On the other hand, it was pointed out by an officer of SIMA that the Mill Labour Union was fundamentally opposed to the very idea of setting up the Standing Negotiating Committee while the Mill Workers Union wanted certain changes in the by-laws of the Committee. Whatever it may be, both the communist trade unions opted out of the Standing Negotiating Committee. As a matter of fact, the representation on the Committee was reduced to 6 each. The six unions on the Committee are: (i) the United Textile Labour Association, Coimbatore, (ii) the Coimbatore District Textile Workers' Union, (iii) the National Textile Workers' Union, (iv) the National Textile Employees Union, (v) the Panchalai Anna Thozhirsangam, and (vi) the Koval-Periyar Mavatta Panchalai Thozhilalar Munnetra Sangham. It may be noted that the minority unions like the Bharath National Textile Workers Union, the Kamaraj National Textile Workers Union, the Swatantra Trade Union, etc. are not represented on the Standing Negotiating Committee.

A cross section of the mill managements constitute the management representatives and alternate members. These are the General Managers, Personnel and the factory managers. The Chairman and Vice-chairman of SIMA are the ex-officio members. The Industrial Relations and law officers of SIMA attend the meetings of Standing Negotiating Committee as observers. It was claimed that these officers are the prime movers of the proceedings of the Standing Negotiating Committee.

Though the Standing Negotiating Committee is considered to be a new experiment in collective bargaining, it is said that an abortive attempt to constitute such a committee was made in 1972. The Joint Action Council of trade unions submitted a Joint Charter of Demands to the SIMA. One of these demands was the setting up of a Standing Negotiating Committee. The SIMA had taken note of the importance of such a committee and was proceeding with the task of setting up the committee. A few meetings were held to finalise the matter. But in the meantime the trade unions called an industry-wide strike for getting the wages and allowances revised, the occupational wages fixed and certain non-wage

issues determined. This strike prevented both the parties from giving a serious consideration to the issue. It is said that even at that time the Mill Labour Union did not join the exercise.

One of the Personnel Managers traces the origin of Standing Negotiating Committee to the period 1972-75, when Mr. K. Venkateshulu was the Chairman of the SIMA. Though the 1972 strike was responsible for solving the setting up of a Standing Negotiating Committee, the then Chairman seized the idea of taking up the various issues that might give rise to disputes and snap strikes at the mills level and removing the deliberations on such issues to a neutral premises. Hence, he started encouraging the member-mills and the trade unions to refer/bring the issues agitating either or both the parties to SIMA. Even the issues not resolved at the conciliation level and the issues which the managements did not want to take up directly with the trade unions or did not want to refer to conciliation officers were being taken up by the Chairman for mediation and settlement. The trade unions took advantage of this approach of the Chairman and cultivated the practice of writing to him for his

mediation whenever they apprehended problems in industrial relations matters. In 1980-81, when Mr. S. Devaraj was the Chairman, a similar attempt was made. He also started feeling that some of the unit level problems arising out of spot or hasty decisions could be avoided if the issues could be discussed at the association level. It was also felt that such a step would help to resolve the problems arising out of inter-union rivalry. As such, when the suggestion to set up a Standing Negotiating Committee came forth from the unions towards the end of 1981, he immediately accepted the idea and initiated the steps to constitute the Standing Negotiating Committee.

The Standing Negotiating Committee started functioning from June 12, 1982. This Committee in its four meetings held between 12.6.82 and 18.9.82 discussed the following issues of mutual interest, that were within the jurisdiction of the Committee and made appropriate recommendations. These issues include: (1) working of the Joint Action Councils at the mills level, (2) wage cut for attending the funeral ceremony of a unit level labour leader in Shri Karunambikkai Mills, (3) line of promotions -

principles to be followed, (4) leave with wages and travelling allowance to the trade union representatives for attending the conciliation and other official meetings, (5) gratuity - 240 days as an eligibility criterion following the Supreme Court judgement on the subject, (6) the apprenticeship scheme in the mills, (7) revision of pay scales of the clerical staff, (8) bonus, (9) the norms of work load and wages as guidelines for unit level negotiations, (10) the proof of age of workers for determining the superannuation, (11) machine productivity in cone winding departments, (12) ESI absenteeism, (13) non-implementation of a 12(3) settlement in Laxmi Rani Mills, (14) check-off facilities, (15) introduction of group insurance scheme, (16) housing facility for at least 10% of the workers, (17) prompt settlement of gratuity, (18) formation of co-operative societies, (19) modification of standing orders, (20) furnishing seniority list to the unions, (21) strike notice served by the National Textile Employees' Union on the management of Shri Dhanalaxmi Mills, and (22) the House rent allowance to workers.

It may be noted that most of these issues were raised or referred by the trade unions and were taken up for deliberations by the Standing Negotiating Committee in a bid to iron-out the differences and bring about amity and goodwill among the millowners and their employees. But one issue dealt with by the Committee could not be decided for the concerned management did not accept the recommendations of the Committee. The issue was the appointment of heirs of employees. The 1972 industrywide settlement had provided for giving 'preference to the heirs of the existing employees at the time of recruitment provided they were suitable as per existing practice'. Different mills had signed agreements on the operational aspects of this clause. The issue was taken up by the trade unions with the management of Laxmi Rani Mills. When the negotiations failed there was a total strike for 5 months; the striking workers also resorted to violence. Finally, a 12(3) settlement was reached in the presence of the Conciliation Officer. As per this settlement, the management had agreed to employ those persons jointly recommended by the unions. When the list was submitted to the management, it refused to

provide employment to them on the ground that they were not the relatives of the workers and that they would employ persons other than those already listed by the unions. This resulted in a dispute and was referred to the Standing Negotiating Committee by the United Textile Labour Association. The issue was discussed at every meeting of the Standing Negotiating Committee but no solution could be worked out. The representative of the Laxmi Rani Mills was called to give the management's views. The management representatives on the Standing Negotiating Committee suggested a via media. But the management of the Laxmi Rani Mills refused to accept the same. The Standing Negotiating Committee decided not to pursue the issue further, though the United Textile Labour Association's President demanded a resolution by the Standing Negotiating Committee referring to the non-co-operative approach and attitude of the management of Laxmi Rani Mills.

Furthermore, though the second objective of the Standing Negotiating Committee stipulates that it should strive to ensure smooth and uninterrupted working of the mills and to avoid work-stoppages

will not recur, the union representatives, while agreeing that the Standing Negotiating Committee should not merely be a grievance settlement machinery, assured their co-operation in preventing strikes. The Chair-person once again recommended to the union representatives that the very continuance of the Committee was dependent on the co-operation extended by the unions in preventing snap strikes.

The Chairman of the SIMA in September 1982 wrote to the President of United Textile Labour Association expressing his fear on the effectiveness of Standing Negotiating Committee. He was afraid, the Standing Negotiating Committee was becoming a futile exercise in view of the snap strikes and work-stoppages occurring in member mills. "The new experiment after all, you will agree, should not be an exercise in futility. As such, to make the Committee to function effectively, it is but essential that both the parties should enjoy confidence in each other and should exercise an understanding approach to the problems, take an impartial view and solve the issues to the best satisfaction of both the parties". He also expressed the feeling that the

necessary awareness about the Standing Negotiating Committee has not been created (though four months had passed after constituting the committee) inasmuch as sudden flash strikes are resorted to before the matters were brought before the Standing Negotiating Committee for discussions. While quoting a few instances of snap strikes resorted to by the workers without giving scope to the Standing Negotiating Committee to find out proper solutions on the agitated issues. He expressed the view that even before the workmen think it proper to launch a strike, the matters, if not resolved at the unit levels, should be taken up by the trade unions concerned and brought before the committee for discussions and taking remedial measures. He appealed to the unions to extend their whole-hearted co-operation and support so that the Committees discussions and deliberations would be meaningful and purposeful.

Thus, within a short-time the Standing Negotiating Committee had to face a number of problems in its functioning; consequently it was becoming ineffective. Finally, the Committee became defunct when the trade

unions boycotted the negotiations with the SIMA following the failure of bonus talks in Oct-Nov.82. No meeting of the Standing Negotiating Committee is held after 18.9.82. The General Secretary of the United Textile Labour Association hoped that the Standing Negotiating Committee could be revived since the boycott was lifted in March-April 83 after a dinner was hosted by the SIMA to all the labour unions with a view to roping them in its golden jubilee celebrations. Considering the importance of such a forum in collective bargaining in particular and labour management relations in general, it would be more rewarding if the Standing Negotiating Committee is revived and both the parties take serious interest in its functioning.

PROBLEMS IN NEGOTIATIONS

The course of negotiations in any industry is strewn with problems since both the sides do not exhibit 100 per cent confidence in the other and always try to take maximum while giving the minimum possible. Even with the existence of a 100 per cent 'give and take' approach on both the sides and a willingness to bargain in good faith the

the negotiations may not be smooth due to the number of trade unions. In our industries the twin problems of multiplicity of trade unions and the absence of a statutory formula to recognise a bargaining agent of the workmen pose problems in negotiations. It is these problems which have blocked successful collective bargaining in many industrial organisations. But in Coimbatore, both in the textile and non-textile industries, the employers have solved these problems of multiple unionism to some extent and totally the problem of bargaining agent. The managements have give de facto recognition to all the trade unions operating in the industry/mills/factories. Without any discrimination all the trade unions claiming a sizeable membership in the mills/factories are invited to participate in the negotiations. Sometimes, if the managements ignore a minority union, the conciliation officers make it a point to invite the minority unions also to be a party to the settlement when the negotiated agreement is taken to the conciliation officers for signing it as a settlement. Once a minority union signs a settlement it will be invited by the managements for all subsequent negotiations. When the statement "Collective bargaining has been possible since all the unions are recognised by

by the employers", only 17.42% respondents disagreed. According to them recognition of unions is only one factor. Whereas 56.52% of the management executives agreed with the content of the statement and the remaining 26.6% strongly agreed that collective bargaining in textile and non-textile industries has been possible because of de facto recognition given to all the unions.

Apparently, this may mean that multiplicity of unions has not been a problem in conducting negotiations. But the management executives felt that the multiplicity of unions is a problem in successful negotiations to the extent each union has its own demands and each union takes a different stand as for the common issues are concerned. When the personnel executives were asked to list the problems they encounter in negotiating with multiple unions they listed a large number of problems. These problems are categorised into six broad types below:

1. Different Interests, Views and Approaches of Different Unions: (i) each union has its own interests to pursue which often come in conflict with others, (ii) different unions

come with different views and ideas which necessarily are wide apart from that of the managements, (iii) each union adopts a different approach and does not accept the views of other unions.

(2) Status of the Unions: (i) if a union is in minority in a department/section for which the negotiations are being conducted, it will try to drag on its feet, (ii) sometimes the minority unions withdraw from the negotiations at the last stage; they participate in the negotiations because they feel that they have to lose nothing by participating in the proceedings.

3. Escapism in Accepting the Offers: (i) No union speaks its mind in the presence of other unions; each tries to evade the issue at the bargaining table, (2) the rival unions do not to commit on policy matters - each wants the other union to commit itself first so that it can ~~save~~ save itself from the embarrassment in the event of opposition from workers; they always try to find fault with others; so each union will wait for the other union(s) to commit to the proposals of the management or to lower their demands.

4. Politicisation and Rivalry of Unions: (i) Often the proposals or demands put up by one union are opposed by other union(s) simply because the demands are from a rival union, (ii) political affiliation of each union adds new dimensions to the negotiation problems - they try to bring political pressure on the managements ordinarily through the government. (iii) each union tries to accuse the management of having given certain concessions to other union(s) and raise unreasonably high demands.

5. Image Building Tactics: (i) Each union seeks to impress upon the workers and the employers that it is the better bargaining side, (ii) some unions do not communicate to the workers the course of negotiations promptly and without distortions; they always try to play to the gallery by misinterpreting the offers made by the management and promise to get them the 'sun and moon

6. Immaturity of Unions: (i) The unions are not mature enough to be honest; when the unions are honest, the workers are immature, and (ii) it is difficult to maintain the confidentiality of the course and content of negotiations when multiple unions are involved;

one or the other union leaks out the progress made across the table.

The list suggests that the rival unions do not take a common stand though they often constitute a Joint Action Committee/Council both at the unit and association levels. It is an uphill task for the managements to increase the pace of negotiations and arrive at an agreement. No union could be ignored by the management if it wants to avoid the problems in reaching an agreement. Necessarily, the negotiations with multiple unions are protracted and prolonged. The problem of multiple unionism seems to be more acute at the mills level rather than at the association level, for 53.84 percent of the unit level leaders, who negotiate the issue on workload, wages and other matters pertaining to individual mills, did not agree with the statement that 'multiple unionism is not a problem in collective bargaining', while 54.54% of the regional level leaders agreed, the unit level leaders expressed that differences of opinion among rival unions always persist because each union has its own demands to make an approach, and that when there is a difference of

opinion, any seven persons may organise another union, further causing problems in negotiations. It is because of multiple unions that the negotiations are prolonged and protracted. Some of the regional level leaders felt that problems in negotiations are sometimes caused purely due to the rivalry among unions and at other times due to provocation from managers.

It was, therefore, pointed out that through collective bargaining several things could be achieved but for multiple unionism and politicisation of trade unions. The unions are afraid of their own counterparts. They may ultimately agree to sign a settlement, but initially in the event of any objections to the terms of agreement that may possibly be raised by the members of the union(s). Contrarily, it was expressed that the workers are prepared to have a reasonable settlement with an upward revision of workload and wages, but the trade unions mislead them by promising to secure big increase in wages. When such unions are a party to negotiations, the whole course of negotiations changes and gets distorted. But once an agreement is reached, involving all the unions, it is a peaceful time for the management till new

negotiations are taken up.

The fact that the settlements are reached by the parties despite the problems arising out of multiple unionism raises a question as to what strategies the managements employ in bringing round the rival unions to agree on their proposals?

STRATEGIES IN NEGOTIATING WITH MULTIPLE UNIONS:

The most common strategy adopted by the managements in this region, irrespective of the industry, the ownership pattern and the issues in negotiation, is to talk with the rival unions separately and individually to take them into confidence before bringing them together. Often the managements have to play the dilly dally game before taking up the negotiations with a serious note. The negotiations are initiated without any formalised stand on the part of the managements, except when the proposal is from the management's side. Each union is given a patient hearing in the first round of talks. In the second round of talks with the individual unions the proposals of the unions acceptable to the management are put across to all the unions and efforts are

made to take them into confidence. It is only after these initial rounds of talks that serious and proper negotiations commence.

In the meetings with individual unions the personnel executives strive to convince, counsel, woo and finally pressurise the union leaders to agree to the offers of the management. When the local leaders do not agree to the offers of the management, the central leaders are contacted to get the results. But it was stated by majority of the respondents that when the local leaders are privately talked to the matters become easy. Hence, the labour leaders are invited for individualised negotiations.

Dealing with the individual unions when there are a number of unions at the negotiating table is very vital as was stated by majority of the management executives. They further said that it is necessary to pick up those unions that have a majority in the unit or the department and tackle the leaders and important members of the union(s). When such individuals are tackled properly, they accept the proposals and do not raise any questions in the negotiation meetings which will force the minority

unions and the trouble shooters to accept the offers.

Some managements have the practice of talking to the workers and unit level leaders through the department heads to convince them and to get their views and opinions. This helps to know the minds of the workers and local level leaders who would be instrumental in thrashing out agreements. If it is the negotiations on workload, the managements try to feed the worker-leaders with all the relevant facts, request some among them to enlighten those who did not see the point. If need be they contact the central leaders with a request to ~~persuade the local leaders~~ to accept the offer. On the other hand, some other managements believe in giving a balanced importance to both the local and central leaders so that neither of them becomes a stumbling block in negotiations and reaching settlements.

Still some other managements employ the strategy of having behind the scene negotiations on the basis of their own proposals with the majority union(s), work out a compromise formula and bring the same to the negotiation table to discuss with all other unions. At this stage, the managements try to

'sell' the compromise formula to the unions. This group of management believes that they should have solutions to all and every problems and when the time comes it should 'sell' an appropriate solution to the unions so that the unions are in a position to accept the same as a face saving device. Such a strategy and approach certainly contributes to successful negotiations. In employing this strategy, as well as in other situations, it is important to note that no issue should be conceded unless the leaders are made to feel that they got it by fighting. More importantly, the management should give in only when it strongly feels that the demand is very reasonable.

Another strategy adopted by the managements is to 'use' the majority union in bringing round other unions. Negotiations are first held confidentially with the majority union and after an informal agreement is reached a joint meeting of all the unions is held for negotiations. In this meeting the management clearly puts forth the proposals as were agreed by the majority union and itself. The majority union expresses its willingness to accept the proposals offered by the management. In such a situation, other unions, especially the minority

unions, have no option but to acquiesce into the agreement.

To state it differently, rivalry among the unions often helps the management to reach an agreement. It was stated that the rivalry between the unions acts as a balancing force. When one union demands more than another or is willing to accept an offer lower than what other unions insist on they are forced to scale down their demands and agree to sign a settlement. Thus the employers successfully exploit the inter-union rivalry to their advantage.

But the more effective strategies employed by the private millowners and some factory owners in the region are rather person oriented. The labour leaders are individually called for private talks and negotiations. In such meetings attempts are made to find out the problems more of the union leaders than of the workmen. The employer or his representative tries to read the pulse of the trade union leaders, what problems bother them and what could be done by the management. In other words, an attempt is made to understand the personality, the ego and the expectations of the leader(s). Once it is possible

to know the 'expectations' of the leader(s) the task is easy; the negotiations are hammered quickly and agreements are signed without any difficulty.

It is also a fact that when the employers or their representatives do not invite the labour leaders for the private 'meetings' while the negotiations are being held, the leaders themselves approach the managements/ employers seeking to know how their personal interests would be taken care of; or even suggesting the ways of taking care of their interests. Hence, it was pointed out that when the collective negotiations are in progress it is a very happy period for the labour leaders. They are confident that they would make a good fortune before the agreement is signed. It was also said that larger the number of followers one leader has larger the fortunes he would make. Hence, over years the labour leaders in Coimbatore have amassed good wealth and property.

According to both the management executives and some trade unionists seeking personal gratification is very common among the labour leaders of non-communist unions. The managements are also eager to grant some personal favours to the union leaders

and ask them to sign on the dotted lines. According to another personnel executive the private employers in Coimbatore region adopt all sorts of methods with a view to reaching an agreement. They do not mind parting with a portion of the total amount they are likely to gain/save through the agreement. When another personnel executive was asked as to how they deal with the multiple unions in arriving at an agreement ~~part~~, the answer came 'We bribe them'. Akl of the personnel executives uniformly stated that the labour leaders of the communist unions do not extend their hands.

It was learnt that the employers 'pay' in cash or kind or enable the labour leaders to earn indirectly. When it is a matter of 'paying' in cash, it is done very systematically. It was said that vouchers are passed for large sums of money for taking the workers on a study tour or picnics and excursions, etc. Some managements have even gone to the extent of planting the labour leaders. Such leaders continue to be on the pay rolls of the company and get favours in addition to wages/salary. In one case it was learnt that a company gifted a newly built house to a labour leader for his residence. More commonly,

the managements grant selling agencies to the relatives of the labour leaders. More often than not, the personal dealings with the union leaders are directly undertaken by the millowners/factory owners; the executives are not involved though they may be aware of the 'personal' dealings. In such situations the executives do not know when, where and how much money changes hands. In other words, the non-communist labour leaders are not above boards, and the employers do not hesitate to adopt the time honoured personalised strategies to get a settlement in the manner they want.

This disease has also spread to the public sector undertakings. The management of these units also resort to the practice of bribing the union leaders, but generally in kind. They agree to employ the candidates recommended by the labour leaders. These leaders recommend only those who pay them for the jobs. At festival times the labour leaders are presented with clothes, for their family members.

Bribing the trade unionists is not confined to the individual mills/factories. Even at the association level it is prevalent. It is an open secret that certain millowners have a complete

control over certain labour leaders. When the negotiations at the association level start going tough because of the 'non-cooperative' stand adopted by some of the leaders, the association executives sound the millowners having control over such leaders. The trouble shooters are promptly taken care of by these millowners paving way for smooth negotiations and settlement.

Therefore, it was not a surprise when one of the personnel executives said 'you name a labour leader I will buy him. There is no labour leader who cannot be silenced. Every trade unionist has a price'. Another respondent, who was a personnel executive in an engineering concern but now is a consultant said that in Coimbatore industries the labour leaders are easily purchased and the agreements are signed without any problem and work-stoppage. It may also be noted here that a few trade unionists accused other unionists of being corrupt in bargaining with the millowners.

Thus, it is beyond doubt that corruption and bribery are very rampant vitiating the atmosphere. It is because of the widely prevailing corrupt

practices that the negotiations are held smoothly and agreements are reached with much ease and in favour of the managements in the long run, i.e. usually the agreements are signed for a period of 5 years. Therefore, we may conclude that 'by and large, it is the 'personalised' approach rather than the professional approach that has contributed to the success and development of collective bargaining both in the textile and engineering industries in Coimbatore.

This does not mean that no genuine collective bargaining takes place in the industrial units in this region. The number of units that believe in straight forward and honest negotiations is rather small. The strategy adopted by this group is very simple, viz. 'openness and open approach'. If they cannot afford to concede the demands of the workmen, especially those involving heavy financial commitment, they plainly explain the difficulties and problems in conceding the demands. They do not believe in withholding any information or otherwise from the other party sitting across the table, for they know that the other party would be able to see through the gimmicks and designs of the management very soon. According to

them openness is the sine-qua-non of successful bargaining. This group of managers also hold the view that the other party is as intelligent as themselves and at times even more intelligent. Their experience has been that the negotiations are always protracted and time consuming - often months are spent before reaching an agreement. But once the agreement is signed, they stated, no difficulty is faced in implementing the terms of the settlement. Whereas when a settlement is reached through 'personalised' approach the problems in implementing the agreement are very common. The workers often raise problems and if they are told about the terms of settlement they simply ask the management executives to call the leader to work as per the settlement. After signing a settlement the leaders do not bother whether the worker has been able to give the agreed upon workload. As a matter of fact, many organisations managed by the professional managers take longer time in reaching agreements, in the long term interest of the organisation. For instance, in a small mill the negotiations were held for about 15 months mainly because the management believes in the professional approach. It refused to buy the labour leader,

hence, the person was adopting the delaying tactics.

The professional approach, however, demands that the management representative knows his job well - what he is negotiating? He should have due respect for the other party. The offers of the management should not be too low. The management should take into account the existing facts and offer an increase in wages that will keep up its reputation and credibility. For instance, in 1972, a labour leader belonging to the DMK union of the employees of BGL was expecting ₹.75/-, ₹.100/- and ₹.135/- as stipend for the apprentice in the 1st, 2nd, and 3rd years respectively. Whereas, the personnel executive offered to pay ₹.125/-, ₹.150/- and ₹.175/- because he felt that it was below their dignity to pay their apprentices a low stipend though it was the statutory minimum. This offer stunned the labour leader. He was not willing to accept the offer immediately for the fear of possible accusation of being purchased by the management.

It is also necessary that the person bargaining with the labour unions should know that negotiations mean 'give and take'. But he should better know, how much to give and how much to take. Neither the

management nor the workmen should lose in the game of 'give and take'. The negotiator should know how to play his game without losing to the other side.

It was also pointed out that it is the rich experience gained over years that helps to decide the kind of strategy to be employed in negotiations with the multiple unions. The employers are not rigid in their approach to the problems and issues. They have heart also and the workers know it pretty well. On the other hand, the workers also do not want to take anything from the management without giving.

PERIOD OF AGREEMENTS/SETTLEMENTS

The collective agreements on common issues with a time perspective are signed for a period of 2 to 5 years. On issues like bonus the agreements cover a period of one accounting year. There are certain advantages and disadvantages in signing a short-term or long-term agreement. On issues like wages and allowances, a short-term agreement is more advantageous to the workers especially in an inflationary environment while both the parties may be benefited by a long-term agreement when the economy is without the wild

fluctuations. Taking the worldwide situation of galloping inflation, agreements for a period of 2 or 3 years have been becoming common. But in Coimbatore still a 5-year period agreement is common. Many trade union organisations believe that a 3 year term is ideal. But it seems that at the time of signing an agreement/settlement either the management directly suggests that the agreement/settlement be signed for a 5-year period or one or two unions suggest the 5-year period (at the instance of the management). In such a situation either all or few unions cannot take a negative stand; they simply accept the suggestion. However, it was pointed out that a change from 3 to 5 years is expected in the near future since both the parties are realising the difficulties in having a 5-year period agreements.

PROCEDURE OF SIGNING AGREEMENTS

The collective agreements in India do not have a legal status. They need to be registered as 'settlements' under the provisions of the Industrial Disputes Act, 1947, in a manner prescribed by the appropriate government if the parties want to give a legal status to their agreement. This registration

will give a limited legal status to the agreements, i.e. the agreement will be binding only on the signatories. Whereas the settlement reached in the conciliation proceedings is widely binding on both the sides. Therefore, the parties prefer to sign an agreement in the presence of a conciliation officer as a settlement arrived at in the course of the conciliation proceedings. Therefore, after arriving at an agreement across the table the union(s) are asked to seek the intervention of the conciliation officer as if there was a dispute between them. When the conciliation officer takes up the matter in conciliation the parties inform him about the agreement already reached and request him to permit them to sign it as a settlement brought about by him. Alternatively, both the parties go to the conciliation officer and request him to allow them to sign the agreement in his presence.

In Coimbatore also, in general, the agreements are signed as settlements arrived at under Sec.12(3) of the Industrial Disputes Act. Very rarely, i.e. where there is only one union or when agreement is of a temporary nature and when the parties have a complete faith in each other, the agreements are

registered with the conciliation officers to give a limited legal status to the agreement. Of late, the SIMA and the trade unions signed such agreements in 1979, 1980 and 1981 on bonus issue. At the unit level the instances are still rare. Only one mill is stated to have the tradition of signing the agreements across the table and registering them with the conciliation officer in the prescribed manner, for both the parties have 100% confidence in each other and both co-operate well in enforcing the agreement.

The reasons advanced by the managements for signing an agreement as a settlement arrived under Sec.12(3) of the Industrial Disputes Act are: (i) the inter-union rivalry, (ii) to get legal protection, (iii) for proper implementation of the terms and to avoid problems from the unknown quarters, (iv) to prevent a new union from raising disputes on the subjects already covered, (v) to see that everything is put in detail for future guidance and avoidance of problems, (vi) to make it legally binding on all the workers and trade unions, especially when some union withdraws from the negotiations, (vii) to minimise the chances for varied interpretation by the trade unions, (viii) to avoid the problems from the communist

unions, and (ix) to protect the long-term interests of the management because the unions play games or new unions create problems.

It may be mentioned that the minority unions usually adopt the 'dog-in-image' policy when they join other unions in the negotiations, as was pointed out by a senior trade unionist. When there are quite a few trade unions in a mill or department of a mill and one or two of them have only a miniscule membership of 5 to 10 per cent, they create all kinds of problems in conducting meaningful and conclusive negotiations. Such unions may demand wages, allowances, bonus, etc., much higher than what the majority unions have asked. They may ask for other kinds of favours to agree to the majority view. Hence, of late the employers and their association as well as the Joint Action Council of trade unions in the textile industry are avoiding to involve the minority unions. This avoidance approach has forced them to sign agreements as settlements arrived at in the course of conciliation proceedings held under Sec. 12(3) of the Industrial Disputes Act, 1947.

It is now clear that most of these reasons have their roots in the problems of multiple unionism. Taking into account the practice of inviting all the unions for negotiations and that the unions usually form a Joint Action Council, the employers' fear of non-implementation of an agreement by a minority union whether already in existence or that may come into existence seems to be unfounded and unreasonable. Yet it should be noted that the managements do not want to take any risk by not converting an agreement into a settlement. Hence, in general, they had adopted the practice of signing the agreements in the presence of the conciliation officers. This is particularly true in case of the agreements on workload. One management executive expressed that 'after 1959 we are getting higher workload every time an agreement is reached. We do not want anybody to veto the agreements registered as settlements. Hence, we sign the bilateral agreements as settlements in the presence of the conciliation officers. Thus, by and large, collective bargaining process ends up in conciliation.

It is heartening to note that in case of about

60 per cent of the industrial organisations in Coimbatore, the collective negotiations are a total success, and in case of another 20 to 25 per cent of the establishments bipartite negotiations are successful in about 75 per cent of the issues. Among 60 to 85 per cent of the establishments majority are the textile mills. In case of the public sector transport undertaking and the cement factory, the common issues are always settled at the corporate level either across the table or with the intervention of the transport minister or by a panel of arbitrators covering the entire industry. Not only the managements but the trade unionists also stated that they try their best to settle the issues at the negotiation table itself. Even the individual disputes are taken up at the bipartite level before seeking the intervention of the third party. This clearly indicates the strong belief the employers, the managements, the employers' association and the trade unions have in collective bargaining. There are instances of a few managements, who do not want to involve the third parties in their negotiations especially in the issues like workload and wages. When they reach an impasse in

negotiations, instead of inviting a third party, they simply allow a cooling off period and resume the negotiations after the dust settles.

On the other hand, a good number of managements and trade unions seek the intervention of the higher level conciliation officers and the government functionaries including the Ministers when the bilateral negotiations fail, but only to come back to the negotiation table to renegotiate the issues in the light of the suggestions and recommendations made by these functionaries.

Therefore, it may be concluded that by and large collective bargaining in the industries at Coimbatore is successful and that it is the basic institution of industrial relations. The employers and trade unions in the textile industry, in particular, have been able to give new dimensions to collective bargaining by way of setting up a Standing Negotiation Committee. This phenomenon helps us to once again to conclude that the collective bargaining in the textile industry in Coimbatore is institutionalised and that the

employers and the trade unions settle almost every issue at the bargaining table. The institutionalisation of collective bargaining would be further strengthened if all the managements - especially the private sector employers - adopt the professional approach instead of 'personalised approach' in negotiations with the labour unions.

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Chapter 6.DEVELOPING PATTERNS OF BARGAINING

Collective Bargaining in different industries and regions takes on different forms not only structurally but also procedurally. The extent of industrialisation and rationalisation, the ownership patterns, the socio-economic background of the working class, the extent and nature of trade unionism among both the parties, the legal frame work, the approach of the parties to various issues in industrial relations, the political and economic atmosphere prevailing, etc. contribute to the emergence and development of different patterns of collective bargaining rather as a response to the needs and challenges. These patterns are certainly different from the conventional form of bargaining. In Coimbatore region over the last thirty years a few patterns have emerged and have been developing. We shall discuss these patterns in this chapter.

COALITION BARGAINING

The term coalition means a combination or a temporary alliance of factions, parties, etc. for some specific purpose as of political parties in times of national emergency. In the field of industrial relations only the trade unions approximate to factions or parties owing affiliation to different ideologies and political parties. It is our common knowledge that after 1947 there has been a mushroom growth of trade unions in all industries and employments leading to inter-union rivalry and bad industrial relations.

The large number of unions has also resulted in the weakness of the movement itself especially when compared to the strength of the employers. To add to this, the industrial relations law in the country has been highly inadequate. At least in some industrial centres in India the trade union organisations have been realising their increasing weakness due to multiplicity of unions and rivalry among themselves. They have been forced to think of the ways and methods of gaining strength that

would match that of the employers. Successful attempts have been made by different unions, though on an adhoc basis, to come together into a coalition with a view to equalising the strength of the employers - either individual or groups of employers and/or association of employers.

In textile industry in Coimbatore such efforts were begun as early as 1955-56. Since then the trade unions have been coming together to negotiate with the millowners association - Southern India Mills Association - at regular intervals. They constitute a Joint Action Council of trade unions drawing at least one representative from each of the major unions operating in the industry. The Joint Action Council/Committee is constituted in textile industry at both the association and mill levels while in other industries only at the unit level. But it is only in the textile industry that the bargaining by the employer's or their association and the Joint Action Committee of unions has been regularised, systematised and institutionalised. The rich experience gained by the district level unions in the textile industry has benefited

the unions in other industries.

The credit of bringing the trade unions together to negotiate with the millowners' association goes to the South India Mill Owner's Association in general and the then Honorary Secretary of the Association, Mr. K. Venkatesulu, in particular. This was rather a sequel to the non-unanimous report submitted by the Tripartite Textile Enquiry Committee to the then Government of Madras, appointed on 9th of June, 1951. As has been pointed out already, the special industrial tribunal, appointed to adjudicate the industrial dispute between the workers and management of Shri Meenaxi Mills Limited, Madurai, gave a direction to the government that the disputes relating to workloads, wage structure, leave facilities, etc. should be decided on an industry-cum-regional basis for all textile mills in the state. Accordingly, the Government of Madras appointed this committee to examine and enquire into the existing terms and conditions of employment of the workers in the textile mills in the state in respect of wage structure, dearness allowance, workloads, leave facilities, bonus, provident fund, gratuity,

standardisation of occupations, security of service, classification of workmen, hours of employment, shift working, termination of employment, grievance redressal, compensation for involuntary unemployment, housing, labour welfare and labour management relations with particular reference to internal joint machineries for prevention of disputes and promotion of settlement of minor disputes.

The Committee submitted its report on 14th April 1953. Many of the recommendations of the committee were only the majority recommendations. The labour representatives had a joint note of dissent. Resultantly, no action could be taken by the government. In a bid to resolve the stalemate, the government requested the millowners and the trade unions to negotiate the issues. Following this recommendation the South India Mill Owners' Association took the initiative to invite all the three trade unions to have negotiations on various subjects. The three unions operating at that time were; the Coimbatore District Textile Workers union, the Coimbatore District Mill Workers Union, and the National Textile Workers Union affiliated

to H.M.S. A.I.T.U.C. and I.N.T.U.C. respectively. These negotiations fruitfully resulted in a settlement dated 25.9.1956, providing for occupational nomenclature duties, workloads, gradations, basic wages, differentials in wages, and production bonus. The settlement was a landmark in more than one sense. Besides determining various issues for future guidance of the parties and motivating some employers in the engineering and cement products industries to negotiate on similar lines, it marked the beginning of coalition bargaining not only in the textile and other industries in Coimbatore region, but in the country as a whole. It would not be wrong to state that this was a unique international development in the field of collective bargaining and industrial relations, for the pattern emerged in U.S.A. only towards the end of 1950s and early in 1960s, of course, in a more systematic and effective manner (ILO:1973).

Encouraged by the successful efforts to negotiate jointly the trade unions developed the practice of coming together whenever they had to negotiate with the SIMA. The following are the milestones in coalition bargaining in the textile industry,

at Coimbatore; the settlement of 30.6.1960 based on the recommendations of the first wage Board for textile industry, the settlement of 5.9.1969 based on the report of the second wage board, the settlement of 23.7.1970 linking workload and wages, the settlement of 9.3.72 on wages, dearness allowance, preference in employment to heirs of workers; the settlement of 28.2.1974 on revision of wages, dearness allowance etc. But more importantly the bonus agreement of 1966 which laid down a new formula of bonus evolved by the parties and utilised over a period of one decade from 1963-73 and the deviations made in the years 1969, 1970, 1971 and 1972, by the parties themselves, and in 1973 on the advice of the then Chief Minister of Tamil Nadu Mr. M. Karunanidhi, the 1977 bonus formula, and finally the 1979 formula evolved by the parties indicate the degree of institutionalisation of coalition bargaining (for details on these agreements please refer Chapter 3).

Of course, these agreements and settlements are only a record of success of coalition bargaining. There were quite a large number of occasions when the trade unions pressurise the government to take

note of the plight of labour. In 1967, when the number of sick mills in Coimbatore increased considerably the Joint Action Council of trade unions in the textile industry called for a general strike demanding the reopening of closed mills. It was a total strike organised jointly by all the unions, but without success. In 1968, the Joint Action Council took up the same issue and called for picketing. Though all the workers in the region participated in this picketing, the trade unions affiliated to the Labour Progressive Front and INTUC did not join the agitation, for they were not willing to injure the feelings of the governments of their respective parties in the state and at the centre. When the government did not take any action on the issue, the Joint Action Council of trade unions organised a march of workers to Madras in 1969 under the leadership of United Textile Labour Association. These efforts of the trade unions bore fruit only in 1972.

On certain occasions, though the trade unions in the industry negotiated with the employers by setting up the Joint Action Council the negotiations were not smooth, yielding quick results, primarily because of the better strength of the employers and the issues involved. On such occasions either the

strikes were declared or the parties agreed to refer the dispute for arbitration by top government officers or the Ministers and Chief Minister of the State. When certain issues were referred for adjudication by Special Industrial Tribunals, the Joint Action Committee and SIMA renegotiated the issues and obtained consent awards. The examples have been the Bhakta ~~vatsalam~~ award of 20.12.1963, Mr. M. Karunanidhi's mediation on bonus for 1972, and the wage dispute of 1979, which was referred to special industrial Tribunal. Furthermore, the Joint Action Council had successfully negotiated with the SIMA to settle certain issues pending in Courts/Tribunals leading to withdrawal of the disputes or getting consent awards. The bonus disputes for 1972 and 1973 are the best examples in this regard. The issue was pending with the Tribunal from 1976-80. But following the 1979 bonus agreement under a new formula, the Joint Action Council negotiated with the SIMA to treat the bonus payments already made for 1972 and 1973 as bonus paid in full and final settlement of the demands. This agreement helped the parties to withdraw the disputes pending with the Tribunal.

In 1979 when the unions submitted a 16-point charter and the negotiations with SIMA failed primarily because of the rigid stand taken by the latter, the Chief Minister of Tamil Nadu Mr. M.G. Ramachandran mediated in the dispute without success, the trade unions had a slightly different approach. Though there was a common front of the Unions right from the beginning, a 13 member Action Committee was constituted in an all party (all trade unions) textile conference held in Coimbatore on April 22, 1979, under the Chairmanship of the General Secretary of the Textile Workers union. This conference authorised the Action Committee to serve the strike notice on all the mills and to make necessary preparations. A Joint Action programme to pressurise the SIMA and the state government was also chalked out. But the action committee had direct talks with the SIMA till the strike deadline was reached. Even when the state-wide strike was in progress and the government offices in different places were being picketed the negotiations were continued by the Action Committee ultimately leading to an agreement on 17.7.1979.

When we trace the growth of this institution (JAC) of coalition bargaining, we find that different unions had joined the JAC as members at different dates on the one hand, and some unions had either remained neutral or withdrawn from the Council at critical stages, on the other. The dates of joining the JAC, however, has been a matter of when the unions were established and when they had enrolled enough members. Thus, as we have already noted, in 1956 only 3 unions had negotiated with the SIMA. But in 1960, four unions affiliated to H.M.S. A.I.T.U.C., I.N.T.U.C. and the Labour Progressive Front, were the members of the action committee. The Coimbatore District Mill Workers Union and the National Textile Employees Union have been the members since 1972, the United Textile Labour Association since 1974, the National Textile Workers Union since 1971, the Panchalai Anna Thozhir Sangham since 1975, and the Bharath National Textile Workers union since its formation in 1979. At present, however, all the nine major district level trade unions are the members of J.A.C. in the textile industry at the association level.

Further, some of these unions stated that they

have not joined the J.A.C. at times and had withdrawn at other times from the proceedings between the JAC and SIMA. Thus, the Panchalai Anna Thozhir Sangham admits to have been a member of J.A.C. only in negotiations for bonus and general wage increase. The National Textile Employees Union has been a regular member only since 1972 i.e. after the DMK party formulated the government in the state defeating Congress party in the 1972 general elections. Before that the National Textile Employees Union was not a member because congress party, which is the parent organisation of INTUC, was in power in the state. It did not want to oppose consciously or unconsciously, the policies and programmes of the Congress government. The United Textile Labour Association also was not a regular member though it was formed in 1957, but it used to be a party to informal consultations. The U.T.L.A., the two communist unions the Panchalai Anna Thozhir Sangham, the Kovai Periyar Mavatta Panchalai Thozhilar Munnetra Sangham and the National Textile Employees Union had acted against the majority views/interests on a number of occasions.

It is gathered that in 1974 when the CITU had differences of opinion on wage issue under negotiations, it was expelled from J.A.C. It is also gathered that due to these experiences whenever the trade unions have to negotiate with SIMA these days hold their first meeting in which the J.A.C. is constituted and make it very clear to all the members that all of them have to adopt a common stand, and that if any union cannot or is not willing to adopt a common stand it could withdraw from the J.A.C. at that stage itself. The J.A.C. also resolves that the decisions taken and the agreements signed by it with SIMA would be binding on all the unions and workers thus ensuring a united front. Further, as our data reveals, in 1972 the United Textile Labour Association, the Mill Workers Union and the Mill Labour Union had formed a coalition (JAC) and successfully got revised the bonus agreement of 1971, enabling the workers to get a higher bonus. It was only subsequent to this settlement that the United Textile Labour Association started getting invitation to be a member of the J.A.C. at the Association level and that its views were accepted by other unions.

It was pointed out that the unions like National Textile Employess Union, the Kovai-Periyar Mavatta Panchalal Thozhilalar Munnetra Sangham, the Panchalal Anna Thozhir Sangham, had a policy of playing lukewarm and truant to collective negotiations whenever the issues and the course of negotiations were believed to be against the officially declared policies of their parent organisations and the party government in office. For example, even today the I.N.T.U.C. strongly believes in the constitutional methods and relies heavily on the state industrial relations machinery than on the agitational and conflict approach. It does not antagonise the government. This approach and attitude of I.N.T.U.C. is attributed to its growth and development under the state patronage.

The membership of Joint Action Council depends upon: (i) the issues for negotiations, (ii) the level at which the negotiations are to take place, and (iii) the attitudes of different unions to the issues under negotiations. When the issues are localised and confined to one or few units, only those trade unions operating in such plants would join the Joint Action Council. But when the issues involved are general

and of all India importance, e.g. the compulsory D.A. deposit, Industrial Relations Bill, the price rise, etc. every trade union organisation joins the J.A.C. In such matters the major policy decision is taken by the all-India trade unions' federations which are implemented by the regional and local level organisations. It is, however, pointed out that ordinarily trade union organisations do not have the same approach to every issue. Hence, more often than not only the members of those federations which are favourable of the Joint Action Council. So also, if the negotiations are with the industry-wide employers' organisation ordinarily all trade unions participate in the J.A.C. bargaining unless they are forced to adopt a lukewarm attitude keeping in view their cordial relations with the ruling party as well as the employers. Often they try to politicize the entire issue after withdrawing themselves from the negotiation at crucial stages and to defend their action. Contrary to this, it is claimed that, in the localised issues, there is more unity among the trade unions since the occasions would also determine the survival of the union in the plant concerned.

Since 1960s the course of coalition bargaining has not been smooth due to increase in the number of trade unions. While in early 1950s there were only three unions, the late 1950s saw 5 unions in operation. During the next decade only the CITU was added. But during 1970s at least half a dozen new unions came into existence either because of the vertical split in the already existing unions or due to formation of new parties. A few independent trade unions also were formed during this period. Thus, during the 1970s there were 14 unions in the textile industry at Coimbatore. With such a large number of unions the task of J.A.C. was becoming difficult. Hence, of late, only the major unions have been coming together to constitute a common action front to avoid prolonged negotiations, to prevent a probable deviant stand a minority union might adopt, and some unions playing truant to collective negotiations.

It is however, claimed that since 1974 J.A.C. is becoming more organised. It has been successfully adopting a common approach to the problems with mutual and proper understanding and a common bargaining strategy. But structurally the J.A.C. is

still a loose coalition of the unions. Each time a different union takes lead in convening the committee and in the first meeting of the committee a convener is elected. It is the responsibility of the convener to arrange for the meetings of J.A.C. at appropriate times. However, in 1972 the J.A.C. had elected a Chairman. In 1979's textile wage dispute no convener was elected on a formal basis. But when the negotiations failed and a direct action had to be resorted to, the general secretary of the Textile Workers Union took the lead in renegotiating the issue; hence, he was informally accepted as the convener. In the same year, for bonus negotiations there was a committee and a common approach, but no convener. Furthermore, whenever, the J.A.C. has had a convener/chairman the expenses of the Council were equally shared by the members of J.A.C. It was also stated that the J.A.C. is not formally dissolved after the agreements are signed; there will be a change of convener when new occasion arises.

Though the recommendations of the Tripartite Textile Enquiry Committee were the initial driving force for coalition bargaining in the textile industry

at Coimbatore subsequently different factors have contributed to its regularisation and systematisation. These are: the multiplicity of unions, absence of a statutory bargaining agent of the workmen, absence of a legal status for the bilateral agreements per se, the possibility of a rival union raising an identical dispute subsequent to signing an agreement, desire of the trade unions to carry with them the non-unionised workers who constitute about 40% of the textile workers, the presence of a strong association of the millowners, and lastly, the ineffective conciliation machinery.

Coalition bargaining has also been in practice in the mills of the National Textile Corporation. In fact, in 1974 the N.T.C. had participated in the negotiations between the Joint Action Council of textile labour unions and the S.I.M.A. as a party. But subsequently the National Textile Corporation has been negotiating with the labour unions on its own, for it did not join the S.I.M.A. as a member. The settlements signed by the N.T.C. management and the labour unions are, however, identical to a great extent.

The Joint Action Council of central trade unions

in the textile industry also negotiate with the individual mills or managements having two or more mills. Thus in 1982 they had negotiated and settled the bonus issue with the management of the K.A. mills on 16.11.1982 subsequent to the failure of association level bargaining; and on 11.12.1982 with the management of the K&K mills. In both the cases the agreements were based on the 1979 formula of bonus; the parties also agreed to make the necessary adjustments when the tribunal issues its award. The six trade unions which signed the bonus agreement with the management of K&K mills appealed to other mill managements to follow the example of the K&K mills through a resolution adopted by them after signing the agreement on 11.12.1982.

The method of coalition bargaining is adopted not only to negotiate the common issues, but also the unit level issues. From 1962 itself the Joint Action Committees have come into vogue. A leading trade unionist stated that the J.A.Cs at the mills level have been in existence right from the beginning. The central unions themselves have encouraged the Mill Branch Committees to form the Joint Action

Committees and negotiate with the managements the local issues including the workload and wages. They are always guided and assisted by the central leaders. But only in few mills they are set up on a regular basis. The data reveals that the trade unions in four (4) mills, viz. the Gotaris, the L.T.C., the P.N. Mills and the P.R. Mills, constitute the Joint Action Committee to negotiate the issues raised by them every time.

There is one difference between the coalition bargaining at the association level and the mills level. At the association level more number of trade unions are involved while at the individual mills level only those unions which have their membership in the sections or departments for which the negotiations are taken up are invited for the negotiations. At the mills level, the Joint Action Committees are constituted drawing two representatives from each union operating in the mill. Like the Joint Action Council set up at the association level the Joint Action Committee will also have a convener.

Normally the Joint Action Committee bargains with the Mill management on revision of workload and a corresponding wage increase, besides other localised

issues. The Central Executive Committees have given freedom to the Mill Branch Committees to follow the practice prevailing at the association level. It is, however, pointed out that the central leaders usually ask the Mill Branch Committees to constitute the Joint Action Committees when the bonus issue is taken up with the millowners' association, with a view to pressurising the managements. This was formally done in 1982 since the bonus negotiations with the S.I.M.A. had failed. Further, at the mills level the Joint Action Committees are set up after the issue is raised. At times, however, the Joint Action Committee is set up before taking up an issue. For instance, promotion issue - the Joint Action Committee is usually formed after the issue is raised by one or two unions. Whereas if the issue is of common interest, e.g. festival advance, the committee is formed first and the action depends on the programme decided by the Committee.

Since a formal or informal concurrence and approval is granted to the Mill Branch Committees to set up the Joint Action Committees whenever the occasion demands the Joint Action Committees at the mill level have become common. Now they have

reached a stage wherein often they take their decisions without consulting the office bearers of the central unions. Ordinarily such decisions have lead to snap strikes by the workers in different mills. Between June-September 1982 alone there were about a dozen strikes in various mills. The strike by the workers of T.T. Mills at the instance of the Joint Action Committee trigged off in the meeting of the Standing Negotiation Committee. The matter was discussed by the Standing Negotiation Committee and the reality was admitted by both the parties as is recorded in the minutes of the Committee. These minutes read as follows:

"It is a common feature in mills among workers to form themselves into Joint Action Committee and to resort to strikes on their own without even referring the issues to the central unions"

"The trade union members in the Committee should advise their representatives not to join the Joint Action Committees without obtaining prior permission".

In the discussions that followed, the trade union representatives desired that it was for both the sides to discourage the constitution of unit level Joint Action Committee. Therefore, the Chairman of the S.I.M.A. assured the unions that the managements

would be advised and the unions could also send circulars to their constituents. It was a general opinion, expressed in this meeting, that the central leadership of the unions should be respected. In the third meeting of the Standing Negotiation Committee once again this issue figured and the following amendment was made to the resolution passed in the first meeting.

"It was decided that on day-to-day matters the management be advised not to negotiate with local unit level Committees on issues like workload, wages, etc., but negotiate only with the central leaders".

These deliberations by the Standing Negotiation Committee reveal an important development in collective bargaining and trade unionism, viz. the local committees and local leaders are becoming more independent of the central unions though it is the central leaders who formally sign the agreements/settlements with the mill managements. Perhaps there is an increasing erosion of power and control of the central leaders over the mill level leaders. The central leaders are afraid of this growing phenomenon. It is this fear of the central leaders which was instrumental in amending the resolution of the Standing Negotiation Committee by adding the clause that 'the central leadership should

be respected'. It may be added that a senior labour leader felt that the younger generation of workers do not bother about the leaders of the central unions and do not respect them; they try to be on their own in many respects. It is this group of workers who are gaining control over the mill committees and issues. Yet it is a fact that there are no instances of revolt against the central leadership and no efforts by the mill committees of breaking away from the central union and forming a new union or joining a rival union. It may be noted that so long as the negotiations on work-load and wages are taken up at the unit level the Joint Action Committees would continue to function. Therefore, the best remedy is to restrain them from resorting to snap strikes.

COALITION BARGAINING IN OTHER INDUSTRIES

Collective bargaining in engineering, cement and transport industries is also between the management and all the major trade unions operating in the individual units. In all the industrial units where large number of workers are employed and two or more unions are operating, each one of them is invited for negotiations. Thus in L.E.W. 14 unions, in G.I.P.S.I.

9, in T.T.C. 7 unions of the workers and 7 unions of the staff, in C.T.C. 6 unions of the workers and 2 of the staff, and in the A.C.W. 6 unions together take up the negotiations with the concerned managements. As in the textile industry, the unions in the engineering industry also form the Joint Action Committee and new unions join the J.A.C. as and when they have come into existence. Again as in textile industry, two representatives from each of the unions constitute the Joint Action Committee. These unions also have the practice of having a convener of the Committee. Usually, this person is a man of experience in negotiations. In these industries also often the trade unions prepare their own charters of demands when no proposals are received from the managements. Furthermore, the bargaining by a Joint Action Committee of trade unions has been more than a decade old. Thus in I.E.W. the negotiations are taken up by the management with the unions since last 10 to 15 years. In T.T.C. it has been in practice since last 20 years; so also in G.I.P.S.I. But in A.C.W. and the C.T.C. only from the last 10 to 15 years. In other words, there is a total influence of coalition bargaining prevalent in the textile industry on other industries in the region.

SECTIONALISED BARGAINING

Collective bargaining generally covers the entire workforce employed in an organisation or a number of units in the industry in a given region on the one hand, and an employer or a group of employers or the employers' association on the other. It usually involves a single or multiple issues commonly affecting all the workers. Furthermore, the terms of agreement arrived at by the parties are applicable uniformly. This is true of whether it is the conventional or traditional type of bargaining, or productivity bargaining or any other form of bargaining that has been in vogue.

established fact that the methods of production and the technology gets obsolete over a period of time necessitating its replacement at the appropriate time. Often the replacement of the entire machinery in an organisation is not possible both from the view point of the management and the labour force employed. The management may not be in a position to spend huge sums of money for introducing the available new machinery and the latest technology. Even if a management is in a position to do so, it may result

in mass retrenchment of workers causing lot of hardships to their families. Therefore, often the managements modernise their plant section by section or department by department. When new machinery is introduced in a section the method of production, the workload and the skills involved change ordinarily from low workload to higher workload and higher skills. It forces the workers to learn new skills in minding the new machineries and achieving higher targets of production and often requiring retraining of the workmen. As a matter of fact, the employers would be interested, more often than not, in fixing new norms of working only for the section wherein new technology and machinery are introduced. This is what is exactly happening in the textile industry in Coimbatore region over the last 20 years. Many leading millowners have been introducing new machinery and technology in their mills section by section. Consequently, they have been inviting the representatives of workers for negotiating new norms of workload and an appropriate increase in wages every time there is a change. This method of negotiations covering one section or department at a time necessitated by the rationalisation and modernisation of the

section or department may be described as SECTIONALISED BARGAINING or piecemeal bargaining.

Sectionalised bargaining is not confined to the sections or departments where workers are directly connected with production, e.g. blow room, mixing, spinning, reeling, cone winding, weaving, etc. but also to the trades and occupations which are complementary and supplementary to the main activities including lower level supervisor and other categories of employees, such as, the jobbers, maistries, fitters, electricians, watch and ward staff, clerical staff, etc. In case of these jobs and employees also the subject matters of negotiations remain the same, i.e. wages, duties and responsibilities, the workload, etc.

Sectionalised bargaining is adopted by about 75% of the mills in the private sector. But the credit of pioneering the practice goes to the Coimbatore Spinning and Weaving Mills which is now in the public sector. It was one of the 12 sick mills taken over by the National Textile Corporation in 1972-73. This mill initiated the practice of bargaining for different sections and occupational categories as early as 1960 with a view to tackling the problems confined to the sections and occupational

categories instead of determining the workload and wages or other issues for the entire mills.

The C.S.&W. Mills entered into an agreement in 1960 on workload in weaving shed and the placement of weekly workers in reeling and cotton press departments. In 1961 a bipartite agreement was signed covering the security staff. In 1964 two agreements were signed - one concerning the workers handling automatic looms and acting wages for the jobbers, while the other confirming the temporary workers in service and providing payment of bonus to them. The agreement negotiated in 1965 determined the workload in blow room besides revising the wages of the garden coolies and providing for provident fund. In November 1967, December 1969 and June 1970 the negotiations were successfully held for the spinning departments. While in 1967 the change of counts, allotment of workers and the vacancies to be filled were agreed, in 1969 continuous running of spinning frames was negotiated, since there was low production. Lay-off compensation for the workers of the spinning department was negotiated in 1970. Between 1970 and 1973 a

large number of agreements covering different departments were signed by the management and three trade unions - 5 agreements in 1970, six in 1972, and 5 in 1973. The latest departmentwise agreement was signed on 4.2.1983 providing for transfer of workers of the spinning department necessitated by the shifting of the spinning machines to a new building within the premises.

The salient feature of the agreements signed by the management of Coimbatore Spinning and Weaving Mills with the labour unions since 1960 has been that all the agreements have been purely bilateral and outside the legal framework. None of the agreements has been registered with the labour department even for the purpose of Sec.18(1) of the Industrial Disputes Act, 1947. The parties have not felt the need for such registration. Both the management and labour unions have mutual trust and confidence in their dealings. It was gathered that the Mill Labour Union has a commanding support of the workers. Hence, the words of the leaders of that union carry weight with both the management and workers including other unions. Once a matter is discussed, negotiated and the terms of agreement

are written down the same would be enforced by both the parties in right earnest and right spirit. The management has been maintaining a Book in which the agreements are recorded. Every new agreement is circulated among the employees and trade unions.

Sectionalised bargaining mainly due to modernisation of different sections of the mill was started in 1968 by the Vasantha Mills. This agreement covered the spinning and weaving sheds. But between 1968-82 there were no negotiations to revise the workload and wages in this mill primarily because the management changed hands twice during this period. But in 1982 a series of agreements - both departmentwise and occupationwise - were signed by the management and the labour unions covering 4 to 35 workers and 1 to 3 unions operating in the section or for the employees in a trade or occupation.

The R.L. Mills has a long list of sectional agreements starting from 1969. The Mill had introduced the rationalisation scheme in 1968 itself, as a result of which revision of workload and duties was felt necessary. An agreement covering a large number of production departments viz. (1) mixing, (2) blow

room, (3) carding, (4) preparatory, (5) spinning, (6) cone winding, (7) reeling, (8) bundling and bailing, and (9) cleaning gang, was signed on 1.1.1969 for a period of 5 years. This agreement was revised in 1974 and 1981.

The management of R.L. Mills entered into another sectional agreement in March-April 1974 covering the fitters, turners, blacksmiths, carpenters, tinkers, painters and others in the Mechanic Shop represented by the National Textile Employees Union. The union had raised the demand pointing out that after 1959 the wages of these categories of employees - which were fixed by the industrial tribunal - were not revised and that the plant machinery had been replaced due to technological and other improvements. This agreement redefined the workload and enhanced the wages. The next agreement covering these employees was signed in 1981.

During 1974 itself two more agreements were signed by the management and the labour unions. While the first agreement was signed with the Coimbatore District Textile Workers Union covering the electrical workers of the mill, the other agreement covered the Power House employees represented by the National

Textile Workers Union and the Coimbatore District Textile Workers Union.

In 1975 the management and supervisory staff signed an agreement on workload, special duties, basic wages, etc. This agreement remained in force for a period of 6 years instead of five as was stipulated by the Memorandum of Settlement.

In 1969 agreement covering a large number of departments had outlived its period. Hence, both the parties were interested in negotiating fresh agreements. But in 1977 the management negotiated an agreement only for the Carding Department to be effective for a period of 5 years.

In 1981, the management signed a series of agreements. These agreements covered the workmen in power house, generating room, machine shop, carding department, supervisory staff, mixing blow room, preparatory, spinning, winding and reeling departments, sweepers and watch and ward staff, etc.

On the expiry of 1974 settlement both the unions viz. National Textile Workers Union and the Coimbatore District Textile Workers Union - representing the workmen in power house demanded wage revision. The

negotiations were held between the management and the two labour unions resulting in an agreement providing for 'No fixed workload' for any worker in the power house, an extra payment of Re.1/- per working day, fixation of basic wages, annual and additional increments, etc.

To meet the increasing need for power as a consequence of replacement of captive diesel generating machines a separate generating room was constructed. Hence, it was found necessary to form a separate section/department for the operation and maintenance of generators. This category of employees were represented by the Coimbatore District Textile Workers Union. Both the parties negotiated an agreement covering the employees of the Generator Room and signed the same on 20.11.1981 for a period of 5 years.

Subsequent to 1.1.1969 agreement covering the employees in Carding Department defining the workload and fixation of wages, the management of the mills had introduced new machinery leading to new changes in workload and work assignment. So also a number of changes had taken place after the 1977 agreement for the same section. The management proposed to

modernise further the Carding Department. Therefore, the management held negotiations with five labour unions, namely, the Coimbatore District Textile Workers Union, the National Textile Workers' Union, the National Textile Employees Union, the United Textile Labour Association, and the Anna Panchalai Thozhilalar Sangham. The agreement was signed by the management with these five unions in 1981 for a period of five years fixing the workload, the duties and responsibilities of the workers afresh and granting a wage increase.

Furthermore, in anticipation of future developments, i.e. modernisation, the management of this mill negotiated with four unions - the Coimbatore District Textile Workers Union, the National Textile Workers Union, and the United Textile Labour Association - higher workload, duties and responsibilities of different categories of workers while determining new wage rates for the workmen in mixing, blow room, preparatory, spinning, winding and reeling departments and the sweepers and watch and ward staff. This agreement was signed on 24.3.1981 for five years as in case of other departments.

The canteen workers were not covered by any of the agreements. All of them were members of the National Textile Employees Union. The Union raised demands for wage revision, number of workers required in canteen, their duties and responsibilities, workload, etc. It was agreed by the parties across the table that individual workload cannot be fixed because canteen is a catering department serving all the employees round the clock. Hence, collective responsibility was assigned to all the workers to see that the canteen functioned smoothly. The management agreed to employ 12 workmen for the canteen. The settlement was signed on 10.11.1982 for a period of 5 years from the date of signing.

The 1975 agreement covering the Supervisory staff had outlived the period for which it was signed. Therefore, the supervisory staff - the jobbers, maistries and oilers, etc.- demanded higher wages. So the management negotiated with their representatives a fresh agreement on workload, special responsibilities, basic wages, annual increment, speed wages, designation, etc. and signed the agreement on 29.6.1981 for a period of 5 years.

Since the management signed settlements for other departments in 1981-82, there arose a need to cover the workers in the Mechanic Shop arose. These workers were wholly represented by the National Textile Employees Union. The Union and the Management agreed through bilateral talks on designations of workers, their basic wages and wage rates, the annual rate of increment, duties and responsibilities, and also an ex-gratia payment of 8.5 per cent of basic wages earned during 1.4.1979 to 31.3.1980 for extending co-operation to the management in reaching the settlement. The agreement was signed in 1981 for five years as usual.

In 1969 two more mills - S.G.K. Mills and S.R.K. Mills - also started the practice of negotiating agreements for different departments/sections following the example of Coimbatore Spinning and Weaving Mills and the Vasantha Mills. While S.G.K. Mills negotiated an agreement for the Carding department the S.R.K. Mills signed an agreement for bundling department. Both the mills signed these agreements for a period of 5 years.

The L.T. Mills which is considered to be the largest and leading textile mill in Coimbatore region seems to have followed the practice of sectionalised bargaining only in 1970s in all its units in Coimbatore. Sectional agreements were signed in 1978, 1980 and 1981, covering weaving, spinning and winding departments in the main unit. Of these, the 1978 agreement covering the weaving department provided for a higher workload. Each worker was required to mind 16 automatic looms as against 4 traditional type of looms. The 1980 agreement covered the spinning department. The workload was increased to 6 sides as against 5 prevailing in the region but providing for a wage increase of Rs.40/- per worker per month. Similarly, the 1981 agreement covering the winding department increased the workload by 20 per cent providing a wage increase of Rs.50/- per month per worker. In its two other units the agreements were signed in 1979 and 1982. On 17.1.1979 the management signed an agreement with three unions namely, the Coimbatore District Textile Workers Union, the Anna Panchalai Thozhilalar Sangham, and the National Textile Workers Union, covering the Power House workers numbering 25 for a period of 5 years. Similarly,

on 22.9.1982 a five year agreement was signed with five unions, viz. the United Textile Labour Association, the Dravida Panchalai Thozhilalar Munnetra Sangham, the National Textile Workers Union, the Anna Panchalai Thozhilalar Sangham, and the Coimbatore District Textile Workers Union for 185 workmen of the mixing, blow room, carding, combing, spinning, machine shop and watch and ward section. On 30.9.1982 still another agreement was signed with the same unions for the workmen in weaving section numbering 95.

The PN Mills had signed similar agreements in 1980 and 1981 for carding and reeling departments. The Gotaris started the practice in 1968 subsequent to modernising the mills. But it was only in 1970s that the agreements were frequently negotiated for different departments - in 1975 for spinning department, in 1977 for weaving department, in 1978 for reeling, bundling and engineering departments, and in 1982 once again for weaving department.

To state it differently, sectionalised bargaining became more common during the 1970s. Not only more and more mills adopted the practice but the pioneering mills negotiated fresh agreements. In 1980s this kind of agreements are becoming very common especially

in larger mills. At the time of this study (May-June 1983) negotiations covering different departments or occupational categories in different mills were in progress. For example, S.G.K. Mills was negotiating an agreement for the winding department wherein only 3 workers are employed; the LT Mills for its weaving department of the main unit, and for jobbers and maistries in its subsidiary units at Singanallur; the Gotharis for further rationalisation of the mills wherever it was feasible; the V.T. Mills for weaving preparatory, weaving and warehouse sections on workload and wages.

Sectionalised bargaining has been in vogue only in one unit in the engineering industry. Two reasons may be advanced for this situation. Firstly, the size of the establishments in the non-textile industries is small. There are hardly a dozen units employing 200 or more workers and one or two employing a few thousand. The small organisations do not find it necessary to adopt this practice. Either they negotiate for all the workers or leave the matters to be decided by the third party. Secondly, the engineering unit which has the practice of sectionalised bargaining is not only big in size

with large number of sections and departments, it is managed by a company which owns a number of mills in which the practice has been in vogue. The experience gained by the management in the textile mills is utilised to determine the matters in its engineering unit.

The above analysis reveals that the sectionalised bargaining is a pattern that approximates productivity bargaining. As in productivity bargaining, the emphasis is on higher production simultaneously conceding a wage increase. But if we take into account the fact that this kind of bargaining does not seek to prevent the wasteful practices on the part of the labour and to motivate the employees to go beyond the defined workload it is certainly different from productivity bargaining. During the course of negotiations the labour unions endeavour to see that the increase in workload is as less as possible - often not more than 20 per cent of the existing workload. Similarly, the managements do not agree to reward the workers beyond 10 per cent of the wages being paid at the time of negotiations. In other words, both the parties try to concede as little as possible while

trying to get the maximum. More importantly, some unions do not want to be a party to these agreements perhaps because they rightly believe that it is more advantageous to the millowners/employers.

Sectionalised bargaining is a pattern that keeps both the parties always engaged in negotiating the identical issues for different sections of workers, which means that the number of agreements to be negotiated and enforced is more. The management and labour unions are always burdened with the task of negotiating for different sections. No sooner one agreement is signed than the parties have to initiate negotiations for another section or department or a category of employees. Often the managements have to negotiate for two or more sections simultaneously with different sets of unions and labour leaders causing lot of strain and lack of time to attend to other problems of the organisation.

Different types of views were expressed by different respondents in the textile and non-textile industries on this pattern of bargaining. These views are both for and against the practice. One of the consultants in labour relations and employee

training in the textile industry held the view that the agreements covering different sections, departments or categories of workers is quite in tune with the general method of collective bargaining. The method of sectionalised bargaining is a necessity arising out of the modernisation of the mills which is possible only in stages. Moreover, negotiating for all the workers on workload and wages may take a very long time due to multiplicity of unions and varying nature of work involved in different departments.

The general manager of a leading mill stated that the piecemeal bargaining is resorted to because negotiating common agreements takes a very long time. It helps to keep every category of employees actively involved in negotiations and makes them responsible in enforcing the agreement. It also helps in effectively dealing with the unions since they are fewer in sectionalised bargaining than when negotiations are held for the entire mill. But he felt that the sectional agreements have lead to narrowing down the wage differentials between different categories of workers because while a settlement is in force for one category or when the period of agreement is getting expired, a new

agreement for other categories of employees is being negotiated or enforced. This means the employees covered by an old agreement and the employees governed by the new agreement would be getting more or less the same wages, which would not happen when a common agreement is negotiated for all the employees. Due to narrow wage differentials the workers are often dissatisfied.

The Personnel Manager of another leading mill, where the management is professionalised, felt that the conditions of the machinery and the changing working conditions force the management to adopt sectionalised bargaining and sign sectional agreements. Such negotiations are usually undertaken when new and modern machinery is installed. According to another personnel executive these negotiations help to maximise the workload in the given department, section - the possibilities of increasing the workload are always higher and in favour of the management.

On the other hand, the managements which have not adopted the practice of sectionalised bargaining stated that they do not want to encourage departmentalised agreements even if the unions are

interested. They feel that such bargaining would lead to intense inter-union rivalry because in different departments different unions are in majority; whereas in the entire unit only one or two unions would be in majority and it would be easier to deal with one or two major unions. Secondly, the sectional agreements may lead to higher wage disparity between occupations and departments. Thirdly, they feel that such bargaining does not help production planning in a proper manner covering the entire mill/unit. Finally, it was felt that the sectionalised bargaining causes imbalance between different departments with regard to workload and related issues.

A third group of respondents advocated that the SIMA should take up the issues of workload revision for all the member mills simultaneously and negotiate a common agreement which would help all the member-mills to have uniform standards. According to them such an agreement helps to avoid the increase in wages from one mill to another, for now it is a strategy of the unions to demand wages higher than the prevailing rates whenever they negotiate an agreement on workload and wages. Often they have succeeded in maintaining differentials at least

nominally. In support of their view they quoted the example of 1956 settlement which remained in force for 10 to 15 years without any change. But it may be noted that not all the mills modernise their methods of production simultaneously enabling the SIMA to take up the issue for all the mills.

On the other hand, the trade unionists (other than the Marxists) expressed a favourable view on sectionalised bargaining. According to them the workers are benefited by the increase in wages; hence, the workers do not mind to give a little higher production if their earnings are also higher. Whereas the Marxist unions have been opposing the increase in workload for they feel that it would lead to unemployment of large number of workers.

Therefore, we may state that sectionalised bargaining has been brought into vogue by the employers to help themselves to rationalise the methods of production, to redefine the work norms in different sections/departments or for different categories of the employees who are indirectly connected with the production process, and also to deal with the rival unions in realising the objective

of maximising the production. It is a method that helps the employers to phase the introduction of new machinery and technology. Further, in this pattern, while the employer bargains for higher workload, the employees or their unions bargain for higher wages without retrenchment of the workers except under a voluntary scheme. But comparatively it is the employers who are more benefitted by this pattern of bargaining.

CONVERTIVE BARGAINING

While coalition bargaining is an attempt on the part of the labour unions to resolve the problem of the organisational weakness arising out of multiple unionism and the absence of a statutory procedure for recognising a representative union and the sectionalised bargaining is an effort of the employers to resolve the problems connected with rationalisation of the methods of production laying down new work norms leading to higher production and to deal with the problem of rivalry of unions, the convertive bargaining is an attempt on the part of both the sides to give a legal status to the agreements negotiated bilaterally. The existing industrial

relations laws do not provide for a legal status to a bilateral agreement per se. In the absence of a legal status the collective agreement is nothing more than a private agreement. Such an agreement, though settles the dispute, is not considered as a legal settlement of the dispute as was held by a Division Bench of the Bombay High Court in 1956 in Poona Mazdoor Sabha Vs G.K. Dhulia. The Industrial Disputes Act was, therefore, amended in 1956 and 1965 to give a kind of legal status to the agreements. These amendments were to Sec.2(p) and Sec.18 of the Act. While the amendment to Sec.2(p) aimed at widening the scope of the term settlement, the other amendment sought to make the registered agreement binding on the parties signing it. But Sec.2(p) makes a distinction between a settlement arrived at in the course of the conciliation proceedings and a settlement registered with the conciliation officers in the prescribed manner. This distinction is still sharper when Sec.2(p) is read with Sec.18(1) and (3) of the Act. The settlement arrived at in the course of conciliation proceedings is binding on all the workmen employed on the date of settlement as well as on all those who might be employed during the period of settlement,

on the one hand, and, on the other hand, on the employer(s), his heirs, successors and assignees. Whereas a settlement registered with the conciliation officer in the prescribed manner is binding only on the parties signing the agreement. Any section of the workers not a party to the registered agreement may raise a dispute on the subjects already covered under the agreement. As a matter of fact, the employers and trade unions have developed a preference for the settlements signed in the presence of the conciliation officer. But the conciliation officers have failed to enthuse and motivate the parties to seek their services. Both the labour and management do not have confidence in the conciliation officers, More importantly, the employers and the labour unions do not want to refer the issues of workload, wages, allowances, production linked bonus, etc. to a third party, especially the government conciliation officers

The textile mills in Coimbatore have been modernising their mills and negotiating with the unions for higher workload and wages every 3 to 5 years. They do not want to involve the conciliation officers or any other third party in these negotiations.

But at the same time they want to have a total binding effect of the agreements on all the workers employed in the mills in view of the multiplicity of unions. Similarly, the trade unions negotiating with the employers do not want the rival union(s) to raise the same issues and negotiate with the management for a better settlement or raise a dispute and get better benefits through the conciliation and adjudication machinery. Therefore, both the employers and the trade unions negotiating an agreement bilaterally prefer to sign their agreement before a conciliation officer as if it was reached in the course of the conciliation proceedings conducted by that officer. In other words, the parties to an agreement seek to convert the bipartite agreement into a tripartite settlement.

Similarly, when certain issues, when not settled either at the bargaining table or in conciliation, are referred for adjudication by the government. But such a reference does not prevent the employers and the trade unions from negotiating the issues pending in adjudication with a fresh approach. When the parties succeed in arriving at an agreement on the

issues referred for adjudication, they approach the adjudicating authority with a request to give them an award incorporating the terms of the agreement they have arrived at. In such situations the adjudicating authority usually issues an award as requested by the parties. These awards are known as the consent awards all over India.

Various reasons were advanced by the personnel and other executives for converting the agreements into the settlements. These reasons, though listed in Chapter 5, are repeated below for ready reference.

(1) To see that every term of agreement is in detail and perfect order to avoid problems in its implementation, (2) a settlement is legally binding on all the workers and trade unions, (3) to prevent rival unions or a new union that might come up, from creating problems after the agreement is signed - a section of the workers is not organised and who could be organised any time by an outsider, (4) for proper implementation of the agreement, (5) the chances for varied interpretation of the settlement, as liked by the parties, are remote, (6) long term agreements should be in the form of a settlement in the interest of the management, because the unions play games causing problems in

labour-management relations, and (7) to prevent the unions, especially the communist unions, who do not believe in rationalisation schemes and often withdraw from the negotiations, from vetoing the agreements on workload and wages negotiated after modernisation of a section or the mill.

On the other hand, a few managements do not convert their bilateral agreements into settlements for two reasons: (i) they do not visualise any problem in implementing the terms of agreement, for all the unions are a party to the agreement and often the unions themselves take initiative in negotiating the agreement, and (ii) the tradition in these organisations is to have only the bipartite agreements. But the latter type of organisations are few. The Southern India Mills' Association has also occasionally signed the bilateral agreements which have been implemented by the member mills in right spirit. Hence, the necessity to convert the bipartite agreements into tripartite settlements arises mainly out of the desire of the employers to avoid the industrial relations problems, for if a settlement is not honoured by the trade unions the matter can be taken up with the Evaluation and Implementation Machinery of the Government. Similarly,

the unions can take up an issue of non-implementation to this machinery or raise a dispute on non-implementation and get the things settled.

PATTERN BARGAINING

When any practice and procedures yield good results consistently over a period of time and also help to overcome the inherent weaknesses and drawbacks of a system, such practices and procedures would be adopted by others with a desire to obtain the same results. This exactly happens in industrial-relations matters. The fact that the SIMA successfully negotiated, with 3 unions operating in the member mills in 1956, a very comprehensive agreement on classification of workers, their duties and responsibilities, the wage rates and allowances, the production bonus, etc. prompted the employers in the engineering and other industries to adopt the same procedures. They too granted a de-facto recognition, without any discrimination, to the trade unions claiming membership in their organisations and negotiated similar agreements. They have made it a regular practice to enter into negotiations with the labour unions at regular

intervals of time—every 5 years.

Similarly, within the textile industry a number of mills adopted the practice of negotiating separate agreements for different sections/shops following the practice that was in vogue in the C.S.&N. Mills. The leading and prosperous mills in this area found the practice very advantageous particularly in the event of phased rationalisation and modernisation of the methods of production. The negotiation to refix the work norms and wages for the workers in a section/shop was found to be easier than negotiating the same or similar issues for all the workers of the mill. Hence, the practice came into vogue in larger number of units not only in the textile industry but also in the biggest engineering unit in the region.

This practice of adopting the successful practices and procedures of bargaining by other employers who ordinarily wait for the results of the experimentation by the pioneers may be described as Pattern Bargaining. This form of bargaining reflects the desire of few employers to experiment with new procedures on the one hand and the desire of larger number of employers to

follow in the footsteps of successful employers on the other. It may, however, be noted that it is not unique to the textile industry in Coimbatore; the 'Pattern Bargaining' is also in existence in other countries.

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Chapter 7.COLLECTIVE BARGAINING & TRIPARTITE METHODS

The data analysed so far reveal that collective bargaining has been in existence in the textile and engineering industries since 1956. During this period of 25 to 30 years it has grown from strength to strength and has been institutionalised. In almost all the industries, in general, and, in the textile industry in particular, all the issues affecting the collective interests of the workers, on the one hand, and the millowners either individually or collectively, on the other, are negotiated and settled across the table. The employers, the millowners' association and the labour unions have been able to develop certain healthy practices and establish good traditions. New patterns of bargaining like the coalition bargaining, sectionalised bargaining and convertive bargaining have emerged and taken deep roots.

Yet it is a fact that in a number of engineering units the negotiations are not successful every time. Similarly, in other industries, including textiles,

the negotiations fail occasionally. The negotiations in individual issues irrespective of the industry are also not successful at the bipartite level. In other words, on several occasions the direct negotiations fail and an impasse is reached necessitating the intervention of a third party. Thus, in about 30 to 40 per cent of the cases the negotiations are extended beyond the bipartite level.

Since the Industrial Disputes Act, 1947 prescribes that in all differences between the labour and management the services of the conciliation machinery should be sought, the parties are compelled to seek the intervention of the conciliation officers. Ordinarily in individual disputes and minor issues affecting the common interests of the workers, or when the parties themselves agree at the bargaining table to refer their dispute to a higher level conciliation officer, such as, the Deputy Commissioner of Labour of the region, the Special Deputy Commissioner of Labour and the Commissioner of Labour, the intervention of the third party takes place.

When the matter is taken up by the conciliation officer, notified for the industry and the region more often than not, the conciliation officer

advises the parties to renegotiate the issues bilaterally. This advice of the conciliation officer is ordinarily accepted by the parties not only because the advice has come from a senior government officer in the Labour Department, but also because the heat has cooled down and the parties are waiting for an opportunity to renegotiate. The advice of the conciliation officer acts as an excuse to return to the bargaining table to negotiate the issues afresh and reach a settlement. Normally, such negotiations help the parties to arrive at amicable settlements.

In other words, there are two bargaining situations, namely, bargaining before a bottleneck in negotiations is reached, i.e. purely bipartite, and (2) bargaining taken up on the advice of the third party - the conciliation officers or the adjudicators. The attitude and approach of the parties differ in both the situations. As many of the respondents put it, the negotiations in the former situation are more rigid; each party tries to gauge the other and would be bent upon getting the maximum from the other party. Though the labour unions want to have a quick settlement in

favour of themselves, they are more demanding and pressurising. They do not see reason in management's views at this stage. Further, these respondents felt that the policies of the managements and the labour unions on issues like higher wages and workload prevent them to reach an agreement at the bipartite level before they assess all the pros and cons. Quite often the inter-union rivalry also prevents the amicable settlement of the issues. For instance, it was stated that the communist unions do not come forward to negotiate an agreement on higher workload except when they are the lone union or majority union in the particular establishment/mills. When cross checked, it was found that the communist unions are basically opposed to increasing the workload leading to retrenchment and unemployment of large number of workers. But where the agreement does not lead to loss of employment but provides for a substantial increase in the wages, they do negotiate and agree on higher work-load. It was also pointed out, by some of the employers having a traditional approach to industrial relations, that the 'give and take' approach in bargaining a settlement is missing at this stage. Considering the fact that collective

bargaining in this region has been widely prevalent it is difficult to accept such a view.

On the other hand, majority of the respondents stated that at the bipartite level the opportunities to talk freely with the unions are very high. It is under this free atmosphere that the trade unions are individually invited by the employers and the management's views and opinions are communicated before the unions crystallise their stands on the one hand, and, on the other, the trade unions ask for better concessions and favours which they cannot do in the presence of all other unions. Even when there is a strike situation, the parties are able to negotiate and settle the issues if the negotiations are held at the unit level or in a neutral premises. At the bipartite level, as the respondents put it, there is a wide scope for 'give and take' on both the sides helping themselves to reach an agreement. Very often the employers are prepared to concede the demands either out of the way or slightly beyond their capacity to pay, for they know that the other party will also have the same approach to the issues under negotiation. It is also true that at

this level a package deal between the parties is more possible. But it was pointed out that the negotiations are slow and tardy, primarily because both the parties want to consider every aspect of the matters involved before committing to the other party.

Whereas when the parties come back to the bargaining table on the advice of the conciliation officer the course of negotiations is said to be time bound and directed towards a settlement. But according to others even at this stage the negotiations could be dragged on for a long time. Majority of the respondents felt that at this level the parties do not come out fully and freely while taking a very rigid legal position. The parties adopt such a stand when the conciliation officers clarify the legal issues involved. They fail to appreciate the views and feelings of each other preventing them to adopt the same 'give and take' approach. In many cases, the 'give and take' approach is totally absent. It is also true that the parties change their positions if the conciliation officers do not show an inclination to help them. Furthermore, it was pointed out that the unions could be under pressure from the conciliation officers, since he would be

taking a via media approach to the problem after learning the positions already adopted by the managements and the labour unions. This also enables some parties to have a more practical view of the issues enabling themselves to arrive at the settlements. On the other hand, it was argued that in this bargaining situation the parties are more rigid because the union wants to settle the disputes in favour of itself, often treating the matter as a prestige issue. This kind of an attitude and approach is also true of the other party. Hence, it was said that once the issue fails at the bilateral level it fails at all the subsequent levels. Some managements stated that they do not offer anything at the conciliation level or when they come back to the bargaining table. Often they simply refuse to negotiate at this stage and sometimes do not own the offers made earlier. This will force the trade unions to lower the demands and adopt a more compromising attitude and approach facilitating the settlement of the issues in favour of the managements.

In other words, contradictory views were expressed by the respondents on the effectiveness of negotiations before or after an impasse in collective negotiations is reached. These views are certainly based on the

basic policies of the labour unions and the managements on different methods of decision-making in labour-management relations. In pursuance of such policies certain employers and trade unions are in a position to settle every issue at the bipartite level and seek the services of the conciliation officers only for signing the settlement as if it were arrived at in course of the conciliation proceedings, while other parties either settle the issues at the bargaining table and allow the issues affecting the individual workers to fail at the negotiation table so that they could be taken up in adjudication.

When the negotiations fail at the bipartite level some employers and labour unions in general and the mill-owners' association and the textile labour unions prefer to have mediation by the Commissioner of Labour, the Secretary to the Department of Labour, the Labour Minister or the Chief Minister of the State. The history of collective bargaining, particularly in the textile industry, reveals that mediation by these influential outsiders has often resulted in settlements. However, in 1979, the mediation by all these functionaries including the Chief Minister

of the state were not successful because of the extremely rigid stand adopted by both the parties. Hence, the Government of Tamil Nadu appointed a Special Industrial Tribunal and the dispute was referred for adjudication by that tribunal. But the labour unions boycotted the proceedings of the tribunal and continued their agitation to pressurise the SIMA to agree for negotiations. They were able to settle the issues and get a consent award. In 1972-73, in a bonus dispute, the then Chief Minister, Mr. M. Karunanidhi, mediated to have an interim settlement of the dispute. The final determination of the dispute was left to be arbitrated by the Chief Minister and the Labour Minister. But in 1975 the Government of India imposed the President's Rule on the state, because of which the dispute could not be settled by the Chief Minister and the Labour Minister. In the absence of the popular government, the SIMA was able to influence the government machinery to refer the issue for adjudication. This clearly revealed the management's intentions to recover the excess amount paid to the workers pending the final settlement of bonus. The labour unions, therefore,

went in petition to the High Court of Madras against the reference of the dispute for adjudication. But the Court did not intervene in the adjudication of the dispute by the Tribunal; instead the H'ble High Court advised the labour unions to argue out their case before the Tribunal. Hence, the issue remained pending in adjudication for a few years. The issue was ultimately settled at the bargaining table in 1980 following the successful negotiations in 1979 under a new formula applicable for a period of three years - 1978-81. Similarly, the Commissioner of Labour has mediated in a few disputes including the bonus dispute for 1973-74 which was also settled in 1980.

Eight reasons were advanced by the respondents for coming back to the negotiation table pending conciliation or adjudication. These are: (1) to buy time to solve the issues amicably and effectively, (2) to avoid the intervention of the unwanted and unscrupulous elements or trade unions from getting an upper hand, (3) to prevent the precipitation of the dispute and to facilitate a settlement, (4) to have a better and quick settlement based on the balanced advice and recommendations

of the conciliation officers or adjudicators, (5) to have only a bipartite settlement, (6) to avoid an adverse award of the adjudicator - neither party is sure of the gains at the adjudication level as against the calculated gains and loss at the bargaining table since it always involves a 'give and take' approach. When the terms of award are not favourable to either party there are possibilities of indulging in time consuming litigation, which could be avoided if the parties come back to the negotiation table. (7) To cultivate, develop and maintain cordial relations with each other instead of creating hostility and bad blood, and lastly, (8) due to the financial complications involved when the issues are not settled immediately - the management has financial dealings with the external agencies such as banks, the electricity board, the suppliers of raw materials, and the distributors of the finished products. If the issues are not settled immediately there would be multiple effects on the organisation.

Furthermore, due to the time consuming process of adjudication and the possibilities of litigation, the employers and the labour unions, especially in the textile industry do not prefer adjudication upon

the failure of direct negotiations and mediation. The parties rather prefer to refer the matter for arbitration by a third party. Ordinarily the arbitration has been the voluntary or informal arbitration. The arbitrators once again have been the top level officers in the Labour Department, the Ministers in case of industry-wide issues or the officers of SIMA in case of individual mills, and the District Collector. The District Collector has arbitrated only in one or two cases related to engineering and other industries. Arbitration by an individual or a panel of arbitrators is becoming common in the cement industry, but at the national level. The arbitration awards determining the wage and other issues at the industrial level are implemented at the local level with very minor modifications by the management of the ACC unit.

In case of some of the individual mills and factories it is the voluntary arbitration which is sought by both the parties. For instance, in RN Mills in 1980 the workers resorted to a prolonged strike - more than 2 months - in protest of deduction of eight (8) days' wages for allegedly

giving low production and registering low efficiency. The strike resulted in termination of a few workers. Ultimately, the management and labour unions agreed to refer their dispute for voluntary arbitration by the Assistant Commissioner of Labour. Similarly, in 1980-81, the management of the RL Mills and the labour unions referred a dispute on training and service conditions of the workmen for informal arbitration by the Assistant Commissioner of Labour. So also the management of Gotharis and the labour unions referred the issue of promotion in the carding department and the efficiency of Dobbers in the weaving department for arbitration by the Law Officer of SIMA and the Deputy Commissioner of Labour respectively, on different dates. The promotion of a workman in the doubling section of VT Mills was referred in 1981 for arbitration by the Assistant Commissioner of Labour, while in 1980 the issue of festival bonus was referred to arbitration by the ex-Chairman of the SIMA. But the latter issue was ultimately settled in conciliation under Section 12(3) of the Industrial Disputes Act, 1947.

In the engineering industry also we find that voluntary arbitration is resorted to mostly in

individual cases as in the textile industry. For instance, in 1979 the management of GIPSI and the labour unions operating in that organisation agreed to refer the dismissal of a workman for arbitration by the Deputy Commissioner of Labour.

Though there have been such cases of voluntary arbitration, it was pointed out by the personnel executive of an engineering unit with long standing experience that in Coimbatore the employers and the trade unions do not prefer voluntary arbitration due to lack of faith in the arbitrators. According to him, the trade unions and the workers feel that the managements are always in a position to influence the arbitrator for an award in their favour. Similarly, the managements feel that the trade unions would be able to influence the arbitrators through the government. He further said that despite these reservations both the parties have the practice of influencing the arbitrators as well as the Presiding Officers of the Labour Courts and industrial Tribunals. According to another Personnel Manager, with lot of experience in different industries, both the managements and labour unions do not prefer to seek arbitration. He strongly felt that the disputes involving wages and

related matters should never be referred to arbitration. Hence, most of the managements in Coimbatore do not allow the negotiations to fail. Even when the negotiations reach a deadlock they keep on negotiating with the unions - individually or in group-ultimately succeeding in having an amicable settlement across the table.

Finally, it may be noted that even the management of the NTC mills prefer collective bargaining to tripartite methods. When the issues are not settled at the mill level the negotiations are taken up at the Corporate level since the corporate office is at Coimbatore itself. The Managing Director and Chairman and the Advisor (Personnel) negotiate with the central leaders of all those unions operating in the NTC mills ultimately reaching an agreement. Considering the state of textile mills managed by the NTC, the management does not want to drag on the settlement of the issues either at the Mill level or at the corporate level. This approach of the NTC was clearly revealed during 1979 when there was a statewide strike. While the SIMA was very firm on its offers despite the mediation by the Labour Minister and the Chief Minister, the NTC came

forward to offer better terms to strike an agreement - Rs.60/- as against Rs.45/- offered by SIMA. This is revealed in a letter written by the General Secretary of the United Textile Labour Association to fellow unions, while enclosing the terms and conditions offered by the NTC Chairman. The text of the letter written by the United Textile Labour Association in June 1929 is as below:

"On much lobbying and persuasion by us the textile managements have agreed to meet and try to settle the issue with the unions on 16th. However, we now reliably learn that the State Government is pressurising the managements not to settle the dispute....(this) will go to show the attitude of the State Government. In the meanwhile the NTC Chairman Shri Duraiswamy sent in a proposal for settlement unofficially. We will try our best to persuade the brother unions to agree to the necessity of giving preferential treatment to NTC and settle with NTC if the 16th talks fail".

The terms and conditions offered by the NTC Chairman to settle the dispute were as follows:

"An increase in wages of Rs.60/- per month per

worker would be given, subject to:

- a. all the unions agree to the constitution of a Committee consisting of two representatives of the unions, two representatives of the management and a representative of SITRA who would be the Chairman of the Committee.
- b. The above Committee will go into the rationalisation of workloads and related wages in the various mills for workers and jobbers with referent norms of efficient working in the industry and give its findings with the view to assure the long term viability of the mills under the subsidy. The unions shall nominate their representatives on or before 1st July, 1979 and the Committee will complete its work by 1st October, 1979 and its findings shall be final and binding on both the parties and shall be implemented forthwith.
- c. The increase of Rs.60/- offered will only be prospective.
- d. Other industrial demands will not be gone into now. However, if necessary, distributing the amount of Rs.60/- as basic wage and other benefits could be reviewed in the light of any such settlement with the case of private mills.

e. The above offer is final and not open for bargaining. The offer automatically stands withdrawn if the constitution of the Committee, etc. as indicated above, is not agreed to or acceptable to all unions.

It may be noted that when the unions were able to settle the dispute with the SIMA and a consent award was obtained the same was extended to the NTC mills. However, the approach of the NTC clearly indicates the preference to collective bargaining.

The attitudes of the respondents on the role of the conciliation and adjudication machinery in promoting cordial relations reveal that majority of the respondents in both the categories agreed with the statement - 2/3rd of the unit level leaders, 63.63% central leaders and 69.56% of the management executives. According to them the conciliation and adjudication machinery plays only a marginal role in promoting labour-management relations. While others felt that these officers do participate actively in reaching an agreement.

To state it differently, collective bargaining in textile and non-textile industries in Coimbatore is prevalent at all levels and in all disputes. When the parties do not agree on an issue leading to an agreement, they agree to refer the matter(s)

to conciliation or voluntary arbitration. When the intervention of the conciliation officers is sought, more often than not, the parties come back to the negotiation table ultimately succeeding in reaching an agreement. So, we may conclude that collective bargaining is a dominant method of resolving various issues and that the tripartite methods have only a marginal place in the industrial relations in this region.

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Chapter 8.SIMA AND COLLECTIVE BARGAINING

The textile industry in Coimbatore has been predominantly in the private sector. When a good number of mills came into existence by the 1930s the millowners began to think of organising themselves into an organisation. It was in 1933 that Shri R.K. Shanmugam Chettiar was able to bring the like-minded millowners and form the South India Mill Owners' Association to protect, safeguard and promote the interests of the millowners in various areas including the relations between the millowners and their workers. Over the last 50 years the SIMA has added a number of objectives and activities to the original list in its desire to be an institution of social importance. Yet the major activities of the Association are in the area of industrial relations. The Association has been concentrating its efforts to promote industrial peace and harmony in the member mills so as to realise its objectives. More than 50 per cent of its officers spend their entire time to carry on the following activities: to hold

negotiations with the recognised unions to decide the issues relating to wages, work assignment, bonus, etc., to assist the member mills in resolving the disputes relating to employees in the mills, to advise the members on wages and agreements, to inform the member mills in the case laws, to represent the member mills before the industrial relations machinery, and to collect proper data on wages, and allowances, strikes and lockouts

The industrial relations activities of the SIMA were taken up on a regular and systematic basis only from 1956 onwards. During 1933-55 only casual attempts were made by the Association to negotiate with the labour unions and to arrive at amicable agreements. The agreements signed by the Association with the labour union were not implemented by the member mills in right spirit. The member mills were more guided by the individual interests, their own policies and approaches, the government regulations, and their whimsical attitudes towards labour. They ignored the recommendations and findings of the Court of Enquiry, the industrial tribunals and the tripartite committees. During this period the relations between the millowners and mill workers were not

only cordial but were hostile. Strikes were organised on several occasions by the workers to press for their demands. But the millowners were successful in breaking these strikes by employing outsiders and arranging physical assaults on the activists. We have already noted that several times Mr. NG Ramaswamy was a target of such physical assaults. It is alleged that the millowners had encouraged the rivalry between the Textile Workers Union and the Mill Workers Union during the period 1945-50 resulting in violence and murder of a large number of the members of both the unions. Mass retrenchment of workers following the strikes were invariably resorted to by the millowners with a view to weakening the labour movement.

This situation underwent a total transformation from 1956 onwards when the SIMA and the three trade unions, viz. the Coimbatore District Textile Workers' Union, the Coimbatore District Mill Workers' Union and the National Textile Workers Union, successfully negotiated an agreement based on the report of the Tripartite Textile Enquiry Committee (1953) determining the occupational nomenclatures, duties and responsibilities, workloads, gradation of workers, basic wages, wage differentials, and production

bonus for the workers in 41 mills in the region. Since then a large number of collective agreements have been negotiated by the SIMA and the labour unions. The agreements on wages and allowances have ensured a kind of uniform personnel and industrial relations practices in the member mills irrespective of their size, paying capacity and the location.

The 1956 agreement has served as a break-off point and a basis for all subsequent negotiations in the textile industry in the region seeking to determine the categories of workers, fixing their duties and responsibilities, wages and allowances, and production bonus. This agreement remained in force for 10 to 15 years in the member mills in Coimbatore District without any modifications, except for the variable dearness allowance. During the period of this agreement many member mills were in a position to modernise their mills. The modernisation of the mills naturally resulted in higher workload, learning of new skills, and acquiring new level of efficiency and productivity by the workers. Hence, the workers also demanded the revision of wages and allowances. Since only few mills had the problem of negotiating with the

labour unions, the issues of fixing new work norms and wages, the SIMA encouraged the concerned mill managements to enter into negotiations with the trade unions on their own. In response to this encouragement the member mills and the labour unions have been negotiating the collective agreements at regular intervals. They have consciously or unconsciously given rise to a new pattern of collective bargaining, viz. the Sectionalised bargaining.

The agreement signed by the SIMA and the three trade unions in 1956 also influenced a few managements in the engineering and cement products industries. Three managements in the engineering industry, namely, the Textool Company, the RKI, and the GIPSI, and the management of the Asbestos Cements Company negotiated their agreements based on the textile agreement marking the beginning of collective bargaining relationships. It may be noted that these four units negotiated the agreements with all the trade unions claiming membership in their respective organisations. But the managements of three units negotiated jointly with the labour unions following the example of SIMA. But after 1956, they have never repeated that exercise of bargaining jointly.

The SIMA has also been negotiating with the labour unions the payment of bonus on behalf of the member mills right from 1950s. Initially, the bonus issue used to be settled across the table following the formula evolved by the Labour Appellate Tribunal in a dispute between the Bombay Mill Owners' Association and the Rashtriya Mill Mazdoor Sangh. But in 1966, the SIMA and the labour unions could negotiate their own formula to determine the available surplus and the quantum of bonus. This formula deviated substantially from the statutory formula laid down under the Payment of Bonus Act, 1965.

The formula evolved by the millowners' association and the labour unions came to be known as the SIMA Formula. Under this formula the millowners' association agreed to charge one percent less towards the return on capital, two percent less on reserves, not to claim development rebate, to deduct only national income tax, and not to claim the benefits of 'set-on' and 'set-off'. This formula was negotiated under Sec. 34(3) of the Payment of Bonus Act. Hence, the parties had agreed not to spell out it in any of the settlements. The SIMA formula was modified by the parties twice

or thrice at the bargaining table taking into account the changing socio-economic conditions, the prosperity of the mills, the rising prices of consumer goods, the expectations of the labour, etc.

During the last fifteen years the SIMA has been negotiating with the labour unions only those issues that are of common interest to all the member mills and the workers - the issues such as general revision of wages, allowances and other personnel matters. As for the bonus issue is concerned, it is the SIMA which ordinarily negotiates with the labour unions operating at the district level on behalf of the member mills. Of late the SIMA has been negotiating the bonus issue only with written authorisation from the member mills and an undertaking that they would accept the terms of the agreement arrived at by the SIMA, for in 1979 some mills put the SIMA in an embarrassing position by paying bonus over and above the agreed quantum. The SIMA, therefore, had to ammend the by-laws to provide for the removal of a member contravening the SIMA agreement on bonus.

Collective bargaining between SIMA and labour unions resulted in the establishment of good

traditions in industrial relations and the emergence of new patterns of collective bargaining. The important pattern of collective bargaining that has emerged after 1956 is the coalition bargaining. Coalition bargaining is an attempt by a group of unions to bargain with the multi-union employers and/or the employers' association by coming together in the form of a loose organisation, i.e. a coalition. The initiative to bring together the trade unions operating in the industry was taken by the SIMA itself. When the government of Madras advised the textile industry in the state to negotiate the work-norms and wages etc. based on the recommendations of the Tripartite Textile Enquiry Committee, the SIMA recognised all the unions existing at that time, namely, the Coimbatore District Textile Workers Union, the Mill Workers Union, and the National Textile Workers Union, and invited them for negotiations. Taking clue from the successful negotiations of 1956, the labour unions started coming together forming a Joint Action Council of unions, to negotiate not only with SIMA on general issues but also with the individual mills in the region that had modernised and wanted to fix new norms of work-load duties and responsibilities, and productivity of the workers.

Since the trade unionism in other industries in the region broadly conforms to the trade unionism in the textile industry and the central leadership of the unions in textile and other industries is the same, coalition bargaining has been adopted by the labour unions operating in different organisations in engineering, cement, transport and other industries whenever an issue is to be negotiated and settled in those organisations. As a matter of fact, coalition bargaining has been institutionalised in this region. This is certainly a contribution of SIMA in strengthening and institutionalising collective bargaining in the industry and promoting cordial relations between the labour and management.

SIMA has also contributed a good deal in resolving the problem of recognising the bargaining agent of the workmen, and tackling the problems arising out of the multiple unionism and inter-union rivalry. It was a very pragmatic move on the part of the then-Honorary Secretary of SIMA to recognise and invite all the three trade unions for collective negotiations in 1956. Subsequently also, the SIMA has recognised all the trade unions of workers and

staff that have come into existence at different points of time and have claimed membership in the member mills in the region. Following this example, not only the member mills of SIMA but all other employers in the region have granted the de facto recognition to all the unions operating in their respective organisations. The employers in general, therefore, have been involving the labour unions in the negotiations. It is only recently that the SIMA has started inviting only the major unions in the industry for collective negotiations with a view to avoiding the practical problems connected with the minority unions.

The SIMA's role in promoting collective bargaining at the unit level is also noteworthy. It has encouraged the member mills to negotiate the localised issues - both major and minor - and has been extending all the necessary professional help whenever required by the member mills. The member mills have also been inviting all the unions claiming membership either in the entire mill or in a section/department for the negotiations on workload and wages. These negotiations have given rise to another pattern of bargaining, viz. the Sectionalised Bargaining which

we have already discussed.

The constructive role played by the SIMA is acknowledged by all the member mills, the trade unions and all those concerned with the textile industry at Coimbatore and who have had an opportunity to be associated with one or the other mill in the region. Thus, while all the respondents representing the employers in the textile industry strongly agreed with the statement that 'SIMA has the credit of initiating and institutionalising collective bargaining in the textile industry in Coimbatore region'. Similarly, 60 per cent of the respondents from the engineering industry, and 50 per cent from transport industry strongly agreed with the statement, while 60 per cent of the respondents from all the non-textile industries agreed that the SIMA has been playing a major role in promoting collective bargaining in the region.

Further, all the respondents from the textile industry admitted that the SIMA has helped to ensure uniform personnel practices in the member mills irrespective of their size, the paying capacity and the geographical location of the mills by way of negotiating agreements commonly applicable

to the member mills. And since 1974 the agreements signed by the SIMA and the Joint Action Council of the trade unions have been the basis for negotiating agreements (including the bonus issue) in the mills managed by the National Textile Corporation (Tamil Nadu and Pondicherry), as well as the co-operative and handloom sectors mills. Resultantly, the uniformity in industrial relations matters is prevailing in the industry in the region in both the private and public sectors, except for the localised issues. These respondents also agreed with the view that over years the prosperity of the mills in the region has been increasing mainly because of the healthy collective bargaining practices evolved and developed by the SIMA and the trade unions.

On the other hand, only about 65 per cent of the trade unionists agreed with the view that the SIMA has strived to institutionalise collective bargaining in the region. But nearly 85 per cent of them agreed with the view that 'both the SIMA and the Joint Action Council of trade unions have strived to promote uniform practices in industrial relations in the member mills.

Though a certain amount of uniformity in industrial relations is desirable, it is not desirable from the view point of the bigger and leading mills. The General Manager of a leading mill felt that ordinarily the SIMA takes into account the conditions prevailing in the average mills which often results in problems for the bigger and leading mills, because after signing the agreements with the SIMA the trade unions invariably approach the managements of big mills with a demand for higher wages, better benefits and higher bonus, which, if not conceded, results in work stoppages. He cited the 1979 bonus agreement signed by the SIMA and the trade unions in support of his view. The labour unions after signing this agreement with the SIMA were able to get higher bonus from 8 mills causing embarrassment to the SIMA. This was substantiated by 64.3 per cent of the personnel executives from the textile industry. They felt that the SIMA agreements are always based on what the average mills could afford to pay often causing problems for richer mills. Similarly, 55.55 per cent of the personnel executives from other industries and 63.63 per cent of the trade unionists also agreed that the SIMA takes into account the capacity of the average mills while

negotiating any agreement. Such differences of opinions are bound to be there when the paying capacity of the mills highly varies and the private employers are interested in uninterrupted production.

There was an impression that the SIMA has been buying peace by way of conceding the demands of the unions. In support of this, a few instances of the agreements were quoted, prominent among them being the bonus settlements since 1972 (except for the period of national emergency) and especially the 1979 bonus agreement providing for 96 per cent of the allocable surplus as bonus, and the agreement signed in 1980 agreeing to write off the payments made during 1972-74 towards bonus for that period. When this was put to the respondents in the form of a statement 57.15 per cent of the respondents from the management category disagreed while 15 per cent strongly disagreed. It may, however, be noted that 28.15 per cent of the respondents in this category agree that SIMA has been buying peace. As for the respondents from other industries are concerned, it may be noted that three types of views were expressed on this issue and that the percentage of respondents expressing these views were uniform. Thus, 1/3 of the respondents strongly disagreed that the SIMA has not been buying peace. According to them, SIMA has been stubborn on many occasions; they cited the example of the wage

negotiations of 1979 in support of their views. While another 1/3rd of the respondents expressed their lack of knowledge about the subject, the remaining 1/3rd agreed that the SIMA has been buying peace.

After 1979 statewide textile strike and the bonus agreement signed in October 1979, a few member mills started either negotiating their own agreements or paid bonus over and above the bonus liability worked out by the SIMA and the JAC of trade unions. Different reasons were advanced by the management executives when a question was put to them. These include: (1) the desire of the millowners to capture the market for their products, (2) to facilitate faster rationalisation of the mills, (3) to avoid strikes by the workers, (4) to avoid a legalistic approach to industrial relations matters which is commonly found in SIMA agreements, (5) to develop better relations with the workers and their unions, (6) to resolve the financial problems (when huge sums of money are borrowed from the banks), (7) to avoid delays in arriving at agreements - SIMA takes a very long time in negotiating an agreement, (8) failure of SIMA agreements to satisfy the needs of the individual mills since the SIMA agreements take a general

view or are based on what the average mills could afford to pay, (9) the desire to pay more wages and bonus so as to keep the workers contented, (10) the varying practices, traditions and employment and working conditions, and (11) to gain better co-operation of the workers and unions particularly to modernise the mills. Besides these general reasons, a few individualised reasons were also given. These are: (i) small compliment of workers, i.e. small wage bill and huge profits, (ii) inability of the small mills to withstand the pressure tactics of the unions, and (iii) the desire of the small mills to earn more by adjusting to the market situations.

It was pointed out that when the 1979 bonus agreement was signed some member mills felt that the SIMA negotiation committee had stepped out of its limitations in signing the agreement; it failed to take into account the prevailing practice of negotiating bonus liability on a year-to-year basis. Hence, at least 8 mills in 1979-80 agreed to pay more bonus and the issue was raised by some members in the General Body Meeting of the SIMA held on 30.11.1979. These mills were asked to

clarify the matter' and all of whom denied to have paid a bonus in excess of the agreement. The SIMA Committee was able to perceive a dangerous trend developing; perhaps it felt that there was a threat to the integrity and unity of the Association. Hence, with a view to prevent the 'disease' from spreading to other member mills the rules of membership were amended (Rule 12) providing for cancellation of membership of those mills paying a bonus over and above the sums determined by the Association. (This provision is already mentioned in Chapter 2 which may be referred).

Therefore, a question was put to the respondents to know their reactions to the possible threat to the association, viz. 'If this trend continues, what would be the future of collective bargaining at the association level?'. The data reveals divergent views of the respondents. One group felt that this trend will weaken the Association which in turn will also affect the bargaining capacity of the individual mills. On the other hand, it was held by others that the development is not disturbing since only a few mills (5% or less) have been indulging in the practice

of exceeding the boundaries of 'collective' agreements. More importantly, these mills do not sign any formal agreements that violate the agreements signed by the SIMA. It is only through unwritten agreements that the excess payments are made and when the Association enquires the matter they deny the fact. These agreements are the gentleman's agreements and with a strict warning from the concerned millowners that the workers and unions should keep the matter confidential. It was further pointed out that even though the member mills violate some settlements they continue to avail the services of the SIMA on all other matters. As a matter of fact, no danger is there to the unity and integrity of the Association.

Therefore, we may state that collective bargaining in the textile industry in Coimbatore has been institutionalised primarily due to the efforts of the SIMA, though at times it is accused of buying peace on behalf of the member mills. But this is done in the best interests of the members, as was pointed out by the Chairman of the Association in 1979 and which view was accepted by

the members.

The above analysis of the role of SIMA in promoting collective bargaining and cordial relations in the industry helps us to conclude that the Southern India Mills Association has played a major role in institutionalising collective bargaining both at the regional and mill levels during the last twenty five years. This is highly commendable when we take into account the situations prevailing in other centres where the problems of recognition of the bargaining agent of the workmen are statutorily resolved and the number of trade unions is less.

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Chapter 9.CONCLUSIONS

Collective bargaining is a bipartite democratic method of decision making in industry. In most of the democratic industrial economies it has been a strong institution in the industrial relations system. Successful collective bargaining presupposes, inter alia, the existence of a legal framework that encourages the collective negotiations by providing for the creation of a bargaining agent of the workmen, a compulsion on the employers to bargain in good faith, and a legal status to the collective agreements per se. A positive labour policy of the Government and strong trade unions are equally important. In the absence of these pre-requisites, as the history reveals, it would be a long struggle by the workmen to establish collective bargaining relationships with the employers. We know that the situation in Indian industries reflects all these drawbacks. The industrial relations laws in our country give a preferential treatment to the tripartite method.

The labour unions and the employers are often compelled to seek the intervention of the third parties. The labour movement has been strewn with the problems of multiple unionism and inter-union rivalry and conflict. Yet we find that in many industrial centres collective bargaining has been an institution of immense importance in industrial relations. We have the best example from the textile industry at Ahmedabad where the traditions are established since 1920s under the guidance and blessings of Mahatma Gandhi.

In other centres also we find that collective bargaining is accepted as the predominant method of determining the issues of interest to both the labour and employers. But in these centres multiple unionism and a proper approach to collective bargaining and industrial relations have posed problems. Despite the existence of many unions and the dominance of the private sector in the textile and engineering industries and the lack of statutory pre-requisites collective bargaining in Coimbatore - the Manchester of South India - has developed during the last 25 to 30 years. It has been a

strong institution in the industrial relations system and the parties have been able to establish good practices and traditions giving rise to new patterns of bargaining in their quest for industrial peace and prosperity.

The collective bargaining practices in the textile industry in Coimbatore region date back to mid 1940s. But on a systematic and regular basis collective bargaining relations came to be established only from 1956. The impetus to negotiate, however, came from outside the industry and **the trade union** movement. It was the Government of Madras who advised the South India Mill Owners' Association to negotiate and settle the issues such as wages, work norms, etc., based on the recommendations of the Tripartite Textile Enquiry Committee (1953). Since then there has been no looking back. The collective bargaining practices in the textile industry have been a pace setter and a model for other industries in the region.

Over a period of three decades collective bargaining in this industrial centre has become the predominant method of determining almost every

issue in industrial relations. The procedures, the tactics and strategies adopted, the number of labour unions involved, the subject matters covered and the types of settlements signed together reveal the positive approach and attitude of the parties to collective bargaining.

Collective bargaining in the textile industry in Coimbatore is at three levels, namely, the association or regional level, the individual mill level and the section/shop level. The South India Mills Association (SIMA) negotiates on behalf of the member mills in the region with the labour unions claiming a sizeable membership in the member mills of the SIMA. At the mill and section/shop levels, it is the management of the concerned mills and the labour unions claiming membership either in the entire mill or in the shop that are involved in the negotiations with or without the help from the SIMA officers. Whereas in the engineering industry collective bargaining, as a general rule, is only at the plant level. The only exception to this general rule has been the LEW, which has the practice of collective bargaining at two levels - at the plant level and the section/shop

level, mainly because the management has rich experience in the textile industry. In transport and cement industries collective bargaining is at the plant and company/industry levels. In these industries the major issues are decided at the company/industry level and only the implementation part is left to the plants besides localised and minor issues.

One common feature of collective bargaining at the regional, company, plant or shop levels irrespective of the industry in the area has been that the negotiations are by a group of unions in general. Whenever an issue is to be negotiated with the employers or the management or the association of employers, all the unions come together forming a Joint Action Council/Committee of the unions. This practice again dates back to 1956. We have described this procedure and practice as the coalition bargaining because the Joint Action Council of the labour unions is a loose and ad hoc body that comes into existence whenever the workers have demands or the employers have proposals for higher workload and new work norms. Coalition bargaining represents the efforts of the trade unions to overcome their organisational weakness in relation to the strength of the employers

or their association - the organisational weakness caused by the multiplicity of unions in a shop, plant and the industry in the region. Coalition bargaining from the workers' point of view, helps the trade unions to forget their rank differences, at least temporarily in the interest of the working class. Resultantly, over the years coalition bargaining has helped the unions to have a co-operative relationship among themselves. The inter-union rivalry, conflict and violence that were characteristic of the trade unionism of the 1940s and early 1950s are almost extinct. This is a positive contribution of collective bargaining in the textile industry.

When we view coalition bargaining from the employers' point of view we find that the method helps to solve the problem of recognising a representative union as the bargaining agent of the workmen. In the absence of a statutory formula and multiple unionism the best course adopted by the managements and the Millowners' Association was to accord the de facto recognition to all the unions having membership in the mills in the region and get rid of problem of the multiplicity of unions and rivalry

among them. Thus the employers in this region have successfully tackled the problem and avoided work-stoppages on account of inter-union rivalry.

The fact that the trade unions form the Joint Council/Committee at all the levels of bargaining in all the industries in this region helps us to conclude that the Joint Action Councils and coalition bargaining are institutionalised. And the fact that coalition bargaining dates back to 1956 and has been a characteristic feature of collective bargaining helps us to state that this pattern of collective bargaining developed in the textile industry in Coimbatore is a pioneering development not only in Indian industries but in any industry at the global level. This pattern of bargaining emerged in the industries in the United States only towards the end of 1950s and developed in the 1960s. This is certainly a proud distinction of the SIMA and the textile labour unions.

Within the textile industry another new pattern of bargaining, viz. the sectionalised bargaining, emerged during the late 1960s and developed in 1970s. This form of bargaining was brought into vogue by the leading employers to effectively manage the

problems arising out of rationalisation and modernisation of the methods of production in a phased manner as well as to secure higher workload and production with no/minimum amount of retrenchment of workers. Though this form of bargaining causes lot of strain on the management it has helped both the parties to prosper. The fact that this pattern also originated in the textile industry at Coimbatore and has no parallel-national or international - helps us to conclude that the textile industry in Coimbatore has given a new dimension to collective bargaining.

A third pattern that has emerged simultaneously in the region is the pattern bargaining. Having appreciated the positive influence of 1956 agreement between the SIMA and the textile labour unions three units in the engineering industry and the asbestos cement factory started negotiating with all the unions operating in their respective organisations. To the extent the three engineering units jointly negotiated the agreement with the labour unions in 1956 providing for enhanced wages workload, etc. they very closely followed the pattern set by the millowners' association. Unfortunately, they did not continue the practice of jointly negotiating

with the unions over a long period of time. But within the textile industry the example of C.S.&W mills was followed by a large number of mills to determine new work norms and wages for the workers in different sections/shops in course of time giving rise to the sectionalised bargaining.

A fourth pattern of collective bargaining that has come into vogue in all the industries is the convertive bargaining under which the collective agreement is converted into a tripartite settlement. While coalition bargaining and sectionalised bargaining represent the efforts of the trade unions and the employers to overcome the organisational weaknesses, and the desire to improve the productivity of the unit, the convertive bargaining is an attempt on the part of both the parties to overcome the statutory drawbacks with regard to collective bargaining - the drawbacks such as the absence of the statutory provisions according to a legal status to collective agreements. At present the tripartite settlements and adjudication awards have a better status compared to an agreement registered with the conciliation officer. Convertive bargaining also reflects the desire of the parties to have a bilateral agreement

in preference to a settlement or an award. This pattern of bargaining is, however, found widely all over the country; and it has a parallel practice in Australian industries.

The four patterns of collective bargaining that have emerged and developed in the textile and other industries in Coimbatore region reveal one important fact that when the parties to collective negotiations are confronted with the problems and challenges in their quest for determining and directing their mutual relations, for a better industrial governance and for industrial peace they evolve new ways and methods to realise those goals. When these new ways and methods are repeatedly adopted and their results are highly encouraging not only new trends come into existence but also give rise to new patterns of relationships and procedures which go a long way in strengthening the institution.

Collective bargaining in the textile and other industries in Coimbatore region is what it is today mainly because of the constructive role played by the SIMA and a proper response from the trade unions. The SIMA not only took the initiative in negotiating

various issues with the labour unions at regular intervals but also developed the tradition of bargaining and settling the issues only bilaterally. The agreements negotiated by the SIMA have always been over and above the statutory minimum and the workers have often been getting highest wages in the industry besides a good many other benefits including preference in employment for their heirs and direct relatives. Among all the negotiations the bonus negotiations between the SIMA and trade unions occupy a unique place. They have all along been different from the national pattern. In 1971, the bonus agreement signed by the SIMA and the trade unions forced other employers all over the country to pay the minimum bonus of 8.33 per cent. Both before and after the enactment of Payment of Bonus Act the SIMA and the trade unions had their own formula evolved to determine the quantum of bonus. While before 1965 they had adopted the LAT Formula with some modifications after 1965 they evolved their own formula that substantially deviated from the statutory formula. This formula has been known as the SIMA FORMULA. The original formula evolved in 1966 was changed twice but always deviating from the statutory formula

so as to ensure higher bonus to the workers.

The maturity of collective bargaining relationships between the SIMA and the labour unions is also reflected in the setting up of the bipartite Standing Negotiating Committee consisting of equal number of representatives of both the parties in 1982, and a similar attempt made earlier also. The Standing Negotiating Committee was set up to help the individual mills to resolve the local problems and also to avoid the work-stoppages likely to be caused by the inept handling of the issues. Though the Standing Negotiating Committee had problems in its functioning right from the beginning, it is a commendable endeavour on the part of both the SIMA and the non-communist trade unions to have originated this institution.

Trade unionism in the textile and non-textile industries in this centre has also been different from the national pattern. The trade unions have better inter-union co-operation and have learnt to co-exist in their endeavour to safeguard and promote the interests of the working class. The trade unions in the textile and engineering industries have a decentralised democratic structure - a two or three

tier structure. The mill/branch committees have been given a considerable amount of autonomy in negotiating various issues including the workload and wages with the managements. This has helped to develop leadership among the workers.

That collective bargaining in this centre has taken deep roots and has been a strong institution in the industrial relations system is reflected in the fact that both the employers - individually as well as the association of millowners - and the labour unions have a strong conviction in the method. Even when the negotiations have failed and the government has referred the matter for conciliation and/or adjudication the parties have come back to the negotiation table and settled the issues bilaterally. Some managements do not seek the intervention of the third party even when an impasse in negotiations is reached. They allow a cooling off period and resume the negotiations ultimately reaching agreements. It is also a fact that some managements do not allow the negotiations on wages and workload to fail at the bipartite level.

The strong collective bargaining relationships have helped to promote cordial industrial relations

in all the industries in this centre. Of course, there have been strikes both at the regional and unit levels for four to eight weeks at the association level and upto three months in some mills and factories. But these strikes are not only occasional but often are resorted to only as a part of the negotiating strategy. In fact, the trade unions do not believe in direct action and confrontation with the employers. Major strikes were in 1972, 1974 and 1979 causing considerable loss of mandays primarily because on all these occasions the strikes were statewide. Further, it is important to note that the strikes in the textile industry are decreasing while the staying capacity of the workers has continuously been increasing. This is again a positive contribution of collective bargaining.

The collective bargaining practices in the textile industry in this region have positively influenced the practices in other industries. This is very clear from a number of facts. Firstly, when the SIMA and labour unions signed an agreement in 1956 other employers in engineering and other industries negotiated a similar agreement. Subsequently also

the employers and the labour unions in other industries have negotiated the agreements as and when the SIMA and the textile labour unions have signed agreements providing for wages, allowances and other benefits. The bonus negotiations in the textile industry have also influenced the payment of bonus in other industries though not the SIMA formula is adopted.

A number of factors have contributed to the institutionalisation of collective bargaining and development of cordial industrial relations in both the textile and non-textile industries in this centre. These are: (1) Realisation through experience by both the millowners and the labour unions the futility of confrontation method in industrial relations, (2) the willingness of the employers in the non-textile sector to learn from the experience of the textile industry, (3) the increasing paying capacity of the employers and willingness of the workers to extend necessary co-operation, (4) a genuine 'give and take' approach on both the sides, (5) the desire of the employers to have uninterrupted production (which has unfortunately to some extent corrupted otherwise mature collective bargaining relations; (6) the process of modernisation of the

mills phase by phase, (7) common leadership of trade unions in the textile and non-textile industries, (8) the positive and constructive approach of the trade unions, (9) the presence of a strong association of employers in the textile industry, viz. the Southern India Mills Association, that negotiates on behalf of its members and proper implementation of the agreements by the member mills.

Though in other centres of the textile industry the associations of employers negotiate collective agreements, the bargaining procedures, the strategies adopted, the nature of trade unionism and the approach of both the parties are quite different making it difficult to reach maturity in collective bargaining and industrial relations. In Bombay, for example, the Bombay Mill Owners' Association has recognised the Rashtriya Mill Mazdoor Sangh affiliated to the Indian National Trade Union Congress and negotiates the issues of common interest. Though other unions have been claiming majority status the Association refuses to deal with any union other than the RMMS. The net result has been the longest ever strike in the

history of industrial relations in India throwing out of gear the lives of thousands of workers and their families.

Therefore, we may conclude that the collective bargaining in the textile industry in Coimbatore region has come of age giving rise to good many healthy practices notwithstanding the statutory limitations, lacuna and drawbacks. The traditions established in the textile industry are being adopted and followed by the employers in other industries in the region. The fact that these employers have been able to achieve good results comparable to those achieved by the millowners should motivate the millowners and employers in other centres and industries to learn from the rich experience of the textile industry in Coimbatore region.

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INTERVIEW SCHEDULE No. II. Organizational Profiles:

1. Name of the organization:
2. Designation of the interviewee:
3. Employed Since when ?
4. When the organization was established ?
5. Nature of Business:
6. No. of Workers employed:
 - a) Blue collar:
 - b) Administrative staff:
 - c) Managerial staff:
7. No. of Trade Unions operating:
 - a) For Workers:
 - b) For administrative staff:
 - c) Managerial staff:
8. Whether all the employees of the organization are unionized ? YES/NO.
 - a) If not, what is the extent of unionization:
9. Which of the union (s) is (are) recognised ?
10. Nature of Recognition:

11. What were the considerations in granting recognition ?

12. What are the privileges given to the recognised union(s) ?

II. ON COLLECTIVE BARGAINING PRACTICES.

1. Could you please tell me when the first agreement was negotiated by your management with the unions?

2. What were the issues negotiated and settled ?

3. Since signing the first agreement how many more agreements are negotiated till date (please list the years also)?

4. Could you please tell me the subjects negotiated on each occasion ?

5. At present are you negotiating any agreement ?

YES/NO

a) If yes, what are the issues ?

b) How many unions are involved in the present negotiations ?

6. Do you have the practice of sending proposals to the union(s) for negotiations ? YES/NO
- a) If yes, on what matters ?
7. When a Charter of Demands is submitted to you, how much time do you take to reply and to invite the union(s) for the negotiations ?
- a) To send a reply:
- b) To invite for talks:
8. Who constitute the negotiating committee in your organization ?
9. To what extent this committee is empowered to take decisions so as to thrash out an agreement ?
- a) Fully empowered:
- b) Empowered to decide minor issues:
- c) Is required to refer back the matter to top management :
10. What kind of preparations do you make before commencing the negotiations ?
11. Who does this job ? Personnel Department/
Other departments.

12. What problems do you face in negotiating with multiple unions ?

13. What strategies and tactics do you employ in negotiating with multiple unions ?

14. Do you hold meetings with the individual unions before having the joint meetings ?

YES/NO

a) If yes, who conducts these meetings ?

15. When the agreement is reached usually what kind of a document do you prepare to sign ?

a) Memorandum of Agreement under Sec. 18(1) of the I.D. Act, 1947.

b) Memorandum of Settlement under Sec. 12(3).

16. Why do you sign the latter type of documents ?

17. When the negotiations fail, what course of action do you follow ?

a) Declare a Lock-out:

b) Prepare for a strike:

c) Seek the intervention of the State machinery:

d) Others (specify).

18. Do you have the practice of negotiating with the unions pending conciliation and/or adjudication ? YES/NO
19. What differences do you find in negotiations before and after the intervention of the Government machinery ?
20. What factors compel the management and the trade unions to negotiate an agreement pending conciliation and/or adjudication ?
21. Whether any unsettled issues were referred to voluntary arbitration ? YES/NO
- If yes, when ?
 - What were the issues referred ?
 - Who was the arbitrator ?
 - Who nominated the arbitrator ?

III. SIMA AND COLLECTIVE BARGAINING.

- If you are a member of the SIMA when did you become a member ?
- How the member-mills are involved in the negotiations by the SIMA ?
- Do you find any problem in implementing the agreements signed by the SIMA ? YES/NO

a. If yes, what kinds of problems do you face ?

4. During the last 2 or 3 years, a few member mills have been negotiating their own agreements. What are the reasons for this trend according to you ?

5. If this trend continues, what would be the future of Collective bargaining at the association level ?

6. Do you think that the prosperity of the mills in the region has been increasing mainly because of healthy collective bargaining practices evolved by SIMA ?

YES/NO

a) If no, please explain your view point.

IV. OPINIONS AND ATTITUDES.

1. The SIMA is credited with the honour of initiating and institutionalizing collective bargaining in the textile industry in Coimbatore region.

Strongly agree/
Agree/Disagree/
Strongly disagree.

2. Collective bargaining in the textile industry has greatly influenced the collective bargaining in other industries in the region.

Strongly agree/
Agree/Disagree/
strongly disagree.

3. Collective bargaining in the region has strengthened both the employers and the trade unions. Strongly Agree/ Agree/Disagree/ Strongly disagree.
4. Collective bargaining has been possible since all the unions are recognised by the employers. Strongly agree/ Agree/Disagree/ Strongly disagree.
5. Multiple unionism is not a problem in negotiating collective agreements. Strongly Agree/ Agree/Disagree/ Strongly disagree.
6. It is said that SIMA has been buying peace by way of conceding the demands of the trade unions. Stringly agree/ Agree/Disagree/ Stringly disagree.
7. Collective bargaining by SIMA and JAC of trade unions has promoted uniform practices in industrial relations in the members mill irrespective of their size, capacity to pay, and location. Strongly Agree/ Agree/Disagree/ Strongly Disagree.
8. The agreements signed by SIMA are always based on what the average unit could afford to pay. Strongly agree/ Agree/Disagree/ Strongly Disagree.
9. Collective bargaining practices and agreements in other industries in the region broadly conform to the practices prevailing in the textile industry. Strongly Agree/ Agree/Disagree/ Strongly Disagree.

10. It is the absence of an employers' association in other industries that accounts for the differences in collective bargaining practices in particular and in industrial relations in general.
11. The industrial relations machinery has only a marginal role to play in promoting cordial industrial relations in Coimbatore region.
12. Collective bargaining practices in Coimbatore region are mature and stand apart when compared to the practices in other industrial centres in India.

V. Additional Information.

If you have any thing else to say on the collective bargaining practices in the textile/other industries, please express your views, opinions and comments.

VI. Additional Findings of the Investigator.

INTERVIEW SCHEDULE No. 2

I. PROFILE DATA:

1. Name of the Union:
2. Year of Registration:
3. Name of the Respondent:
4. Position Held in the Union:
5. Whether Professional leader/worker leader:
6. Since when connected with the Union ?
7. What type of Union is Yours ? Plant Union/industry-wide
Craft/general.
8. In how many mills/factories your members are employed ?
9. What was the membership of the Union when registered ?
10. What is the present membership ?
11. What is the affiliation status of your Union ? Affiliated/Not-affiliated.
a) Affiliated to which federation ?
12. Is your Union recognised by the employers ? YES/NO

- a) If yes, how many employers have recognised ?
- b) What is the nature of this recognition ?
- c) What are the preivileges provided by the employers because of this recognition ?
- d) Which are the other unions recognised ?

II. ON COLLECTIVE BARGAINING:

- 1. Since when do you have the negotiating relationships with the management ?
- 2. When your union signed the first agreement with the management/SIMA ?
- 3. What were the demands/issues negotiated ?
- 4. Till date, how many more agreements are signed by your union ? (please give the dates)

Since the inception of the union/since last _____ years.

5. What were the issues and demands each time ?

6. Are you negotiating any issues at present ?

YES/NO

a) If yes, what are the issues under negotiation ?

b) How many unions are involved in these negotiations ?

7. How do you formulate your demands/prepare the Charter of demands for negotiations ?

8. Whether your demands are single issue/multiple issues demands ?

Singel issue/
multiple issues.

9. What are the usual issues you take up with the managements ?

Single issue:

Multiple Issues:

10. Do you also have the practice of receiving the proposals from the management for negotiations ?

YES/NO

- a) If yes, on what subjects ?
- b) How frequently ?
11. What is the usual time gap between the submission of a charter of demands and the joint meeting of both the parties ?
12. Who constitutes the negotiation Committee on your side ?
13. a) Are they empowered to take the final decision and sign the agreement ? YES/NO
- b) If not, to whom do they refer the matter for finalisation of agreement ?
14. What kind of preparations do you make before the negotiations commence ?
15. What type of settlements do you sign with the managements ?
- i) Sec. 18(1) settlements.
 - ii) Sec. 12(3) settlements.
16. When do you sign the Sec. 18(1) settlements ?

17. Why do you sign 12(3) settlements when the matters are concluded at the bipartite level ?
18. For what duration the agreements/settlements are signed ?
19. What should be ideal duration of an agreement/settlement ?
- a) Why do you think that this is an ideal period ?
20. What method(s) do you adopt to get the agreement/settlement ratified by the General Body of your union ?
21. When the negotiations fail, what method(s) do you prefer to adopt to settle the issues ?
- i) Conciliation.
 - ii) Compulsory adjudication.
 - iii) Voluntary arbitration.
 - iv) Direct Action.
22. Which method have you been employing to settle the issues when the negotiations have failed ?

23. Could you please tell me whether the Joint Action Council Council, is constituted both at the industry level and the individual units level ? Only at the industry level/at both the levels.
24. Have you been a member of the Joint Action Council whenever it is set up ? YES/NO
- a) If yes, how often the J.A.C is set up ?
- b) When it is set up at the unit level, is it done with the approval of the central leadership ? YES/NO
- c) Is it an ad hoc or permanent institution ? Ad hoc/
Permanent.
- d) Could you please tell me how it functions ?
- e) Since when the practice of setting up, the JACs was started ?
- i) At the industry level:
- ii) At the Unit level.
- f) Could you please tell me whether the JAC prepares the Charter of Demands to be negotiated with the employers ? Yes it prepares/
It does not prepare.

- g) If not, on what basis
the negotiations by the
J.A.C is taken up ?
- h) Whether the JAC is set up
before commencing the
negotiations or after the
failure of negotiations ?
25. Do you join hands with other
unions in each and every issue? YES/NO
- a) If not, what are the situa~~t~~
tions when you act all alone ?
- b) For what reasons you do not
seek the co-operation of
other unions ?
- c) Iⁿ such situations how often
have been successful ?
26. Have you ever gone on strike
to press the demands of your
Union ? YES/NO
- a) If yes, did you strike all
alone or along with other
unions ? All alone/
with other
unions.
- b) What was the situation ?
- c) If you struck all alone,
what was the stand taken
by other unions ?

d) How long the strike
was prolonged ?

e) Ultimately how the issue(s)
was settled ?

27. Do you have the practice of YES/NO
taking up the termination
disputes for negotiations
before seeking conciliation ?

a) If not what are the reasons ?

28. Do you have the practice of YES/NO
renegotiating with the manage-
ments pending conciliation/
adjudication ?

a) If yes, what differences do
you find in the negotiations
before and after the inter-
vention of the conciliation
officers ?

b) What factors compel the parties
to come back to the negotiation
table ?

29. Could you tell me who ordinarily
arbitrates or mediates in the
disputes not settled bilaterally ?

30. In which industry(ies) the
negotiations by the J.A.C is
very common ?

31. When you negotiate with the individual employers in an industry, do you try to have uniform terms of agreement ?
- YES/NO
- a) If no, please explain your answer.
32. Please explain to me the impact of negotiations by the Joint Action Council ?
33. Could you explain the impact of collective bargaining on the industrial relations in the textile industry in coimbatore eregion ?
34. To what extent the collective bargaining in textile industry has influenced pther industries in the region ?
35. What differences do you find in the collective bargaining practices in textile and other industries ?
36. What factors have contributed, according to you, to these differences ?

37. What are the differences in collective bargaining at the association (SIMA) level and at the unit level ?
38. What trends do you find in the collective bargaining in the textile industry at Coimbatore ?
39. Do you think that the industrial relations in the region have been cordial due to healthy collective bargaining practices ?

YES/NO

III. ATTITUDES AND OPINIONS.

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1. The SIMA is credited with the honour of initiating and institutionalising collective bargaining in the textile industry in Coimbatore. | Strongly Agree/
Agree/Disagree/
Strongly Disagree. |
| 2. Collective bargaining in the textile industry has greatly influenced the collective bargaining in other industries in the region. | Strongly agree/
Agree/Disagree/
Strongly disagree. |
| 3. Collective bargaining in the region has strengthened both the employers and trade unions. | Strongly agree/
Agree/Disagree/
Strongly disagree. |
| 4. Collective bargaining has been possible since all the unions are recognised by employers. | Strongly agree/
Agree/Disagree/
Strongly disagree. |

5. It is said that the SIMA has been buying peace by way of conceding the demands of the unions. Strongly agree/
Agree/Disagree/
Strongly disagree.
6. Collective bargaining by SIMA and JAC of trade unions has promoted uniform practices in industrial relations in the member mills irrespective of their size, capacity to pay and the location. Strongly agree/A
Agree/Disagree/
Strongly disagree.
7. Collective bargaining practices in Coimbatore region are mature enough and stand apart when compared to the practices in other industrial centres in India. Strongly agree/
Agree/Disagree/
Strongly disagree.
8. The agreements signed by SIMA are always based on what the average units could afford to pay. Strongly agree/
Agree/Disagree/
Strongly disagree.
9. Conciliation and adjudication machinery has only a marginal role to play in promoting the cordial industrial relations in the region. Strongly agree/
Agree/Disagree/
Strongly disagree.
10. It is the absence of an employers' association in other industries in Coimbatore that accounts for the differences in collective bargaining practices in particular and industrial relations in general when compared to textile industry. Strongly agree/
Agree/Disagree/
Strongly disagree.

11. Collective bargaining practices and agreements in other industries in the region broadly conform to the practices prevailing in the textile industry.
- Strongly agree/
Agree/Disagree/
Strongly disagree.

IV. ADDITIONAL DATA.

1. If you have any thing else to say on collective bargaining and the industrial relations in the region, please express your views, opinions and comments.

2. Investigator's Findings.