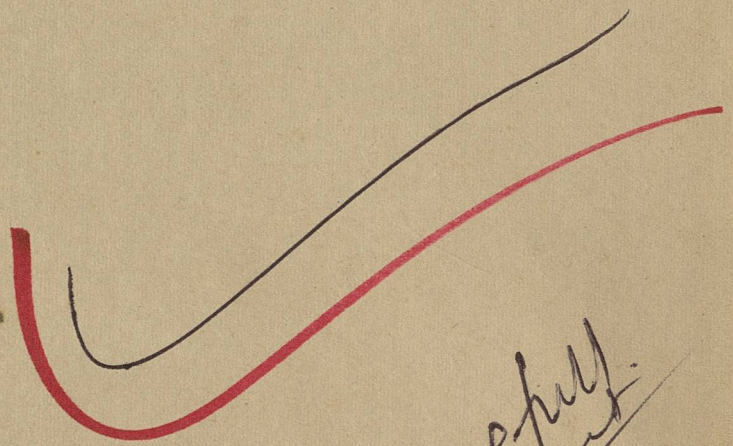


**AITUC  
GENERAL COUNCIL MEETING**

3

**REPORT  
&  
INFORMATION MATERIAL**



*Pengantar  
dokumen.*

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**MARGAO (GOA)  
18, 19 & 20 OCTOBER 1992**

-- AGENDA --

1. Condolence Resolution.
2. Minutes of the last meeting of the General Council.
3. Resolution and Credential Committees.
4. Report of activities and developments since the last General Council meeting.
5. Discussion on Report.
6. March to Parliament on November 25, 1992.
7. Report on WFTU.
8. Organisational matters.
9. Resolutions.
10. Credential Committee Report.
11. Any other matter with the permission of Chair.

-- TIME TABLE --

18th October, 1992	-	Open rally
19th October, 1992	-	9 A.M. - 1.00 P.M. 3 P.M. - 8.00 P.M.
20th October, 1992	-	9 A.M. - 1.00 P.M. 3 P.M. - 8.00 P.M.

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**All India Trade Union Congress General Council Meeting**  
 18-20th Oct.92, Margao, Goa.

E R R A T A

<u>PAGE</u>	<u>PARA</u>	<u>LINE</u>	<u>CORRECTION REQUIRED</u>
1	2	3	'dangerous consequences' - in place of "danger manifestations"
2	2	5	Capital 'P'
1	2	last line of para 2	'Self reliant' in place of 'self retaiant'
2	item 3	last but one line	'of' in place of 'and'
2	1	last line	'is' in place of 'in'
3	1	last line	insert the word in between 'anticipated' and 'by'.
3	2	line 3 from bottom	insert the word 'and' between settlement and 'finalisation'.
3	3	4th line from above	'Predominant' instead of 'redominant'.
4	2	last but one line	'Shot' in place of 'hot'
5	1	8th line from above	'Proliferation' instead of 'Proliforaction'
5	2	3rd line from above	'with' in place of 'in'
5	4	7th line from above	'these' instead of 'tgeset'.
6	2	2nd line from above	'decision of' in place of 'revision gave'.
6	2	line 3 from above	'that too' for 'for'
7	1	2nd line from top first line	'last' for least'
8	2	from above	'staged' for 'stage'
9	2	first line from above	'days' for does'
11	3	last but one line	use Capital 'I'

<u>PAGE</u>	<u>PARA</u>	<u>LINE</u>	<u>CORRECTION REQUIRED</u>
12	last para	last but one line	Insert the words 'promised to be convened' between 'meeting' and 'convened'.
13	1	2	'Secretariat' in place of 'Secretariate'
13	2	8	Insert the words 'items included in 'between 'the' and 'three point....'
13	2	9	'were' in place of 'are' and add 'either' after 'mostly'
13	2	10	'discussion' in place of 'disassion'.
13	last	last	'are' in place of 'is- ion'.
14	2nd sub para 2	4	insert the word 'so' between 'session' and 'that'.
15	1	7 from above	'rigidity' in place of 'rigidity'
15	3	4 from above	'plunder' in place of 'plunder'.
16	4	5 from above	'onef' in place of 'on'.
17	2	14 from above (10 from bott- om)	'convulsions' in place of 'conclusions'
18	1	3 from top	'unreservedly' for 'unreserved by'.
19	2	16 from the bottom	'sense' for sence'.
19	item 1	12 from the bottom	'Commättees' for 'Committee'.

<u>PAGE</u>	<u>PARA</u>	<u>LINE</u>	<u>CORRECTION REQUIRED</u>
19	2, item 1	9 from the bottom	'Impetus' for 'Imoectus'.
20	- item 5	3 of item 5	add 'the' after 'with' at the end of the line.
21	last	3 from the bottom	'Exclaim' in place of 'explain'.

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MAIN POINTS FOR DISCUSSION ON REPORT OF  
ACTING GENERAL SECRETARY

- 1) Impact of the Economic & Industrial reforms of the Government of India in the State/area.  
- Facts and concrete situation.
- 2) June 16th Strike and connected campaigns.  
- short report about participation, weaknesses etc.
- 3) Campaign against communalism - whether campaigns planned, how implemented and future plans.
- 4) Preparations for November 25th "Parliament Chalo!"  
Steps taken to mobilise the working class, target fixed if any and expected mobilisations.
- 5) Cuba Solidarity Fund: What steps taken to collect funds/grains etc: How much collected. a self critical report.
- 6) Functioning of State TUC's and District TUC's - criticism and suggestions for improvement.
- 7) Suggestions and criticism regarding functioning of AITUC Centre.
- 8) Regularisation of payment of affiliation fees.  
Finances of AITUC - suggestion to strengthen the same.



### SOME MAJOR STRUGGLES

1. Bihar: Workers in all generating stations under the Bihar State Electricity Board struck work. In the course of this heroic strike the workers faced police violence and mass arrest of leading functionaries without being cowed down.
2. 8 lakh employees of Bihar State Government, including teachers conducted a 4 month long strike.
3. Strike of workers of U.P. State Bridge Corporation Ltd. engaged in construction of Mandovi bridge in Union territory of Goa; led successfully by Goa Trade and Commercial Workers' Union, Goa.
4. Strike of JCT Workers in Mohali, Punjab. The Workers braved brutal police repression.
5. Strike of workers in Ralson Chemicals, Ltd; at Maberkotla.
6. Strike Struggle of Abohar Bhawani Cotton Mills, Abohar jointly led by AITUC & INTUC. Peaceful strikes subjected to savage police firing resulting in death of 8 workers.
7. Strike of Himachal Pradesh Government employees. Brutal police repression let loose on the strikers by the BJP Government besides large scale victimization of strikers' leaders.
8. 4-month long Strike of 8000 Bata workers in Batanagar, West Bengal, against unilateral imposition of work-loads resulting in redundancy.
9. 50-day long strike of nearly 2 lakh Jute workers of West Bengal, jointly led by affiliates of all national T.U. Centres, including the INTUC.
10. On October 9, 1992, general strike in Punjab on wage rise demand.

In addition there is a long list of protest strike struggles of token nature, besides militant actions in other forms, like mass 'Dharnas', demonstrations protest marches, & hunger - strikes, etc. which were duly publicised through columns of the TUR.

AITUC GENERAL COUNCIL MEETING  
OCTOBER 18-20TH.(to be held in Goa)

Draft Report of the Acting Gen. Secretary.

The last meeting of the General Council of the AITUC was held in N.Delhi on September 2-4th. In view of its being the first General Council meet after the Madras Conference, it naturally began its deliberations by having a look back at the main conclusions of the Conference and the tasks it had placed before the working people of the country in general and the AITUC in particular.

Analysing the essential features of the situation in which the report was being presented, the report of the General Secretary drew pointed attention to the danger manifestation emerging out of the pursuit of the new economic and industrial policies by the Narasimha Rao Govt. particular mention was made of devaluation of the rupee the massive doses of IMF & W.B Loans resulting in phenomenal increase in our foreign debt; rapid steps being taken towards dismantling of the MRTP Act, as also towards removing all restriction on foreign investment, & inflow of foreign capital and technology; deregulation and delicensing; opening up of the small scale sector to monopolies and multinationals; relentless drive towards privatisation of public sector; etc.etc. and the danger these pose to our independent and self-reliant economic growth.

The report also indicated a series of policy measures as workers' alternative to the antipeople policies being pursued by the Government.

The period since the holding of the last General Council session has been marked on the one hand by relentless pursuit by the Government of its retrograde policies in various sectors of our economic industrial & social life, and on the other by persistent agitations, & militant struggles unprecedented both in their sweep, intensity & depth, repeatedly launched by our working people. As the subsequent recital of events would bring out, some of the most significant features of these unrelenting actions of the working class have been:-

- 1) Growing policy-related unity of action between different sections of our trade union movement, including national Trade Union Centres, national Federations, & the vast unattached segment of trade unions as reflected in the sponsoring committee of Trade Unions.

2) Widening composition of the participants in the movement, with hitherto untouched segments of workers and employees, such as those employed under the Central or State Governments, offices & executives both in public as well as private sector and in essential services.

3) While defending & extending their sectoral interests against the impact of new economic & industrial policies of the Government, the workers & their trade unions have increasingly tended to enlarge their outlook by questioning the very management of the economy and consequences thereof, the relevance of social and economic policies and the Government to the realities of the contemporary Indian situation.

It is these & some other features of the development of the working class movement, such as varied forms of struggles at different levels, that have to a certain extent forced the Government to partially retreat at times, and thus help in slowing down the pace, intensity as well as direction and impact of its anti-working class measures. But the Government has declared many times that the process of liberatisation etc. is irreversible.

RESPONSE OF THE AITUC TO THE CHALLENGES POSED  
BY THE SITUATION

The last General Council had met at a time when the working class & their trade unions were already finding themselves compelled to boldly confront the unprecedented offensive launched by the Government in pursuit of its economic and industrial policies dictated by the W.B. & IMF. Assessing the situation correctly the General Council took decisions which made significant contribution to furthering & developing struggles of the working class through the newly created forum of "Sponsoring Committee" of Trade Unions". The NCC platform could no longer meet the demands of the situation due to vacillating attitude of EMS. A brief account of the main struggles carried out by the AITUC led Trade Unions jointly with other constituents of the Sponsoring Committee, consisting of the major national T.U. Centres excepting INTUC and EMS independent Federations of workers & employees in both public as well as private sector and other unattached organisations of employees and officers etc. is given in the following pages.

Joint observance of Day of Protest & Delhi March: Day of protest against the new economic & industrial policies of the Central Government was observed on the 6.9.91 by holding mass meetings, demonstrations etc. at different centres. This was followed by a 'Delhi March' rally jointly organised by the left parties and the Janata Dal on 27.9.91 to protest against price-rise and new economic policies which was supported and participated by Trade Unions.

#### ALL-INDIA CONVENTION OF PUBLIC SECTOR UNIONS

A well attended convention of Public Sector Trade Unions & their Federations, including officer's organisations in some of the sectors, was held in N.Delhi on 16.9.91, a day before the National Convention of Trade Unions convened by the Sponsoring Committee. The convention approved an 11-point demand-charter, and gave a call to workers & employees in the Public sector undertakings to mount a powerful countrywide campaign in defence of the Public Sector, against privatisation, disinvestment of P.S.Shares, and retrenchment for lifting of ban on bipartite negotiations and settlement, finalisation of DA Committee recommendations, etc. The Convention also decided to participate in the programme of struggle which might be adopted by the Sponsoring Committee of TUs.

#### ALL-INDIA CONVENTION OF TRADE UNIONS

This Convention held under the auspices of the sponsoring Committee of Trade Unions in New Delhi on 17.9.91 could be described as one marking the beginning of transition of the Trade Union movement of the Country from its predominant concern for issues directly affecting the wages and overall conditions of employment and short term solution thereof, to one of the imperative need to wage a well united and relentless struggle against an integrated package of economic measures at all the levels the Government is dead-set to implement. The Convention gave a call for observance of one-day country-wide industrial strike on 29.11.91.

#### 29 NOVEMBER, 1991 General St-rike.

It was in the background of intense agitational activity & struggles in different sectors of the industry that the general industrial strike of 29th November burst upon the Indian Scene. It was jointly sponsored & conducted by the AITUC, CI TU, HMS, UTUC, UTUC(L.S.) and TUGC besides a number of Industrial Federations, prominent among which were the Bank, of LIC & GIC Unions and other industrial federations.

Lakhs of workers in industries and establishments including Textiles, Engineering, Oil, Transport Services, Ports & Docks, Banks, Insurance, Airlines & big sections of State Government employees, participated in the strike. Dharnas & demonstrations were organised at several places by Central Government employees. Assessing its dimensions, it was described as the biggest nationwide united action of the Indian working class after the 1982 general Strike. The AITUC-led trade union movement can rightly claim the credit for contributing to the success of this great strike-struggle.

The major significance of this strike-action lay in the fact that it was not for relising some immediate economic demands of the participants, but mainly for opposing policies of the Congress Govt. at the centre on basic national issues confronting the people. It constituted the first hot in the coming fierce and sustained battles against these policies.

#### DISQUIETING EFFECT OF THE NOVEMBER 1991 STRIKE ON THE GOVT.

The Government was forced to call the first meeting of the Special Tripartite Committee in December in Bombay to examine the question of sickness of public sector undertakings. As a result of united and firm stand taken by representatives of national T.U. Centres, including even the INTUC, the Govt. was put on the defensive & the Committee reached certain important conclusions. (See Annexure)

#### PRE-BUDGET MEETING WITH THE FINANCE MINISTER

The AITUC alongwith other Central Trade Unions had a pre-budget meeting with the Finance Minister. The AITUC also submitted a written Note suggesting the measures included in the Budget which was published in TUR on 5th February 1992 issue. In this context the proposal contained in the President's Republic Day address favouring a moratorium on strikes and lockouts for 2 years was emphatically disapproved by the AITUC Secretariat through a statement to the press. Similarly a firm protest was lodged against unilateral Govt. action in setting up the so-called NRF and a demand for convening, an emergent meeting of the Special Tripartite Committee was addressed to the Labour Minister.

#### MEETING OF REPRESENTATIVES OF NTC WORKERS UNION

Continuing its drive to mobilize workers in different sectors of the industry for intensified struggles the AITUC convened a meeting of representatives of unions of NTC workers in New Delhi

in the 2nd week of January, 1992. While taking stock of the serious situation confronting the NTC workers as a consequence of so-called restructuring of industry in pursuit of the new Economic & Industrial Policies by the Government, the meeting demanded formation of bipartite committees at the level of each unit as well as at subsidiary and the Holding Company's level so that a critical appraisal of the Govt. document released on the subject could be carried out & effective remedial measures applied to prevent proliferation of sickness. Strongly disapproving the Sick Industries Amendment legislation, the meeting decided to observe a day of protest at all Centres of the Textile industry by holding 'Dharnas', demonstration, etc.

#### NRF REJECTED BY TUS

In the second meeting of the special Tripartite Committee held on January 20, 1992, the trade union representatives rejected in one voice the concept paper on the National Renewal Fund. It was decided that Industrial Committees will be set up on 1. Cotton Textiles. 2. Jute. 3. Engineering. 4. Chemicals 5. Road Transport. 6. Electricity generation and distribution. ( See Annexure )

#### SPONSORING COMMITTEE'S CALL FOR INTENSIFICATION OF AGITATION

The sponsoring committee gave a call for observance of a Day of National protest by organising a massive demonstration before Parliament on the 2nd of April, along with staging of 'Dharnas' before Governor's residence in all State Capitals.

#### AITUC WORKING COMMITTEE MEETING ON 15-16 FEBRUARY

Working Committee of the AITUC met on 15-16 February 92. The General Secretary, Com. Homi Daji, presented a report detailing developments since the last General Council meeting, and analysing the outcome of struggles launched during the intervening period by the working class of the country and the prominent role played by the AITUC constituents and affiliates in different states in organising & conducting these struggles against threatened closures and retrenchment, price increases moves towards large scale privatisation, besides issues of immediate concern to workers in different sectors of the industry. The report expressed satisfaction at the overall performance of the AITUC-affiliates in organising & leading the countrywide industrial strike on 29.11.91,

at the same time pointing out some non too bright spots in the overall picture of our performance. It was brought out during the discussions in the Committee that while we were able to move workers in certain sectors in a big way, compelling even some INTUC & EMS affiliates to join the strike, there were a few sectors wherein the affect of the strike was negligible. In majority of such cases, apart from resistance offered by the INTUC & EMS, lack of coordination between local or sectoral constituents of the national T.U. Centres constituting the Sponsoring Committee proved to be the major hindrance.

The working Committee endorsed the action programme adopted by the Sponsoring Committee and adopted resolutions on some of the major issues & demands engaging urgent attention of the workers.

#### INDUSTRIAL COMMITTEES

Out of six industrial committees reconstituted as per revision give special Tripartite Committee in its meeting in January, 1992, only four have so far met and for once only. These are on Textiles, Jute, Chemicals and Engineering. The conclusions of these meetings are in Annexure.

#### The Central Budget for 1992-93:

As feared, the Central Budget for 1992-93 fully reflected the aims and objectives underlining the new Economic and Industrial policies of the Congress Government at the Centre. In accordance with the IMF-WB dictated policies it gave all concessions to the monopolies and MNCs while heaping more burdens on the common man and the poor. Its main features were: reduction of tax burden on higher incomes, increase in indirect taxes; further liberalisation of imports; further dilution of FERA; stepping up of disinvestment of profit making PSUs to meet budget deficit; stepping up of the process of privatisation, widening the scope of operations of private and foreign banks; allocations to the so called NRF to pave the way for more closures & retrenchment, etc. It had little to offer to stem the rot in the country's economic system as reflected in; declining growth rate, decline in agricultural and industrial production; high rate of inflation and resulting persistent increase in wholesale as well consumer Price Index; increasing incidence of industrial sickness; persistently

negative trade balance and declining value of exports following the devaluation of the rupee; and lest, but not the least, staggering increase in the number of unemployed and under-employed both in urban as well as rural sectors. The budget further confirmed that the burden of structural adjustment and reforms is wholly thrust on the poor.

#### Public Sector Workers Convention

Representatives of national Federations & Confederations, along with several officers' Associations of PSUs jointly organised a national convention-cum-seminar in Calcutta on March 5-6. Representatives of major national T.U. Centres, including the AITUC, INTUC, CITU, HMS, etc. also participated. It gave a call to the public sector workers to oppose these policies with all their might and to prepare for a nationwide strike for the purpose.

#### Insurance employees prepare for struggle against privatisation.

Insurance employees' organisations with different orientations held a joint meet in the third week of March, 1992, to express their opposition to the Government's drive towards privatisation in the public sector and against other anti people aspects of the new Economic policy. The meeting issued a call for countrywide agitation and struggle in defence of the public sector.

#### National Convention of Unions of NTC workers.

This important Convention was jointly convened by unions of NTC workers affiliated to AITUC, INTUC, HMS, CITU & HMS in Indore from 31.3.92 to 2.4.92. The Convention unanimously rejected Government proposals on closures or amalgamation of NTC Units on the pretext of 'unviability' or 'Chronic sickness' of a number of such units. It formulated a 6 point programme of immediate measures and an 8 point long term programme of remedies to be applied to turn all the so-called 'Chronically sick' units around and restore economic & technical viability to the NTC. It demanded continuance of financial assistance to the NTC units to ensure full capacity-utilisation. It set up Coordination Committee comprising H. Naik of the INTUC as Convener to organise effective agitation in support of the measures suggested by it. The Committee, unfortunately, has not been able to function as desired due to indifferent attitude of the INTUC for one reason or the other.



Protest against violation of decisions of the Special Tripartite Committee.

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General Secretary, Com. Homi Daji addressed communication on 4.4.92 to the Labour Minister, Shri Sangama, lodging emphatic protest against Government's failure to implement assurances given to the Trade Unions against closures and retrenchment and for settlement of important issues like D.A. and resumption of wage negotiations in the Public Sector etc.

#### Massive Demonstration of Bank Employees.

Over 75000 Bank Employees stage a massive demonstration before the Parliament in New Delhi on the 7th April, 1992. Jointly organised by different unions and Associations of Bank employees, the rally came down heavily on Government policies of privatisation and on the preposterous recommendations of the Narasimhan Committee.

#### Demonstration to the Parliament

As mentioned earlier a massive demonstration of workers jointly organised by constituents the Sponsoring Committee was held outside the Parliament House in N. Delhi, on 2.4.92. A memorandum opposing the new Economic Policy of the Government was submitted to the Speaker of the Lok Sabha.

Sponsoring Committee of Trade Unions calls for General Strike on 16th June.

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It was in this situation of rising discontent and resentment among mass of the working people against retrograde Government policies and the consequential rising tempo of militancy among the organised sections of the workers and employees in different sectors of industry and services that the sponsoring committee of Trade Unions held its meeting on the 27th April, 1992. The meeting unanimously approved of an 8 point charter of demands including the main demand for outright reversal of the new economic & industrial policies of the Government besides scrapping of the Ray Committee and to all closures & retrenchment, drastic reduction in prices of essential commodities, removal of ban on wage negotiations and putting an end to privatisation & disinvestment in the public sector undertakings, etc. The meeting called for a countrywide general industrial strike on June 16, 1992.

The charter of demands and the decisions to launch a countrywide general strike on the 16th June, 1992, was later unanimously endorsed by a national Convention of Trade Unions held in N. Delhi on 10.5.92.

DEFENCE EMPLOYEES ENTER THE RING

The Executive Committee of All India Defence Employees' Federation in its meeting held in N.Delhi on 11-13 May '92 decided to participate in the general strike of 16th June '92. It expressed itself strongly against privatisation of units of defence industry and demanded effective steps to safeguard basic trade union rights of workers in defence industries besides satisfactory solution of their long-pending demands.

Government feelers to trade unions on their strike decisions

A few days before the date fixed for staging countrywide industrial strike, the Labour Minister, Shri Sangma, convened a meeting of leading representatives of national Trade Union Centres. No agenda was proposed for this meeting. He made certain promises for a meeting of the DA Committee, for convening long overdue meeting of the Standing Labour Committee & for holding the 30th Session of the Indian Labour Conference, and on wage negotiations in public sector.

It was around this point of time that the unexpected serious illness of our General Secretary, Com.Daji, besides that of one of our Secretaries, Com.K.L.Mahendra, started telling on the performance of the AITUC Centre. In fact the Secretariat was compelled to carry on the strenuous tasks posed by the situation with a depleted strength of Secretaries.

Com.Gaya Singh, Secretary of the AITUC, has since been well-deservedly elected to Rajya Sabha. Of late he has been touring different states - that is wherever the Secretariat wants him to attend to specific tasks.

It was about this point of time also that initial rumblings of the fantastic Securities-Scam or Bank fraud began to be heard through columns of some of the newspapers and through Trade Unions in the Banking Sector. The leadership of the All-India Bank Employees' Association in collaboration with some other Bank Unions, including the Officers' Association was the first to reveal the enormous extent of the fraud in the meeting of Bank Unions joint Committee held in Calcutta on the 19th May, 1992. The gigantic scale & proportions of this fantastic graft in course of time rocked and stunned the country and the share-market as never before in the past. The Finance Minister's dismissal of this criminal conspiracy as a mere 'system failure' has once again been proved a blatant lie. But more of it later. Now a Joint Parliamentary Committee is going into the whole gamut of the scam.

contd....10...

### The Strike of June 16th

Tens of million workers and employees working in various industries & services both in public as well as private sector throughout the country responded magnificently to the call of the Sponsoring Committee. The response of workers and a sizeable section of officers to the call was much wider than that of the 29th November strike. Even the INTUC & HMS Unions were compelled to join the strikes in several places. The special feature of the strike is the participation of Central Government employees like P & T and Defence, Airlines, etc.

An emergent meeting of the working committee of the AITUC held on June 29-30th reviewed the 16th June strike besides considering the organisational consequences of the prolonged absence of Com.Daji on account of his serious sickness.

The Working Committee through its resolution on the outcome of the strike characterised it as "by far the biggest strike action of the Indian Working Class in recent period". It was indeed a highly significant united action of Trade Unions not just for its own economic demands, but targetted mainly at halting & reversing the reactionary, anti-people and anti-working class economic, industrial & commercial so-called reforms being thrust on our people by the Congress Government at the Centre.

The Working Committee called upon all AITUC affiliates to take up an effective and sustained programme of agitation and struggles in order to unleash still more united, more intensive & militant, & still wider mass actions to defeat the Government policies.

The meeting endorsed the decision of extended meeting of AITUC Secretariat that in the situation created by the prolonged illness of Com.Daji, Com.B.D.Joshi should function as acting General Secretary. It was decided that the President of AITUC, Com.M.S.Krishnan should make his time and attention available to the AITUC Centre to a much greater extent than at present.

The alternative organisational arrangements made at the Centre are working satisfactorily to the extent possible under the circumstances.

### Joint National Convention of Road Transport Workers

This Convention was convened jointly by the affiliated of AITUC, HMS, CITU & HMS in tune on 29th June. National Road Transport Workers' Federation General Secretary, Com.Ishar Singh submitted a paper on behalf of the Federation. The Convention adopted a declaration condemning steps taken by the Government of India, followed by several State Governments, to privatise

the Road Transport industry. It declared itself in favour of complete elimination of all privately owned agencies from the passenger Road Transport services throughout the country.

#### Strong Condemnation of Bilai firing.

The AITUC Secretariate issued statement on 1.7.92 condemning brutal police firing on workers demanding regularisation & elimination of contract labour system in Bilai industries. The statement castigated the BJP Government of M.P. for its anti-labour & repressive policies and demanded adequate compensation to the families of victims of brutal police firing. The M.P. Unit of the AITUC has been active in organising agitation against anti-labour policies & practices of the BJP Government in M.P. and has taken leading part in organising the 28th September Rally in Bhopal to commemorate the 1st anniversary of the murder of Com. Guha Niyogi.

#### MARCH TO PARLIAMENT ON NOVEMBER 25

The Sponsoring Committee decided to hold a national convention against Communalism in Delhi, a National T.U. Convention on 13th September 1992 and March to Parliament in November 1992.

#### Meeting of the D.A. Committee

Under constant pressure from Trade Unions and mounting wave of resentment evident from participation of PSU & Government employees on a massive scale in joint struggle of the working class, the Government at last convened two meetings of the DA Committee. It made important recommendations after lengthy deliberations. A summary of these decisions is contained in appendix of this report. Even though recommendation on increase in basic rate from Rs.1.65 to Rs.2/- and acceptance in principle of slab system represent an appreciable advance in the struggle for enhancement of DA, it is regrettable that the Government has not so far notified the cabinet's approval of the same. As regards the Trade Unions' recommendations on the actual slabs, quantum, etc. the AITUC has already formulated its proposals and forwarded them to other national T.U. Centres: it has not so far been possible to finalise the matter.

#### Standing Labour Committee Meeting

The Government convened 31st Session of the SLC on the 25th July '92. Several items were proposed on behalf of the AITUC for being placed on the agenda of the meeting. These

included: acceptance of unanimous recommendations of the Ramanujam Committee on industrial relations legislations, legislative amendments to remove ceiling on Bonus, and enactment of law for workers in the Construction industry and in agriculture and on workers participation in management; institution of fresh family-budget survey for constructing a new C.P.I. series, lifting of ban on wage negotiations in PSUs; and adequate relief of Anganwadi-Balwadi workers, etc. However, after a general discussion on many of these & other issues raised by other participants, the deliberations of the meeting concluded by setting an agenda and date for the 30th Session of the I.L.C. Another decision related to the setting up of a small sub-committee of the SLC to review and report on implementation of some specific labour laws, including the Equal Remunerations Act, the Child Labour (Prohibition & Regulation) Act, and the Minimum Wages Act.

The President of AITUC, Com.M.S.Krishnan and the Acting General Secretary Com.Joshi, represented the AITUC in the meeting.

#### National Convention Against Communalism

This Convention was held in New Delhi on 23.8.92 in accordance with the Sponsoring Committee's decision. The main resolution, moved by the AITUC representative, called upon the working class of the country to unitedly struggle in order to frustrate the communalist conspiracy against national unity in the name of religion. The Convention called for observance of Communal Harmony Day on September 24.

#### AITUC Protest against Textile Minister's statement in Parliament

A statement containing an emphatic protest against unilateral Government decision on strategy to restructure the NTC, as disclosed by the Minister for Textiles in his statement in the Parliament on 11.8.92, was issued by the AITUC President, Com.Krishnan. Describing it as a grave violation of the undertaking to discuss and decide the entire issue relating to revival and rehabilitation of NTC in the Industrial Committee on Textiles, the statement called for faithful implementation of all Government assurances on the issue and convening of the Industrial Committee on Textiles immediately.

The meeting convened by the Labour Minister P.S.Sangma on 16th September was however postponed suddenly.

PM's Independence Day proposal on moratorium

This proposal was emphatically rejected by the AITUC Secretariate through its statement issued on the 17th August, 1992.

30Th Session of the Indian Labour Conference

The 30th Session of the Indian Labour Conference was held in New Delhi on September, 7-8th under the Chairmanship of Shri P. Sangama, the Union Minister for Labour. Although a number of items involving issues of considerable importance to workers in various sectors & segments of the industry and services had been proposed to be included on the agenda of the Conference the same did not find place in the officially suggested agenda. The three point official agenda are mostly non-issues or issues requiring much discussion. However, AITUC President in his main speech raised all these issues while denouncing the new Industrial and economic policies of the government.

However, the three main issues vitally concerning the working class and the industry occupied the central place in the deliberations of the Conference. They were: 1) Ramanujam Committee recommendations on the new Industrial Relations law; ii) The industrial policies of the Government of India and its impact on labour, and iii) Employment Policy.

AITUC's appraisal of the outcome of the ILC has already been published in the T.U.R. official release on the conclusions is being reproduced in the appendices.

Public sector Trade Unions meet.

An extended meeting of the CPSTU, (Corrdination Committee of Public Sector Unions) was held in New Delhi on 12.9.92. The meeting called upon the workers & employees in Public sector to launch a countrywide struggle unitedly demanding acceptance by the Government of a 10-point demand charter. Outlining a concrete programme of agitation, the CPSTU meeting called upon all the workers and employees in public sector undertakings to prepare for an indefinite strike in case the Government of India fails to settle the 10-point demand charter.

National T.U. Convention decides on March to the Parliament on 25.11.92.

The Sponsoring Committee, as decided earlier, organised a National Convention of Trade Unions in New Delhi on 13.9.92.

It endorsed the decision of the Sponsoring Committee to organise a massive march of the working class to Parliament on the 25th November, 1992, during its autumn session, that powerful voice of the entire working class is raised. It further called upon Unions of every affiliation to hold state and regional level, industry-wise and areawise demonstrations, rallies & Dharnas and Jathas' to make effective preparations for the March to Parliament.

AITUC turns down Govt. invitation for foreign tour.

Shortly after the ILC, the Ministry of Labour sent an invitation to the AITUC to join a delegation of T.U. representatives & public sector executives to visit the U.K. & Hungary to study disposal of labour force rendered surplus in the process of restructuring & modernisation in the industry in the context of NRE.

On behalf of the AITUC, the invitation was promptly rejected. The delegations has ultimately left with the inclusion of representatives of INTUC, HMS & BMS only.

Some other major Problems/ issues deserving our attention.

The NRF

The NRF prescription which the Government has been trying to sell to the workers in such an obtrusively persuasive manner is an essential component of the structural reforms or stabilization programme of the WB-IMF model. The success of the on-going 'reforms' depend ultimately on the extent to which the Government succeeds in dismantling the labour market, or 'break its rigidity'. The basic understanding behind such dismantling is that "protected labour force constitutes obstacle to employment expansion", essentially implying that the law of hire and fire must be allowed to reign supreme in the market place.

The labour Minister informed the ILC that the NRF Scheme has not yet been finalised.

Disinvestment of Public sector shares

Disinvestment of shares of PSUS is on all considerations one of the most reactionary features of the current Government policies. It seeks to weaken the public sector paving the way to its dismantling. Already during 1991-92, disinvestment in 31 public sector undertakings has yielded Rs.3,038 crore which the experts consider as too small an amount. The second instalment of disinvestment also has started to mop up Rs.3,500 crores in the current year.

The great Bank-stock market Scam or Bank Fraud.

Reference has already been in preceding pages to the deliberations of a Bank employees' meet in Calcutta in the course of which the AIBEA forewarned the nation about the existence of a grand conspiracy to plunder the nation's assets. Notwithstanding the hectic efforts of the finance minister and the establishment to play it down as mere 'system failure'; it soon burst into open rocking the entire nation by its enormity. The AIBEA, besides a vigilant Press and Parliament, were soon able to expose it as the largest single fraud ever committed in our country in collusion with both public as well as private sector banking and financial institutions, leading foreign banks, top echelons of bureaucracy leading financial-economic structures



of the Government in collaboration with corrupt ministerial circles. The Government has ultimately been compelled to admit the extent of amount involved in the sum at Rs.3542.79 crores, but knowledgeable circles estimate it to be as high as Rs.5000 crores.

The Stock-market scam has strikingly more the confirmed the Bank employees' contention that the declining productivity, profitability, etc. of the Banks is not in the least due to directed credit programmes to the priority sectors. It is, they have all along asserted, due to the developing nexus between corrupt bank executives at the top, unscrupulous businessmen and to an increasing extent due to free entry of foreign banks.

The Government has ultimately been forced to agree to a Joint Parliamentary Committee to go in depth in the whole affair. The AITUC has published a booklet in this matter written by Com. Tarakeswar Chakravorty AIBEA General Secretary.

#### Safety at work & environmental problems.

The past few months have witnessed multiplying instances of the most criminal disregard by the employers of provisions of safety, welfare and environmental conditions at work. Children and women have more often than not been major victims of disasters taking place one after the other. Hardly a year back there was a big blast in the Dawn Cracker manufacturing factory in Sivakasi in Tamil Nadu, killing 60 workers, mostly children. The Supreme Court of India, before which a public-interest petition was pending, had in that case given clearcut direction to the Government to ensure faithful & effective fulfilment of certain basic conditions to ensure that ruthless exploitation of Child labour is put an end to and all provisions relating to safety at work are strictly observed. That the Government, both at centre as well as in states have hardly heeded to the directions of the highest judicial authority in land, is evident from an unending chain of

industrial accidents and disasters that have followed such directions, taking a heavy toll of workers' life in factories, mines and other workplaces like quarries, etc.

Another fire-works factory at the very same Sivakasi was the scene of a major blast a month back, taking a toll of 16 lives, again children & women mostly. A big fertilizer factory near Panipat in Haryana, has been the scene of major, though totally avoidable disaster due to leakage of deadly gas resulting in loss of several lives. These are only illustrative instances since their real number every year runs into hundreds. Such callous disregard on the part both of the employers as well as the Government of provisions of safety of workers amounts to sacrificing human life at the altar of private profits. Surely it must arouse our holy anger.

#### A glance at the international scene

The report can not claim to be complete without casting a glance, may be a quick one, at the international scene as it affects us of the working class. The end of the year 1991 witnessed the painful act of final disintegration of mighty Soviet Union, which has since got broken up into independent sovereign states, with a delicate thread supposed to hold them together in a loose combine called commonwealth of Independent states. The collapse of socialist regimes in Eastern European States close on the heels of the disintegration of USSR, was also followed in most of the cases in the disbandment of the former Trade union organisations therein. With the ushering in of a regime wedded to market economy, these countries are experiencing rather violent conclusions, exposing the mass of the working class and the people to ravages of inflation, sky rocketing prices, colossal unemployment, and in not a few cases ethnic conflicts, disorientation of social and cultural life & values, rising crime and political discrimination.

However, of late workers in some of these states, particularly those in independent Asian republics of the everwhile USSR have been showing positive signs of regrouping into regular national Trade Union Centres.

Many of them have exhibited keenness to re-establish contact with the WFTU its affiliates and the TUIS. The AITUC on its part would unreservedly welcome and promote contacts with these new National Trade Union Centres. The newly established Asian Regional office Com. D.K.Ganguly is taking keen interest in developing & promoting these ties.

It is also worth mentioning that the recent visit of the General Secretary of the WFTU, Com. Alexander Zharikov to India was aimed at exploring avenues to speed-up this process. The AITUC in this period also received T. U. delegations from Italy and from the CGT of France.

The developed capitalist countries of Europe presently find themselves caught up in an unprecedented <sup>recession,</sup> currency turmoil resulting in the knocking out of the British sterling, the Italian Lira & the Spanish currency from the Exchange Rate mechanism (ERM). The entire monetary system of the E.C. is thus suffering its worst crisis.

Commenting upon the developments following especially the signing of the Maastricht Treaty, the Executive Commission of CGT of France has called for rejection of the Treaty "in order to have a Europe that meets the needs of all the workers...."through the implementation of the Single Europe Act, the world in agriculture, industry and the services already have the experience of accelerated European integration and community policies which serve the big multinational groups. There are 15 million unemployed in Europe to-day including 3 million in our own country. We are experiencing a Europe of job insecurity, poverty and exclusion".

USA, the giant of the capitalist world is itself confronted with massive domestic problems. Yoshihide, Director of Economic Research at IBM in Japan has this to say on the state of affairs prevailing in that capitalist heaven: "In the U.S 23000 people are murdered every year; 3.2 million people are out of work without employment benefits; 33 million people lack health insurance; some 30 million Americans-roughly one in eight-are living below povertyline set at a level of 13360 dollars in

annual income for a family of four. The Federal deficit is running more than 300 billion Dollars a year..." No wonder the Dollar currently has fallen to its all time low in relation to the Japanese yen at about 119 yen to a Dollar. Yet the balance of trade between the two continues to be highly adverse to USA!

That much about the country which has assumed the role of our Government's sole adviser in restructuring the economy.

#### OUR TASKS

In the situation that confronts the working class in the present period, our agitational and combative tasks flow to a great extent, from the vital issues raised and decisions adopted on the joint forum of the Sponsoring Committee of Trade Unions in which the AITUC has all along been playing a vital role. It need hardly be stressed that we have to continue playing this role to facilitate the building up of a formidable fighting front to compel the Government to retreat at least from some of its most obnoxious and anti-working-class positions. Naturally, therefore, toning/up or streamlining our own organisation at local, Distt. or regional, and state-level and not excluding the Central level with the utmost sense of urgency and earnestness, must occupy our immediate attention. Seen in this context the following concrete tasks would appear to claim our unfailing and prior attention:-

- 1) Regular functioning of State Committee so that the their offices become living & effective coordinating & guiding centres of Trade Union activities in the State for imparting necessary impetus & direction to the movement, enhancing the organisations internal cohesion and striking power;
- 2) Setting-up, wherever this has not been done, Distt; and local centres & councils in order to broaden and democratise the functioning of the organisation from grass-root level upwards, with a view to ensuring the AITUC'S identification with mass of the workers in the area concerned;

- 3) Combine the above task with a constant and determined drive to unionise non-unionised workers & ensure that along with the drive to enrol union members affiliation dues are regularly collected & remitted to the AITUC centre to augment its resources;
- 4) Establish closest-possible fraternal contracts with other sections of Trade Unions, particularly with independent or non-attached Federations of employees, including in particular, those of State Government, of Departmental or state sector undertakings, and of local authorities, at Distt; local regional and state-level.
- 5) Mobilize this sections of the Trade Unions for solidarity actions and involve them in meetings, consultations, Conferences, seminars, etc, with aim of enlisting their active participation in the joint struggle against new Economic & industrial policies of the Government - in particular, privatisation, closures, retrenchment, price-rise, unrestricted entry of MNCs etc. Simultaneously popularise the alternative policies advocated by the AITUC & Other Central T.U.s.
- 6) Mobilise for persistent & coordinated struggles in varied forms, including strike actions where necessary, the numerically extensive workforce in the unorganised sector, including construction work, small/tiny scale manufacturing, including Bidi manufacture, Anganwadi-Balwadi workers, agricultural labour, etc. Organise area, region & statewide Conferences, agitations & struggles of workers for enhancement of minimum wages & for permanency of jobs, eliminating casual and contract system of employment;

- 7) Fully utilise some of the landmark pro-labour judgements handed down by the Supreme Court in the recent period to organise and mobilize the workers in the unorganised sector for struggles to assert their rights as defined in these judgements. These include the ones imposing conditions and prohibitions on child labour, and directing adoption of adequate safety at work, particularly in hazardous occupations; enlarging the contents of minimum wage concept; and banning the passing on of past liabilities including debts, of closed units to workers cooperative societies, etc.
  
- 8) Unfailingly take lead in bringing together constituents of the T.U. Sponsoring Committees & other workers organisations of left orientation for joint agitation and struggles on slogans and demands commonly decided by the Sponsoring Committee so as to create appropriate atmosphere facilitating the mobilisation of maximum number of workers for participation in the proposed Jatha Marches in states and the 25th November March to Parliament.

Our state Committees would do well to undertake publication of booklets/pamphlets etc. dealing with issues and problems currently affecting the working class. Besides preparing such literature on their own, they could with-advantage arrange translation of centrally published literature in state or regional languages. Full use of valuable information available in the T.U.R must also be made for educating workers on important economic and political issues affecting the working class.

I had better close this report before the General Council members are compelled to explain 'enough is enough'.

Thanks.

- APPENDICES -





SPECIAL TRIPARTITE COMMITTEE

STATEMENT

PAGE A-I

The first meeting of the Special Tripartite Committee, after elaborate discussions, arrived at the following conclusions:

1) The Committee realises that the country is facing deep economic crisis. The major problems before the country are unemployment, poverty, high prices and inflation. It is necessary to take immediately adequate and effective measures to pull the country out of the crisis.

This requires the concerted effort of all sections of people and in the sphere of industry, by government, management, trade unions and workers. It has become necessary that new and serious thinking should go into any programme of action so that nation is out of rut.

In this process, the workers and the management have to play a major role. Although the economic development of the country is uppermost in the mind of Special Tripartite Committee, the committee decided to take up public sector undertakings first, evaluate their performance, diagnose their problems and prescribe remedies.

While doing so the committee is convinced that no plan of action may be initiated that would affect the interest of workers adversely. The Committee recognises that the only way out of the situation is through improvement in the quality of management of public sector undertakings and for greater dedication and commitment on the part of the workers and the trade unions. The committee also hopes that the management and labour will rise to the occasion, improve productivity and ensure continuous cooperation.

The committee expresses concern that a large number of the public sector undertakings have become so sick that they have only negative networth. Even in respect of public sector undertakings which are working at a profit, there is a need for further improvement of their efficiency and productivity. Merely because a

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public sector undertaking is working at a profit, it is no guarantee that it is working efficiently, profits and losses are due to several factors.

The committee wanted that all industrial units irrespective of the sector should be made efficient and productive.

With regard to units classified as extremely sick in the monograph which formed part of the agenda papers for this meeting-the meeting wanted that this Special Tripartite Committee must go into the performance of all these units, case by case. In this connection the committee's attention was drawn to the bill recently passed by Parliament extending the scope of BIFR to the public sector sick units also. This will create problems for the Special Tripartite Committees in solving the industrial sickness. Even so, the labour side feels that a convention can be developed whereby BIFR will await the results of the Special Tripartite Committee's efforts. The Labour side insisted that such a convention should be established.

The Labour side made it clear that they were not against modernisation. In fact, they recognise modernisation as a continuous process and is essential for the development of our economy. At the same time, it wanted in the name of modernisation, labour should not be thrown out of employment. They are agreeable for labour being retrained and their technological skill upgraded and suitably redeployed. But in all these cases there should be prior consultation with the unions at the unit level.

In respect of industrial sickness in other industries, it is felt that Tripartite Industrial Committee may be revived immediately in respect of those industries particularly where the number of sick units are large, such as State Road Transport Corporation, State Electricity Board, Engineering Industry, Textile, Jute, etc. These standing committees should not only concentrate on units which have already become sick but should also pay attention to preventive measures.

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Cases brought before the committee where certain textile and other units had been closed for years and there is no chance of their revival. If the workers are not paid their dues, the committee felt, Government should act immediately in this regard and arrange for the payment of their dues and substantial compensation to them.

The Committee took note of the Monograph ON THE PERFORMANCE STATUS OF CENTRAL PUBLIC SECTOR ENTERPRISES and decided that its next meeting would be convened within 6 weeks to consider general principles for rehabilitation of chronically sick public sector undertakings and ensure interalia protection of workers' interest.

Bombay, 21st December, 92

#### CONCLUSIONS OF THE SECOND MEETING

The second meeting of the Special Tripartite Committee was held in the Committee Room in 'C' Wing of Shram Shakti Bhavan, Rafi Marg, New Delhi on January 20, 1992.

- 2) Shri P.A. Sangma, Minister of State for Coal presided over the meeting. Dr. Man Mohan Singh, Finance Minister also attended the meeting and clarified the Government's position. Shri P.K. Tungan, Minister of State for Industry and Shri P.S. Ghatowar, Deputy Labour Minister also attended the meeting.
- 3) The labour side opposed the Concept Paper on the National Renewal Fund on the ground that it did not reflect the views expressed by the parties and that it related only to retrenchment compensation.
- 4) The Finance Minister sat through the discussion in the forenoon and listened to the various comments by both the labour side and the employers' side representing both the Public and the Private Sectors & explained the Government's point of view. This gave an opportunity to several trade union and employers' representatives to react. After detailed discussion, the following conclusions were arrived at in respect of public sector units:

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5) The PSUs can be classified into four categories, namely:

i) Units which are currently viable, but are likely to fall sick in the future.

ii) Units which are already sick, but can be salvaged with appropriate remedial action in time.

iii) Units which are chronically sick and which require radical treatment.

iv) Units which are sick, but their current working can be made profitable with no cash-loss to begin with, provided their past liabilities are appropriately taken care of or are not allowed to act as a drag and the dues to the labour are paid.

6 The labour side reiterated its commitment to retraining and redeployment and to cooperate for increasing productivity. But it wanted that retrenchment should not be resorted to at all. It was stated by the Finance Minister that the Government was not keen on retrenching any employee, but on the other hand was keen on expanding employment.

7 The decision to take up cases of sick units, unit by unit, was approved and the Industrial Committees already announced would go into the case of each unit and prescribe the appropriate remedies. The local units of trade unions and the management would have to be given a hearing before a unitwise decision was made.

8 In regard to the broad guidelines, that were thought of at the first meeting, it was agreed that the approach should be positive, so that the discussions by the Industrial Committees should be on what steps were necessary to revive the unit, rather than to close it.

9 Some Unions suggested the setting up of workers' cooperatives, investing in the equity shares of the company by the workers, wherever the workers were willing, but the details would have to be worked out.

10 The Employers' side stated that some retrenchment was inevitable as a result of modernisation and closure of some units which could not be revived at all. It was agreed that with a view to avoiding retrenchment, the surplus labour, if any, would have to be identified in each sick unit and wherever possible, the units should be enabled to work round the clock and on all the days of the week, with labour having a five day week and its weekly holiday being staggered, provided there was

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availability of power and demand for the products made by the establishment.

11 It was pointed that some Thermal Stations in the country had a poor plant load factor and it could easily be raised to even 75%, which the Committee hoped would give adequate power to the industries and power would not become a constraint. As regards the demand for the products, since such working would not need sizeable additional investments, the unit cost of production would go down and price-wise it would be competitive and be able to find a market. Wherever this was possible, it would create at least 20% additional employment, with the result that retrenchment would be avoided. Workers would be suitably retrained and redeployed.

12 The Finance Minister explained that the setting up of the National Renewal Fund should not cause any apprehension to the labour as if it made retrenchment certain. It was there only to help the workers in extreme cases where there was no other alternative except retrenchment. The setting up of the fund was only the manifestation of the realisation by the Government that workers in such circumstances needed some help and the Government was providing help through the setting up of this fund. This sum of Rs.200 crores by itself might not be adequate. There might have to be contribution from the State Governments.

13 It was brought to the attention of the Committee that there were certain Public Sector sick units, where the ways and means position was bad and Government had stopped financing, resulting in the workers not being given work, but paid wages. There were no funds even to buy raw materials. In all such cases, if the current working would not result in a cash loss, the Government should provide necessary finance for their day to day working. (This was accepted by the Finance Minister. It has been omitted from the conclusions.

14 The industrial Committees should be convened early and the unit wise examination should begin without delay. Any agreement reached at the unit level would be the ideal situation.

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MEETING OF RECONSTITUTED INDUSTRIAL COMMITTEE  
ON COTTON TEXTILE INDUSTRY

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Reconstituted in accordance with the decision of Special Tripartite Committee the Industrial Committee on Cotton Textile industry met in New Delhi on the 21st February 1992. Representatives of the Central & State Governments, the NTC, and of employers as well as of national T.U. Centres, participated in the meeting. The Trade Union centres represented in the meeting were, the INTUC, the AITUC, HMS, BMS and the NLO.

The only agenda placed before the meeting chaired by the Coal Minister P.A. Sangma, was to consider the proposals of the Ministry of Textiles to close down the so-called 'chronically sick' 34 NTC units besides amalgamation of 49 'unviable units' into 21 units. These proposals, according to the Government note entail loss of around 70 thousand jobs in the NTC.

Representatives of all the five national Trade Union Centres firmly opposed the negative approach of the Government to the admittedly important problem of fighting back successfully the onslaught of sickness in the nationalised sector of such an important national industry as Cotton Textiles. When the AITUC representative made it plain that there can be no meeting ground between the workers and the Government with the negative agenda of closures, etc. and insisted that the Committee should concentrate its attention on positive measures directed towards restoring full viability to all these units, Sangma assured the Committee on behalf of the Government that it would approach the problem with an open mind in the light of proposals and recommendations emerging out of bipartite discussions and negotiations to be held between the Government and the NTC on the one hand and the workers' representatives on the other.

The Trade Union representatives emphatically refuted the allegations made in the official note regarding "absence of work-culture" and 'sub-normal work-norms' as the main cause for sickness in NTC units, and held the policies and practices pursued by the NTC as the principal cause for spreading this sickness. The main reason for under-utilization of capacity has been the failure on the part of the NTC to ensure timely supply of raw-material and other essential inputs. In this connection the experience of some of the NTC units in West Bengal was cited by the representative of the West Bengal Government himself. Despite acceptance of stiff SITRA work-norms by the unions of workers, the concerned units are compelled to work for only 12-13 days in a month because of short-supply of Cotton. All Trade Union representatives were also unanimous in opposing the reference of cases of these so-called 'chronically sick' units to the BIFR.

After several discussions lasting several hours, the following main conclusions were arrived at:

- 1) All attention and efforts in the case of 'unviable' and 'sick' units must in the first place be directed towards evolving measures to restore viability & continuity of production therein;

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2) Towards achievement of the above aim a unit-wise, rather than subsidiary or company based approach, should be adopted;

3) In order to enable the workers' organisations to formulate proposals for turning the so-called 'sick' & 'unviable' units around, the Government will supply information containing detailed economic, technical & organisational profile of each of the concerned units within a period of fortnight from now;

4) In their turn the Trade Union organisations will formulate and furnish their proposals within the next 2½ months;

5) The Committee would thereafter meet again to discuss all the proposals and decide how to proceed further to facilitate bipartite negotiations and decisions on the future of individual units;

6) The Chairman of the meeting, Sangma, undertook to persuade the Government to continue providing the required finances to the NTC units so as to ensure their uninterrupted working till the finalisation of the entire issue through bipartite discussions & settlements.

Some discussion also took place regarding mounting incidence of 'sickness' in the private sector of the industry, and it was generally felt that the 1985, Textile policy has not achieved the desired result of ridding the Textile manufacturing system, including the Powerloom and the handloom sub-sectors, of basic weaknesses and maladies, & a new attempt has to be made to achieve the goal. The discussion, however, remained inconclusive in view of the urgency claimed by the nationalised sector of the industry.

A RECORD NOTE OF THE MEETING OF THE INDUSTRIAL COMMITTEE ON THE JUTE INDUSTRY HELD ON 3.4.92 IN SHRAM SHAKTI BHAVAN, NEW DELHI UNDER THE CHAIRMANSHIP OF SHRI P.A. SANGMA, MINISTER OF STATE.

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The first meeting of the reconstituted Industrial Committee on the Jute Industry was held at 9.30 A.M. on April 3, 1992. Shri P.A. Sangma, Minister of State presided over the meeting. Shri Paban Singh Ghatowar, Deputy Minister was also present. A list of persons who attended the meeting is attached.

2. The Chairman welcomed the representatives of the trade union organisations, employers' organisations and the representatives of State Governments and Central Govt. Departments. He congratulated the workers' and employers'

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Organisations for resolving their disputes and bringing to an end the fifty one day strike in the industry. He said that the jute industry had a significant place in the Indian economy and was particularly important for Eastern India. Unfortunately the industry was beset with problems and it was necessary for all concerned to address them seriously. He commended the paper submitted by the Ministry of Textiles and said that it should serve as a working paper for discussion at the meeting. He thereafter called upon Secretary, Textiles to present the status and the prospect of the industry.

3. Secretary Textile stated that about 40 lakh families were involved in jute cultivation in an area of 10 lakh hectress. There were 73 jute mills in the country out of which 59 were in West Bengal. The Ministry of Textiles had made various efforts for the revival of the jute industry and had created the Special Jute Development Fund and the Jute Modernisation Fund. However, out of Rs.100/- crores earmarked under the Special Jute Development Fund only an amount of Rs.33 crores had been utilised. Similarly, out of Rs.150 crores under the Jute Modernisation Fund only Rs.24 crores had been disbursed. The Ministry of Textiles had also passed a statutory order regarding the use of jute bags in the cement industry, the fertiliser industry and by the Food Corporation of India for packaging food-grain and sugar. The Ministry had also taken up a product diversification programme in the jute industry. Secretary, Textiles added that the Ministry had set up a National Centre for Jute diversification. The UNDP had agreed to give assistance to the tune of \$ 23 million for the purpose of diversification of jute products. The Government was also received assistance from the FAO and the World Bank for the Jute Industry.

Secretary, Textile stated that the jute industry should take advantage of the trend in the West to use jute products in preference to synthetic products as these were environment friendly. The collapse of the Soviet market also made it imperative for the industry to increase its exports to the general currency area. The industry would have to be modernised and made more efficient for the purpose. The products must also be diversified.

The present status of the industry was not satisfactory. As on March 31, 1992 as many as 40 mills out of 73 mills were not functioning. One of the major problems in the jute industry was surplus work force. It has been estimated that there were about 14000 surplus work force in the six NJMC Mills. There was no alternative to rationalisation of labour if these mills were to be cost effective and commercially viable. Secretary, Textiles mentioned in this connection the revival of the New Central Jute Mill by the workers of the Company. They had made considerable sacrifices and also had reduced the work force by 2000 workers. The Company had projected a profit of Rs.6 crores for the year.

The following measures were suggested for revival of the jute industry:-

- i) The mills of the NJMC should be handed over to workers wherever possible.



- ii) The Voluntary Retirement Scheme should be introduced to deal with the problem of surplus labour. For this purpose assistance should be provided from the National Renewal Fund.
- iii) In those cases where it was not feasible to workers' cooperative to take over NJMC mills efforts should be made to transfer them to State Government or private entrepreneurs.
- iv) The labour force should be retrained and re-deployed in jute mills for manufacture of diversified jute products. The Ministry of Textiles would assist surplus workforce in securing financial assistance to establish mini-spinning mills and powerlooms where there was scope.

4. The representative of the IJMA explained that the Schemes under the Jute Special Development Fund were linked with rehabilitation and retraining of workers which in turn was linked with modernisation. The modernisation programme would not commence because about 50% the cases of the mills had been referred to the BIFR which took a long time in formulating a rehabilitation package and sanctioning of a scheme.

The representative of the IJMA added that the statutory order for use of jute bags was not being followed particularly in cement industry. The use of jute bags was also declining in the fertiliser industry. The IJMA would submit a report in this regard to the Committee. As regards diversification of jute products, it was stated that the unit value of the diversified products was 3 to 4 times more than the traditional product.

5. The representatives of trade union organisations pointed out that in the New Central Jute Mill the workers had to make sacrifice considerable to revive the mill. The Mill had a huge amount of past liabilities and the profit was used up in clearing the past dues. It was suggested that the Government should take measures to see that the company was not burdened by the losses made by the past management. If this was done, it might be possible for trade unions to take over at least one mills of the NJMC. The chairman intervened to say that he would take up the matter with the Ministry of Finance.

The representatives of trade union organisations also mentioned about large defaults in statutory dues of PF, ESI, Gratuity etc. and asked for stringent legal action against the defaulters. The Chairman suggested that these matters should be discussed in a separate meeting.

The representatives of the trade union favoured parity wages in the jute industry and a uniform implementation of the settlement on wages. They opposed privatisation of the jute industry. It was pointed out

that in a number of mills, workers who had reached the age of superannuation but they continued in service because management had no money to pay their terminal dues. They pleaded for urgent steps to enforce the legal stipulations. This would also help rationalisation of labour force wherever it was justified.

6. The Jute Commissioner who also held the post of Chairman, NJMC, stated that even if 10% of the production of the mills were non-traditional product, they would overcome the seasonal fluctuations in the market. Diversification of jute products would also stimulate the growth of small scale industry and generate employment. He added that out of six mills of the NJMC, four could be revived on the basis of revival schemes prepared by them.

7. The Labour Secretary, Government of West Bengal urged for the implementation of the recent wage settlement in the NJMC Mills by the Ministry of Textiles. He felt that wage parity was necessary for the successful revival of the industry. He requested for the IJMA's cooperation for a solution to industrial relations problems.

8. Joint Secretary, Department of Public Enterprises mentioned that after the amendment of the SICA, reference of sick NJMC mills to BIFR had become mandatory. The Chairman stated that it had been decided that the BIFR would await the results of tripartite discussions. It was, however, necessary that the discussion took place in a fixed time frame.

9. The Chairman stated that the jute fibre had potential for diverse uses. It was unfortunate that the Indian industry had not taken adequate initiative in this regard. He urged for modernisation and diversification of the industry. He agreed that the order relating to compulsory use of jute bags should be enforced more strictly and the employers' side to give him a note on the relative advantage of use of jute over synthetic bags in the cement industry. The Chairman pointed out that the manning pattern in the industry required a close look. In so far as the NJMC was concerned it was much in excess of the existing norms. He was happy that the workers had taken the initiative to take over the New Central Jute Mill and hoped that it would set a trend even for the public sector.

10. The main conclusions of the meeting were as follows:
- i) There was a unanimous view that manning norms in the jute industry required a change.
  - ii) It was also agreed that there must be uniformity in wages in the industry.
  - iii) The statutory order on use of jute as packaging material should be strictly enforced.
  - iv) Efforts should be made for modernisation of mills and diversification of its products.
  - v) Vigorous efforts for export promotion should be made.

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- vi) Surplus manpower was one of the major problems in the jute industry. In many mills supernumerated workers were on the roll because of inability of the management to pay them statutory dues. Funds should be made available from the NRF for payment of terminal dues (including payment under VRS) and for labour adjustments.
- vii) The workers should be retrained and re-deployed if necessary, with a view to modernising the industry & improving productivity.

The meeting ended with a vote of thanks to the Chair.

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A RECORD NOTE OF THE MEETING OF THE INDUSTRIAL COMMITTEE ON CHEMICAL INDUSTRY HELD ON 21.4.92. IN SHRAM SHAKTI BHAVAN, NEW DELHI UNDER THE CHAIRMANSHIP OF SHRI P.A. SANGMA, MINISTER OF STATE.

The first meeting of the reconstituted Industrial Committee on the Chemical Industry was held at 4.00 PM on April 21, 1992. Shri P.A. Sangma, Minister of State presided over the meeting. Shri Paban Singh Ghatowar, Deputy Labour Minister was also present. The meeting had been scheduled to be held earlier on April 20, 1992 at 9.30 AM but was postponed to April 21, 1992 because of unavoidable circumstances. A list of persons who attended the meeting is attached.

2. The Chairman welcomed the representatives of the Central trade union organisations, employers' organisations and the State Governments. He stated that the agenda note on chemicals, pharmaceuticals and fertilizers which had been circulated for discussion revealed that the condition in the chemical units was on the whole satisfactory. In so far as industries in the pharmaceuticals & fertilizers were concerned, their condition was however not favourable and this needed serious attention. He informed the members of the Committee that certain trade unions had submitted some proposal for revival of sick units in the fertilizer industry which could be looked into. He requested Secretary, Department of Chemicals & Petrochemicals to present the status & the prospects to the chemical industry.

3. Secretary, Department of Chemicals & Petrochemicals stated that the pharmaceutical units in the public sector with an investment of about Rs.4000 crores met the requirement of the country for almost all important bulk drugs. The industry also exported annually drugs worth Rs.1000/- crores to different countries including hard currency areas such as the U.S.A., Germany, Japan, the U.K. The industry was, however, facing difficulties owing to many reasons. Even the pioneer pharmaceutical undertaking,

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namely, the Indian Drugs & Pharmaceuticals Limited (IDPL) was incurring heavy losses. One of the reasons for the unsatisfactory financial performance of the IDPL was the control on prices. The bulk drugs & essential formulation, whose price was kept consciously the lower side on social grounds were manufactured mostly in the public sector. There were of course, other contributory factors too such as low capacity utilisation, obsolete technology, high wage component, overstaffing, for the poor performance of the public sector enterprises. He informed that the accumulated loss of the IDPL was Rs.400 crores, the Bengal Chemicals & Pharmaceuticals Ltd. was Rs.94 crores, the Bengal Immunity Ltd. was Rs.85 crores and the Smith Stani Street Pharmaceuticals Ltd. was Rs.28 crores. Rehabilitation plans had been drawn up for these units but the financial constraints have limited them. Since all these companies were sick it was mandatory to refer their cases to the BIFR. However, any worthwhile recommendation of the Committee for the revival of the industry would help the companies to move forward to a positive situation.

4. Shri Sangma clarified that the BIFR would not take a final decision on the fate of a unit until it had the benefit of the views of the tripartite committees. He affirmed that the intention of the Government was not to close down any unit but it was not possible to provide budgetary support to a sick unit indefinitely. It had been decided at the meeting of Industrial Committee on Cotton Textile Industry that the management would provide all relevant information relating to a sick unit to the trade unions concerned within 15 days. The unions would give their reactions within two months after examining the data supplied by the management. The Industrial Committee would thereafter formulate the future course of action. The same method should be adopted in the case of chemical industry also and the committee should be able to make concrete proposals within two and a half months.

5. The representative of AITUC felt that the country should not depend for life saving drugs exclusively on foreign companies or even Indian companies in the private sector as this would put these drugs out of the reach of the poor. One should not forget the larger interest of the country in the name of profitability in the industry. He suggested that before the next meeting was held the management and the workers' unions of the IDPL along with representatives of the Department of Chemical should hold a meeting to discuss the problems of the company.

6. The other representatives of the trade union organisations pointed out that one of the reasons for losses incurred by public sector pharmaceutical units was that even the Government hospitals did not always purchase drugs from these units. The Government also delayed payment forcing the units to bear the burden of interest.

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7. The representative of IDPL management said that units in the private sector closed down or discontinued production when there was decline in profit, these units were thus able to avoid sickness. Any change in the proportion of the quantum of the controlled drugs to the total production made a change in the profitability of a pharmaceutical unit. He suggested that the Committee should recommend 3 years' extension of purchase preference so as to enable the company adjust to the market force.
8. The representative of the organisations of pharmaceuticals, producers Association stated that units in the private sector also incurred losses and went sick. Most of them had been able to remain in the field because they had diversified their area of manufacture to rubber, chemicals, pesticides, agro-chemicals etc. He was urged for rationalisation of labour laws, procedure, rules to foster work culture.
9. The representative of CITU expressed his apprehension about closure of certain units of the Hindustan Fertilizer Corporation and the Fertilizer Corporation of India. He said that a detailed study about the revival of three Fertilizer companies i.e. the Hindustan Fertilizer Corporation, the Fertilizer Corporation of India and the Project and Development India (for designing and engineering in fertilizer technology) had been made by them. On the basis of the study, revival plan had been prepared and was submitted to the Ministry of Fertilizers and also to the Prime Minister. According to the study an increase in the annual production to the tune of 11.31 lakh tonnes of fertilizers could be achieved with an investment of Rs.410.00 crores & a number of units of the Fertilizers Corporation of India and the Hindustan Fertilizers Corporation of India and the Hindustan Fertilizer Corporation could be revived.
10. The Additional Secretary, Department of Fertilizer stated that Fertilizer Industry in India was by and large operating efficiently. The industry operated at 90 % capacity utilization even after taking into account the 14 lakh tonnes of sick capacity in public sector. However, the HFC, the FCI and the IDPL were not doing well. He assured that the techno-economic revival proposal submitted by the CITU could be seriously examined provided it was technologically feasible and economically viable.
11. Labour Secretary, Government of West Bengal stated that the Government of West Bengal would offer full co-operation if their assistance was sought by the management and the trade unions in resolving any problem. He also pointed out that when a unit was declared sick, financial institutions did not like to advance credit. Thus reference to the BIFR would create further problems for the units.
12. Concluding the discussion, Chairman urged the members to recognise the factors which had made units in the pharmaceutical industry & the fertilizer industry sick,

If a unit had surplus labour which had to be rationalised for its survival the trade unions should accept the position. He also stated that he would convene a meeting of all the chairman-cum-managing directors of public sector enterprises to discuss the issue of purchase/price preference.

13. The main conclusions of the meeting were as follows:

- i) While price control was partly responsible for losses in the public sector pharmaceutical units, other factors such as low capacity utilisation, obsolete technology, high wage component, surplus labour also contributed to their sickness.
- ii) A reference of a unit to the BIFR affected the credit worthiness of a unit, created problems in getting funds from financial institutions/banks for day-to-day working and thus led to deterioration of its condition. The matter should be examined & action taken in this regard.
- iii) Before taking a final decision on a sick PSU, BIFR would be requested to consider the views of the tripartite Committee.
- iv) It might be necessary to decontrol prices of some pharmaceutical items for improvement of the general health of the pharmaceutical industry.
- v) Purchase preference for pharmaceutical units in the public sector might be extended for a period of three years so as to enable them to adjust to market forces.
- vi) The techno-economic revival plan of Fertilizer Units prepared by CIFU would be examined by the Ministry of Chemicals & Fertilizer.
- vii) The management of sick units would provide relevant information about their working to the trade unions within 15 days. The trade unions would give proposal for revival/their reaction within two months. A meeting of the Industrial Committee would thereafter be held to consider the matter.
- viii) A meeting of all the Chairman-cum-Managing Directors of all the public sector would be held by the Chairman to discuss the issue of purchase/price preference among the public sector units.

The meeting ended with a vote of thanks to the Chair

FIRST MEETING OF THE TRIPARTITE INDUSTRIAL COMMITTEE  
ON ENGINEERING INDUSTRY.

The re-constituted Industrial Committee on Engineering Industry met for the first time in New Delhi on 18th August, 92. Labour minister P. Sangma presided over the meeting. The representatives of AIFUC, BMS, CITU, HMS & INTUC besides representatives of different departments of the centre and some of the state Governments also participated. While there was a delegate representing the Federation of associations of small scale Industries of India, no employer representatives on behalf of the public sector industries took part, though the agenda was about the Sick Engineering Industries under the central sphere.

The trade unions took serious note of the delay in convening the meeting and urged for frequent meetings of the committee not only to consider the current issue but also to discuss issues concerning state government PSUs, private sector and small scale industries in the Engineering industry. The minister, while regretting for the delay in arranging this meeting, assured of frequent meetings in the future, also to consider issues in the other sectors.

The General Note presented on the occasion by the Department of Industrial development on Industrial Restructuring came under severe criticism during the discussions. The Labour minister admitted that the note was very unsatisfactory and he does not agree with the various formulations spelt out in this note on sick industries etc. It was revealed that the note was prepared by "CII" and not by either the Labour Ministry or the department of Industries. The Labour Minister, therefore, withdrew the note from the official agenda.

The note presented by the Department of Heavy Industries on sick engineering public sector industries stated that out of the 29 industries under their ministry, 14 qualify for reference to BIFR in accordance with the provisions of the recently amended Sick Industrial companies (SPECIAL PROVISIONS) Act. Already 13 of them have been referred to BIFR. According to the Secretary, department of Heavy Industries, the capital employed in these industries is about Rs.500 crores. They employed 47,000 workers; in the last year the turn over was Rs.646 crores and these companies sustained a loss of Rs.303 crores, including the cash loss of Rs.200 crores. They were extended a financial support of Rs.100 crores last year and this has been reduced to Rs.50 crores this year, due to paucity of funds. It was also noted that some of these "chronically" loss making industries were taken over from private sector with obsolete machinery, technology etc. Ironically the current order booking in these companies is Rs.1400 crores and some of them are in the core sector, helping import substitution. They are not able to execute the orders due to non availability of working capital. Of these 14 companies, it was observed that 8 can be revived and the committee, was to consider the other 5 or 6 industries only which are chronically sick.

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The AITUC representative was emphatic that the reference of the industries to BIFR before even considering them in this Industrial Committee is not in line with the understanding reached in the Special Tripartite Committee meetings. He said that the discussions in this Engineering Industries Tripartite Committee is pre-empted by reference of these companies to BIFR already, hence these references to be withdrawn forthwith. This view was supported by the representatives of the CITU, UTUC(LS) also. In response to this, the Labour minister stated that unless this Tripartite Committee discuss and take decisions, no judgement or decisions will be given by the BIFR and there are instructions to this effect.

He said there is open mind at the Government/department level. He cited the example of Scooters India, where the department has appointed the best consultancy service paying Rs.8 lakhs to work out the revival scheme, though the reference is made to BIFR.

The Trade Union representatives emphasised that the approach should not be that of reduction of jobs/man power, but it should be for employment generation, AITUC representative's remark that there should be "MASS ENTRY" rather than 'Mass exit' was quoted by the Labour Minister and said that the Government aims towards that.

Trade unions made it clear that NRF will not serve the purpose nor will solve the problem. No case of re-training or re-deployment is seen so far but only VRS and reduction of man power is talked about. The trade unions were not in agreement with the "workers" co-operatives" as a general remedy though in some isolated cases this might have succeeded for the time being. Further it is not fair to ask the workers to take over the industry only after they were made to become sick.

The Union representatives stressed that there must be discussions between the labour and management at the unit level in each of these companies so as to find out appropriate measures for their revival. This is a prerequisite before proceeding further. If agreement could be reached at the unit level government must support and extend assistance.

AITUC representative explained that the so-called "Very Liberal Comprehensive Package" framed by some of the sick industries do not reach them. Quoting the Karnataka example he said there are lot of obstacles including corruptions at the highest level to get these "Concessions". By the time the so-called assistance is decided, the units become further sick, for no fault of the workers at all.

In response to the various suggestions put forth by the trade unions, the Labour Minister agreed to the following steps:-

1. That unit wise examination will be done.



2. That the concerned managements will supply all informations and details about those companies in question to the respective local unions within 15 days.

3. That the unions will give their comments, recommendations or package schemes thereafter in 2 months time.

4. That the Tripartite Committee on Engineering Industry will meet and consider all these proposals.

He requested the central organizations to ensure that the concerned unions give their views and proposals within the time schedule.

The AITUC representative urged that the budgetary provisions for working capital should be continued and the production activity should not allowed to be stopped, by only giving money to pay the wages, as reportedly done in respect of some of these units. This view was endorsed by the other representatives also. He also stressed that the committee should not consider after the industries become sick, but a proper monitoring to be done if the situation were leading to sickness or if problems were to occur in their functioning. This was agreed to.

AITUC was represented by H.Mahadevan Secretary of the National Federation of Engineering Workers of India.

-: H. MAHADEVAN :-

A RECORD NOTE OF THE MEETING OF THE INDUSTRIAL COMMITTEE ON ENGINEERING INDUSTRY HELD ON 18.8.92 IN SHRAM SHAKTI BHAVAN, NEW DELHI UNDER THE CHAIRMANSHIP OF SHRI P.A. SANGMA, MINISTER OF STATE FOR LABOUR.

The first meeting of the reconstituted Industrial Committee on Engineering Industry was held on 18.8.92. Shri P.A. Sangma, Minister of State for Labour presided over the meeting. A list of persons who attended the meeting is attached.

2. Welcoming the representatives of the Central Trade Union Organisations. Employers Organisations and the Central and State Governments. Chairman stated that the meeting of the Industrial Committee on Engineering Industry was the fourth in the series of Sectoral Industrial Committee meetings. He requested the members not to take the note on industrial restructuring that had been circulated withdrawn as it did not give an up-to-date or total picture on the subject. Shri Sangma requested the Joint Secretary, Department of Heavy Industry to present the status and prospects of the Engineering Industry in the country.

3. The Joint Secretary, Department of Heavy Industry stated that there were 29 Public Sector Units in the engineering sector under the administrative control of the Department of Heavy Industry. There were also other Public Sector Engineering units which did not fall under the purview of that Department. Out of these 29 PSUs, 13 were loss making units which had been referred to BIFR. The total capital invested in these 13 units amounted to Rs.500 crores. The total number of employees in these units was 47000 employees. During 1991-92 the total turnover of these 13 units was Rs.646 crores. These units suffered a cash loss of Rs.200 crores during the same year of which 25 % to 30 % was being subsidised. During 1991-92, the amount of reimbursement was to the tune of Rs.100 crores. During the current year, an amount of Rs.50 crores was being reimbursed. Five of these units were totally dependant on non-plan support. Department of Heavy Industry was trying to get additional non-plan support to these units. The reasons for losses of these units were mainly:- a) the units were already sick when they were taken over from the private entrepreneurs//b) the units were having surplus manpower. However, the order book position in these units was quite satisfactory. Currently these units had an order book to the tune of Rs.1400 crores for the next two years. The good order book position was due to the fact that a number of units (like MAMC, HEC etc.) were producing import substitution products. However, the order book position in respect of 5 units was unsatisfactory.

/ 6) The units were having obsolete technology/old machinery's and.

4. It was stated that out of 13 units, 8 units were revivable ( these 8 units were inclusive of three units which produced import substitution items) and 5 units could not be revived. The Ministry of Industry was examining the units case by case.

5. The Labour side pointed out that no efforts were made by Government to revive these units. There was need for a change in the policy of Government with regard to Engineering Industry and its employment policy. The Tewari Committee Report/RBI Report indicated that for the sickness in the Engineering Industry, labour was responsible only for a small per centage of the reasons. It was pointed out that taking over of the sick units by the workers would not be a solution to the problem. Likewise handing over of sick units to the private enterprises would not also solve the problems of sickness as the private entrepreneurs were interested only in assets like land and building of the sick units. Labour side agreed to the suggestion that for the revival of the units, rationalisation would be necessary. It was also pointed out that there was a large number of Engineering units (small, medium and big) lying closed and, therefore, the Committee should consider not only big units, but also the small units since they had large employment potentiality. Since Engineering was a vast sector, constitution of a Standing Bipartite Committee could be thought of to consider the problems of the industry which could meet frequently. Government could also consider constitution of separate committees for small, medium and big units. It was suggested that budgetary support to the units which had been referred to the BIFR should continue. The workers representatives also suggested that there should be unit by unit discussion of the sick units for their revival.

6. Chairman agreed that the Committee should consider not only Central Public Sector Engineering Units but also private sector units and medium and small-scale units. He, however, suggested that for the present members might concentrate on the chronically sick engineering units as mentioned by the Department of Heavy Industry.

7. One of the workers representatives contended that Government was not serious in implementing the recommendations of the Special Tripartite Committee and Industrial Committees. Government had gone ahead with the restructuring of NTC. He also stated that reference to BIFR created problems to the sick units. Clarifying the point, Chairman mentioned that in the meeting of the Industrial Committee on Cotton Textile Industry, trade unions agreed for regrouping of nine subsidiaries of NTC into five in order to revive NTC. Ministry of Textiles later on prepared a turn-around package and submitted the proposal to the Government and an amount of Rs.1472 crores was sanctioned for the purpose. The Chairman also informed the trade unions that they should not be apprehensive of

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reference of sick units to BIFR. So far 1222 cases had been referred to BIFR out of which 1218 cases had been assigned to different benches of the BIFR. Out of these in respect of 388 cases revival packages had been sanctioned by the BIFR. He called upon the members to ensure that investments became productive and created more employment opportunities. If it became necessary to make sacrifice in order to pull the industry out of the crisis situation in which it found itself, one should be prepared to make the sacrifice.

The main conclusions of the meeting were as follows:-

- i) Clearly, there is need to discuss the problems of sickness in the Engineering Industry unit by unit. The managements of the sick public sector engineering units would supply all the relevant information pertaining to each unit to the trade unions at the local/unit level and the unit level trade unions would either give proposal for revival or give their suggestions within two months.
- ii) Reference of a sick unit to BIFR affected the credit flows to the unit on account of difficulties in getting funds from financial institutions/banks, thus leading to deterioration of its condition. The matter should be examined by the administrative Ministries and necessary steps should be taken by them for continuous budgetary support to these units, pending rehabilitation/revival.
- iii) Before taking final decisions on sick public sector units referred to there, the BIFR would be urged to consider the views of the Tripartite Committee.

The meeting ended with a vote of thanks to the Chairman.

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A meeting of the state secretaries and representatives of State AITUC was held on 4/5.9.92 under the Presidency of M. S. Krishnan, at Delhi. The meeting discussed in depth the proposed Pension Scheme under the Employees Provident Fund Act, and adopted the following resolution unanimously:-

"This meeting is of the considered view that the Pension Scheme under the Employees Provident Fund, which provides guaranteed monthly pension to the workers on retirement from service and also family pension in the event of his death during or after retirement from service, pension for the children of the deceased etc., is an important step in the direction of providing him reasonable social security which means adequate provision for old age and insurance against sickness, accident and death. The Scheme is of particular importance to the workers employed in small establishments who have no security of service and receive meagre wages. It gives the much needed relief to the workers who would be retiring from service in the immediate future.

"It is for such urgent considerations that the meeting approves implementation of the Scheme in spite of its deficiencies. The main deficiency of the Scheme is that it is not linked to the consumer price index. The real value of pension will sharply decline in conditions of rising inflation and the retired worker will be forced to suffer great hardships. Therefore, this meeting urges upon the Government to see that the benefit of pension being introduced, now be fully linked to the consumer price index as in the case of Central & State Government employees. It also urges that it be done as soon as possible with the Public Sector undertakings taking positive lead in this Direction. It further urges favourable consideration of commutation of pension & granting enhanced benefits in view of the delay in implementation of the Scheme formulated in 1990 while finalising the Scheme.

"While pension as a third benefit is desirable, the meeting is of the opinion that under the circumstances mentioned above & despite some deficiencies which have to be corrected, the Scheme as proposed by the E.P.F has to be implemented immediately.

"This meeting calls upon the working class to ensure through mass campaigns & actions that the Government and employers are not allowed to scuttle the Scheme which it views as an important achievement in the form of a minimum statutory benefit & get ready for struggle for achieving improvement of the Scheme such as indexing, commutation of pension etc.etc."

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CONCLUSIONS OF THE INDIAN LABOUR  
CONFERENCE ( 7 - 8, SEPTEMBER, 1992)

1. The minutes of the last meeting were confirmed.
2. Action taken on the decisions of the Indian Labour Conference of April, 1991 were noted.
3. It was observed that Government of India has before it the considered views of the Central Trade Union Organisations, the Central Employers' Organisations and the State Governments on the recommendations of the Bipartite Ramanujan Committee. In the context, the Conference felt that it would be more useful to discuss the matter after the views of the Government of India are known in this regard. The Chairman assured that the draft of the proposed Industrial Relation and Trade Union Bill would be prepared keeping in view the ideas and suggestions expressed by parties. The Chairman also offered to have a discussion on the draft Bill with the representatives of selected groups of parties present in the Conference.
4. The Chairman assured that an Industrial Relations and Trade Union Bill would be prepared by Government keeping in view the various issues and suggestions expressed by all the parties and the changes and have since taken place both inside and outside country.
5. On the impact of the New Industrial Policy, the Chairman referred to the assurance by the Prime Minister that the New Industrial Policy would not lead to any human distress and the legitimate interests of labour would be protected.
6. In regard to retraining and redeployment, the Conference desired identification of labour for such retraining and redeployment and a scheme for industry-wise and occupation-wise redeployment. The Conference also expressed view that Government should identify the agency for retraining and indicate what would be the time gap between identification of labour for retraining and their redeployment. The Conference also wanted to know how labour of one unit would be redeployed in another unit.
7. For absorption of surplus labour, if any, and for maximising capacity utilization, the Conference suggested diversification and broad-basing by working the units round the clock and on all days of the week.
8. The Conference expressed its serious concern at the low productivity of the Indian industry and expressed its determination to improve wherever necessary its productivity, enhance its quality and reduce the price of goods to make them internationally competitive. The Conference decided to strive for improvement in discipline and attitude to work at all levels. It also decided that bipartite efforts to improve productivity and quality should be institutionalised.

9. The Trade Unions demanded:

- i) the removal of ceiling on bonus both for eligibility and for computation by promulgation of an ordinance;
- ii) the immediate implementation of the DA rate of Rs.2 per point of the Consumer Price Index (1960 series);
- iii) to allow the management of the public sector units to commence negotiations with the unions on their charter of demands immediately;
- iv) that the Government should give clearance to agreement regarding pension and for the Pension Scheme for its early introduction;
- v) to enhance the rate of interest on Employees' Provident Fund to at least 13% ;
- vi) to enhance the limits of exemption of income tax substantially.

10. The employers wanted postponement of the decision on removal of ceiling on bonus both for eligibility and computation of bonus by one year so that a well-thought out scheme could be evolved. They also wanted productivity linked bonus as prescribed under the law.

11. The Trade Unions indicated that the first National Commission on Labour was appointed about 25 years ago and a time has come to set up another National Commission on Labour to examine the issues that labour is facing today in view of the many changes that have occurred in the meantime.

12. The Labour Cell in the Planning Commission may be revived to facilitate consultation with Trade Unions while formulating policies concerning labour. The views expressed by the participants in the Conference with regard to employment policy would be conveyed to the Planning Commission for its consideration and for the consideration of the two Sub-Committees of the Planning Commission/NDC which are considering strategies for implementation of the employment policy.

( N.B. as officially circulated )

On outcome of negotiation on the long pending issue of D.A.

The tripartite D.A. committee met on 23rd July 1992 in order to finalise the D.A. issue for public sector industrial employees. It may be recalled that Shri P.A. Sangma, Minister of State for Labour, Government of India had convened a meeting on June 29th, 1992 and it was decided to meet on 10th July, 1992 for discussing the issue. However that meeting did not take place. Time was running out, since the issue had to be finalised before 31st July, 1992, as the term of the committee expires on 31st July, 1992, the meeting was held on 23rd July, 1992. After lengthy discussions the following recommendations were accepted.

1. That the rate of D.A. per point will be increased from Rs.1.65 per point to Rs.2.00 per point. This will be effective from 1st January, 1989.

2. The Government accepts in principle that a slab system of D.A. should be introduced. The actual slabs, the quantum etc. will be finalised in consultation with the Trade Unions as early as possible. This slab system will come into effect from 1st January 1992.

3. 50% of the arrears of D.A. from 1st January, 1989 will be credited to Provident fund accounts. Employers will also contribute their to the Provident fund.

However AITUC, CITU, H.M.S and UTUC(L.S.), expressed their reservation and opposed the proposal to credit 50% of the arrears D.A. to the Provident fund.

The AITUC was represented by M.S.Krishnan, President and Gaya Singh, M.P., Secretary of the AITUC.



1.

The number of unemployed registered at exchanges at the end of the

First Plan was	-	53 Lakh
Second Plan	-	71 Lakh
Third Plan	-	76 Lakh
Fourth Plan	-	171 Lakh
Fifth Plan	-	221 Lakh
Sixth Plan	-	310 Lakh
December 1991	-	363 Lakh

These figures hardly reveal the full truth since they reflect only the registered unemployed in the more 800 employment exchanges all over the country.

2. DECLINING EMPLOYMENT GROWTH

a) The rate of expansion of employment opportunities in the seventies was 2.8 per cent which declined in the eighties to 1.5 per cent.

b) Employment generation in the private sector has been recording steep decline in the recent years and during 1983-88 period, the private sector employment fell by 0.18 per cent per annum while public sector employment grew at the rate of 2.13 per cent per annum.

c) During 1973-1988 -

Overall growth	2 per cent,
Public sector	- 3 per cent,
Private sector	-0.5 per cent,

d) Continued deceleration in rate of growth -

2.82 per cent	- 1972-73
2.22 per cent	- 1976-83
1.55 per cent	- 1983-88

e) Sector wise -1983 -88.

In Agriculture - less than one percent per annum.

Services	- 2.5 per cent.
Manufac ring	- 2.0 per cent.
Transport	- 2.7 per cent.
	per annum-

f) While the GDP growth rate jumped from 3.5 per cent to 5.3 per cent during Seventh Plan and industrial production was as high as 8.5 %, overall employment growth rate came down from 2.8 per cent to 1.3 per cent.

At 1.3 per cent, the employment growth rate is only half of the rate at which the labour force is growing.

Now the Government's 'structural adjustment' will cost the country another four to eight million jobs during 1992-94.

#### LOSS OF JOBS IN SMALL-SCALE INDUSTRIES

President of Karnataka Small scale industrialists in a letter to the Prime Minister P.V.Narasimha Rao has expressed apprehension that if the new industrial policy was implemented 10 lakh SSI units would become sick and close down and further lock up Rs.10,000 crores of bank funds. The new industrial policy for Small Scale sector will result in loss of jobs for 85 lakh workers in the small scale units.

#### WORLD BANK WANTS 10% CUT IN GOVERNMENT EMPLOYMENT

The World Bank has proposed a 10 percent cut in the number of Central Government employees during the next three-year period. According to World Bank, the Indian Government has to take measure to contain the increasing wage bill of the employees & this better achieved through reductions in employment rather than bringing down the real wages.

The Government of India has, however, already taken steps not to fill vacancies arising out of Natural wastage & also restricting new recruitment. Additional plan is also being drawn up like the Voluntary Retirement Scheme.

This is all said to be part of structural adjustment in the era of economic liberalisation.

YEAR	NUMBER OF JOB- SEEKERS ON LIVE REGISTER AT THE END OF THE YEAR (IN THOUSANDS)	VACANCIES NOTIFIED	PLACEMENTS
1981	17838.1	896.8	504.1
1982	19753.0	819.9	473.4
1983	21953.3	826.0	485.9
1984	23546.8	707.8	407.3
1985	26269.9	674.7	388.5
1986	30131.2	623.4	351.3
1987	30247.3	600.9	334.4
1988	30050.2	543.3	328.5
1989	32776.2	600.2	289.2
1990	34631.8	490.9	264.5
1991	36299.7	458.6	253.0
March, 1992	36552.0		

(Annual Report, 1991-92, Vol. II  
Ministry of Labour)

While the number of jobseekers is increasing by leaps & bounds, the vacancies notified & placements are declining all through the years.

Educated Jobseekers

More than half of the registered job seekers on the Live Register of employment exchanges are educated (Matriculates & above). The number of educated jobseekers at the end of 1989 was 191.47 lakhs compared to 175.12 lakhs a year ago.

STRIKES AND LOCKOUTS

<u>YEAR</u>	<u>STRIKES</u>	<u>NUMBER LOCKOUTS</u>	<u>TOTAL</u>	<u>STRIKES</u>	<u>MANDAYS Lockout</u>	<u>TOTAL</u>
					(in Millions)	
1987	1348	451	1799	14.03	4.33 (60.3)	35.36
1988	1304	441	1745	12.53	4.42 (60.3)	33.94
1989	1397	389	1786	10.70	21.97 (67.2)	32.66
1990 (P)	1459	366	1825	10.64	13.45 (55.8)	24.09
1991 (P)	684	279	963	3.54	6.20 (63.6)	9.75
(Jan.-Sept.)						

P = Provisional.

(Annual Report, Ministry of  
labour, 1991-92).

The above table shows how the mandays losses on account of lockouts have consistently outstripped those for strikes. Figures in bracket show the percentage of mandays lose on account of lockouts.

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CONSUMER PRICE INDEX FOR INDUSTRIAL WORKERS

	<u>1991</u> (1982=100)	<u>1992</u>	<u>1991</u> (1960=100)	<u>1992</u>
January	202	228	996	1124
February	202	229	996	1129
March	201	229	991	1129
April	202	231	996	1139
May	204	234	1006	1154
June	209	236	1030	1164
July	214	242	1055	1193
August	217		1070	
September	221		1090	
October	223		1100	
November	225		1109	
December	225		1109	

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Monthly Average - 1046  
Monthly Average in 1990-918

Annual % Change of CPI

1990 - 91	-	13.6
1989 - 90	-	6.6
1988 - 89	-	8.5

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