



THE WORKING CLASS

MONTHLY JOURNAL OF THE CITY

Editorial

77th Anniversary of October Revolution

Seventh November, 1994 marks the 77th Anniversary of the Great October Revolution, when the working class captured the state power and showed the path for the creation of a new and happy life for the nations striving for democracy, national independence and socialism. John Reed, the American Communist did not exaggerate, when he wrote that the October Revolution shook the world. The revolution was the most vivid expression of the aggravation of the general crisis of capitalism that began during the first imperialist world war. The world wide crisis of unparalleled intensity --- economic, political, national and international, forecast by Lenin, occurred, which he described as "tremendous harpeneing of all capitalist contradictions."

A great deal of time has passed since the victory of October Revolution; generations have changed, and in the intense world wide class struggle that followed, socialism got an ascent and then a descent. The correlation of class forces that got tilted in favour of the working class has been tilted back in favour of the reactionary capitalist forces. Imperialism, which was deemed to be doomed to an inevitable downfall, is right on the saddle again, riding roughshod over the democratic aspirations of the nations.

But the cause of the revolution started by Lenin remains, and the goal of the revolution---socialism---also remains unchanged. The October Revolution further opened the road of transition from capitalism to socialism for all nations. This situation has also not changed. Class struggle is not something that can be switched on or off as one wishes. It develops through the dialectics of nature and will continue intensifying in society till the exploiting classes are eliminated. The working class and the revolutionaries cannot therefore forget the October Revolution, the height of class struggle that laid the path for elimination of the exploiting classes by establishing the dictatorship of the proletariat.

Even though life has changed, the anniversary of

the October Revolution comes, repeatedly reminding the new generations of the working class of the past, of the generation of the revolutionaries, of how to be determined and firm with regard to the revolutionary principles, of the qualities they displayed under most difficult conditions and of how to pass on the revolutionary traditions of the working class struggles from generation to generation, till the revolution is finally victorious.

The reactionary forces, the imperialists, that had outlived their time, refused to leave the historical scene voluntarily. They did not either change their inherent character of aggression and plundering. The US imperialists, who since the Second World War have occupied a dominating position in the capitalist world, reorganised capitalism and internationalised it through the transnational corporations, monopolistic capital forming their core. Applying diverse neo-colonial methods they joined their efforts and increased exploitation and plundering of the independent developing nations, the technological and ideological offensives forming the core of their exploitative tactics. They partitioned the world into the rich North---the capitalist countries and the poor South---the developing countries. The IMF, World Bank and the GATT(now WTO) were formed to perpetuate the plundering through unequal trade and increasing debt burden.

But the cancerous disease of capitalism, its inherent contradictions, were never healed, it cannot be healed. Despite its sustenance through plunder of the developing countries, imperialism is slowly but certainly sinking into deep crisis. The impoverishment of the developing countries and their decreasing solvency are creating serious impact on those very imperialists who are plundering these developing countries. All these imperialist countries are forced to cut production and this in turn is leading to galloping unemployment and rising inflation. While the imperialist countries are transferring the burden

of their crisis to the developing countries, the ruling clique in these developing countries, building capitalism, are in turn seeking solution by transferring their burden on the working class and the people of their own countries. The entire neo-colonial plundering process has thus sharpened their contradictions with the developing countries in one hand, and with their own working class on the other. The developing countries in the same manner are facing sharp contradictions with their own working class and the people. A bitter infight is developing amongst the imperialist countries themselves for capturing each other's market and that of the developing countries.

All contradictions of the capitalist path are thus sharpening. The world therefore witnesses growing struggles of the working people in all the imperialist countries, in the erstwhile socialist states which have embarked upon the capitalist path of development and in the developing countries which have been trapped under the neo-colonial policy of globalisation and liberalisation.

In this period the unity of all the people's forces has become the historic necessity---unity of the working class, unity of the revolutionary anti-imperialist forces and unity of the world communist movement. Proletarian internationalism has to be recalled, revived and revitalised through unity in action, in struggles on issues which have political significance and

revolutionary essence in each country.

In its own interest the working class must unite in the struggle against the multinational corporations. In its class interest the working class must unite to fight the effects of new technology. In its own interest the working class must unite to fight the plundering of the resources of its own country and safeguard its sovereignty and independence. Just as the people's movement and the trade unions need a new level of unity, so also the working class parties and the world communist movement need a new level of unity to confront the new global offensives unleashed by imperialism. Despite obvious differences, they represent powerful forces capable of united actions. The unity in action must be translated into practicality in each country and internationally too. Internationalism must be a live active force.

In India the working class awakening has started and taken a militant course with strike struggles against the imperialist imposed Government's open door policies, which have resulted in massive closures, unemployment, spiralling prices and erosion of self-reliance. The united struggle is irreversible and has to be intensified in the coming days. Defenders of socialism and all democratic and patriotic forces must join the struggle. This is the best way to commemorate the October Revolution and follow its revolutionary path.

CITU's Message to Zenroren

[We are publishing hereunder a message sent by the CITU to Zenroren, Japan, on the occasion of their rally against ratification of the GATT agreement by the Japanese Government.-- Ed]

The Centre of Indian Trade Unions conveys warm greetings to all participants in the 8th October People's Rally sponsored by the National Liaison Council of the Movement for Protection of Food and Health of the People (Zenkoku-Shokkenren) in protest against the proposed Diet ratification of the GATT.

The CITU congratulates all the trade unions, farmers, small and medium-sized entrepreneurs, women, youth, students and all sections of the democratic mass organisations who are raising their voice of protest against this draconian GATT proposals.

In the name of liberalisation these proposals will hit hard the interest of farmers through reckless import of rice and other agricultural products in Japan which will retard the growth of agriculture in Japan.

We, in India, are also fighting against the GATT proposals accepted by the Government of India at the dictates of the IMF and the World Bank. These proposals will ruin our industrial and agricultural economy and adversely affect the independent

economic development of our country. We had a successful general strike in India on 29th September last in which over 25 million workers participated.

We consider our struggle and the struggle conducted by our Japanese brothers and sisters are part of the worldwide struggles against the so-called international economic order that undermines the rights of the common people all over the world.

We wish all success to the massive demonstration on 8th October and demand that the Murayama coalition government should not ratify the GATT agreement which will only benefit US based multinationals who in cooperation with Japanese monopoly houses are harming the interests of the farmers and common people of Japan.

We are confident that your just struggle will soon spread throughout Japan and more and more people will rally behind the banner of Zenkoku-Shokkenren in the struggle for protecting the legitimate interest of the common people in Japan.

Long live the struggle of the Indian and the Japanese people against the GATT agreement!

Down with US imperialism and their machinations all over the world.

RUSSIAN WORKING CLASS WILL RISE AGAIN!

□ M K Pandhe

On the Seventh November this year, the working class all over the world will remember the epoch making heritage of the great October Revolution in 1917. The world shaking events inspired the working class in all countries in the globe and continues to do so even today.

During over seven decades of building socialism, the working class in former USSR achieved right to work, free education and medical facilities, cheaper housing and transport, pension and other retirement benefits, right to annual leave and recreation, which in totality no other capitalist country could offer to the workers.

Under socialist Government in USSR, all nationalities were completely untied with common objective. During the second World War the heroic Soviet people stood as one man to fight the fascist invaders and defended the socialist fatherland for which 20 million people had to sacrifice their lives. All the mighty capitalist countries miserably failed to fight the Hitler's onslaughts which opened the second front only when the Soviet armies were about to enter Germany in their final bid to liquidate fascism from the surface of the earth.

These spectacular achievements of socialism were marred by certain aberrations in building socialism at a later stage. Socialist democracy became a casualty while bureaucratism became rampant. Leading role of the working class was given a go-bye and socialist values were eroding day by day. Bureaucratism, corruption and nepotism isolated the persons in power from the mass of people. All this resulted in dismantling of socialism and capitalism was once again restored in the land of Lenin. Champions of market economy gleefully welcomed these events and cried at the top of their voice that socialism has failed in the world.

These developments have no doubt confused several pro-socialist elements all over the world. One must admit the serious setback to socialist forces in most of the countries. Some wavering elements were even trying to make attempts to adjust with capitalism and working within the capitalist frame work.

Dismantling of Soviet Union led to formation of Commonwealth of Independent States. Unity of the fatherland was greatly affected by conflict between some states and even different nationalities within the state. Soviet Union which was considered as a super power by the West lost the status and the new Government was at the mercy of the Western countries for bailing out the economy. Socialist sector was privatised and multinational companies took possession of some units at throw away prices. Several industrial units were closed down, rendering

hundreds of thousands of workers jobless.

STEEP ECONOMIC DECLINE

According to a report, "Social and Socio-political situation in Russia: Analysis and Prognosis" prepared by the Institute for Social and Political Studies of the Russian Academy of Sciences" the dismantling of socialism has created a private sector employing twenty million workers. Housing is gradually being privatised. The Report admits that the Russian people are feeling "increasingly negative about the nature, the ways and the methods" the so-called reforms being implemented.

The Report further notes that the country's industry, agricultural and intellectual potential are being destroyed. Scientific and technological progress, production of mass consumption goods and small and medium-sized business are being curtailed. A 43 per cent fall in industrial production (against 1989) is the economic "price" society has to pay for the capitalist transformation.

The above Report further observes that inflation, budget deficits and foreign debts have soared while the national income between 1991 and 1993 has fallen by 40 per cent. In comparison with the Second World War years 1940-45 the present national income is less by 17 per cent. "World history can hardly remember any results of economic reform!" exclaimed the Russian trade unions. The Report estimated that after restoration of capitalism the living standards have dropped by almost three times while "The population has forcibly been differentiated according to property status. According to the official statistics 20 per cent of the highest paid Russian possess 43 per cent of the aggregate money income, while 20 per cent of the poorest get a mere 7 per cent. The ratio between the incomes of 10 per cent of the highest paid and those of 10 per cent of the lowest paid Russian people was 26:1 in 1993 against 16:1 in 1992 and 4:1 in 1989.

The Report pointed out that in 1993 the death rate in Russia exceeded the birth rate by one and a half times resulting in reduction of population. It has noted the phenomenon of "lumpenised population, a growing number of de-classed elements and criminalisation of human relations. It refers to "personal degradation and distorted morals" which has created "an explosive social atmosphere."

DEFENCE PRODUCTION SLASHED

According to All-Russian Union of Defence Industry Workers, the slump in the production of both military hardware and civilian goods reached 48.7 per cent in April 1994 compared to the corresponding month last year. It is estimated that

out of total of 176 defence establishments, 10 have come to a standstill and 123 work short hours while 2 lakh 84 thousand workers have been forced to go on leave. Hardest hit are the enterprises employing best brains and technical personnel. The Russian Government had even thrown overboard its own obligations accepted under the inter-branch tariff agreement. The monthly wages of workers stand only at 30-40 thousand roubles (\$15-20) and their delayed payment, the mass job cuts and dismantling of social sphere at the enterprises have increasingly created tension in work collective, the union has observed.

According to statistics published on 15th April 1944 by Moldova's State Statistical Department, money incomes of the working population dropped in the first quarter of 1994 by 50 per cent as compared to the corresponding period in 1993. In March 1994, the average wage in Moldova was 70 Lei(\$16) a month which is 9 times as much as it was at the beginning of the 1993 but the prices went up 17 times resulting in drastic reduction of real wages. The Federation of Trade Unions of Moldova stressed that most of the trade union proposals on combating the economic crisis and on stabilising the workers social situation had been ignored while collective agreements reached earlier were thrown into waste paper basket.

WORKERS CANNOT AFFORD RECREATION

Recreation and medical treatment at Russia's traditional health resorts have become inaccessible to workers. A three or four weeks stay at a recreation home cost 8-9 lakh roubles per person plus travelling cost which are very high. Meanwhile in June 1994 the average monthly wage amount to 2 lakh 6 thousand roubles (\$100 approximately). They also explains how the value of rouble has declined during the last 3 years due to high rate of inflation.

As reported, the popular children's health resort of Anapa offers mother and child vouchers at 2.25 million roubles each. There is no wonder that most people have found that even modest rest homes in the country's Central region are now beyond reach since one has to pay 6 to 7 lakh roubles for a voucher for the rest home. This has resulted in many health resorts stand idle while working people are suffering from their inability to enjoy at least once a year, normal rest and medical treatment.

As pointed out by Comrade Vladimir Nelyubin of the Federation of Independent Trade Unions of Russia, the main reason behind the high prices is the trade union health resorts are "strangled" by taxation which account for 32 per cent of the voucher cost. During 1993 alone the trade unions had to pay three billion roubles in tax. Over and above this, another 36 per cent of the voucher cost goes to pay electricity, water bills and other services.

In the past, the social insurance funds were

managed by trade unions and getting a trade union voucher free of cost or at a token price used to be the normal practice. Now the things have changed. Social Insurance is administered by the State with no pro-worker outlook and trade unions are not at all consulted in any manner.

The privileged recreation homes and sanatoria inherited by President and Government are completely tax-free. The cost of their vouchers is covered by the State "so that the grand bureaucrats did not, by any chance, have to spend their own money on their own cure and rest," according to trade union sources.

According to FITUR President Mikhail Shamakov, Russia's Sociat Insurance Fund has been reduced from 5.4 to 3.4 per cent of the wage bill as per President Yeltsin decree. Trade unions think that the workers would be stripped of whatever social guarantees they still have. They fear that in many regions it would result in closing down most of the Sanatoria and holiday homes.

FORMATION OF MILITANT TRADE UNIONS

To resist these attacks on the standard of living of the workers, militant trade unions are emerging all over the CIS countries. On 16th April 1992 General Confederation of Trade Unions was formed and in a short period of two years it has affiliates in Armenia, Belarus, Kazhakstan, Kyrgyzstan, Modavia, Russia, Tajikistan and Uzbekistan as well as 40 branch trade union internationals. The recent Congress of the Federation of Trade Unions of Ukraine held in Kiev decided by an overwhelming majority to affiliate to the GCTU. The Federation has developed relations of cooperation with trade union centre of Azerbaijan. The total membership of all the affiliates has now reached 9 crores.

According to a memorandum by the GCTU to the Government in CIS countries, "The intolerable situation regarding the delayed payment of wages to the workers has been created in most of the CIS countries. Delaying pays for a two to four and even more months has almost become a habit."

The Memorandum continues: "The aggregate wage debt in the CIS countries amounted to almost three trillion rubles on 1 March(1994). In Russia alone, workers in thirty five thousand enterprises have not been getting wages in due time. The high level inflation leads to wages being substantially devalued, which actually means a hidden form of cuts in the already low pays. People cannot afford buying bread, milk and other food essentials to support their families."

The Memorandum therefore points out, "Such treatment of workers arouses their righteous indignation, causes mass protests by trade unions." It demands stringent action against those who violate terms of payment of wages to the workers.

An indication of the growing discontent among the working population was witnessed when during

the local elections in March 1994 in several regions the polls failed to reach a minimum of 25 per cent necessary for the elections to be valid.

In spite of repeated efforts by the All Russian Union of Defence Industry Workers to approach President Yelstin or Parliament for revival of the defence industry no steps have been taken. The union therefore resorted to collective protest action in April-May last with picketing the Government offices, rallies at enterprises and 10-15 minute stoppage of civilian goods production. The union has further formed a 26 member strike committee headed by Union president Serguei Shuklin and planned a nationwide general strike of all defence workers.

Over two million workers in Russia's capital and other regions signed the May Day demands under the leadership of Moscow Federation of Trade Unions which included demands such as legal action against delayed payment to workers, linking wages to price index, legal guaranteeing need-based minimum wages, right to work and safeguarding workers personal security.

Trade union workers in St Petersburg (former Leningrad) and the adjoining region assembled in April last to oppose Mayor Sobchak's economic policies which, has led to serious crisis in all industrial undertakings, municipal economy, science, culture, education and health service in the city. They expressed no confidence at the Mayor and demanded his resignation. Participants decided to set up regional inter-union strike committee to coordinate workers actions in defence of their rights and interests. A series of collective actions have started by miners and metal workers in Ekaterinburg, Chelyabinsk, Magadan and other major industrial cities of Russia.

REVOLUTIONARY TRADITIONS REMEMBERED

Trade unions have commenced observing the days to commemorate the revolutionary traditions of working class struggle. For example the Executive Committee of Azarbaijan Confederation of Trade Unions decided to observe the 90th Anniversary of the strike struggles conducted by workers in Baku in 1904 then Russia's largest oil extracting centre. The general strike in Baku in December 1904 was successful and resulted in first ever collective agreement signed with the employers, first in the history of Azerbaijan. While observing the anniversary the spirit of consolidation of unity among the workers in the struggle for their rights will be emphasised. As a result of trade union movements efforts, the Parliament of Azerbaijan passed a Law on Trade Union providing trade union right to legislative protection of their members and their social guarantees.

The Yelstin Government seeing the rising tide of workers struggle resorted to blockade in the early 1994 against Moscow Federation of Trade Unions in Leninsky Prospect and prevented workers from

entering the premises of the Federation. The blockade had to be lifted due to strong protest action by the trade unions all over the world. The CITU also raised its voice of protest at this high handed action.

In April 1994 the White House, where the Russian Government functions, was surrounded by picketers belonging to the Russian Ore Mining and Metallurgical Workers Union who wanted to draw the attention of the authorities towards the plight of the metal workers. Hundreds of representatives of the industry's enterprises came to Moscow from the neighboring region to join this protest action.

These protest action have tremendous potential for developing a massive movement of the working class to fight for preserving the gains of the working class over a period of several decades. The Yelstin Government which has violated several collective agreements signed with the trade unions will find it increasingly difficult to meet the united opposition of the working class which has become a victim of the so called transition of the market economy.

The Western imperialist press is appreciating the so called reforms despite deteriorating economy and decreasing real standard of living of the workers. The so called free trade unions in Europe naturally do not support the struggle of the Russian workers for improvement in the standard of living. Russian workers however will soon realise what is capitalist democracy and they will have to fight very hard for achieving real democracy and social progress.

If mistakes committed in the past in building socialism can be corrected the socialist society still promises a better standard of working and living conditions for the working class. The so called market economy only hits at their interests and hence their struggle will soon take the shape for fighting against the system which breeds capitalism.

On this 7th November 1994, when Indian working class will observe the October Revolution Day it will wholeheartedly welcome the growing struggles of the workers of CIS countries and wish them all success in protecting the workers interests and TU Rights.

The profits of capitalism who fondly hope that the days of socialism are numbered will only get a temporary satisfaction. The laws of social development cannot be reversed by some setbacks faced by the world revolutionary process due to certain distortions and deviations.

The revolutionary gains of the working class in the days of socialism should not be allowed to be wiped out by those who usurped power by giving false assurances to the working class.

The Russian working class will rise again and assert its historic role in the CIS countries. Their growing struggles will give us more confidence in our movement and CITU will continue to extend all solidarity in the just struggles of the Russian workers.

CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS (BASE 1982 = 100)

| Centre | Linking factor for Old Base | | | Centre | Linking factor for Old Base | | |
|---------------|--------------------------------|----------|------|--|--------------------------------|----------|------|
| | June, 94 | July '94 | | | June, 94 | July '94 | |
| All India | 277 | 281 | 4.93 | Pune | 297 | 298 | — |
| Gudur | 269 | 269 | 4.33 | Sholapur | 291 | 292 | 5.03 |
| Guntur | 284 | 284 | 5.60 | Barbil | 272 | 281 | 5.00 |
| Hyderabad | 260 | 260 | 5.23 | Rourkela | 259 | 259 | 3.59 |
| Visakhapatnam | 261 | 263 | — | Amritsar | 255 | 260 | 5.19 |
| Warrangal | 276 | 282 | — | Ludhiana | 255 | 262 | — |
| Doom-Dooma | | | | Ajmer | 284 | 284 | 5.01 |
| Tinsukia | 48 | 248 | 4.05 | Jaipur | 268 | 275 | 5.17 |
| Cuwahati | | 285 | — | Coimbatore | 267 | 273 | 5.35 |
| Labac-Silchar | 248 | 251 | 3.96 | Coonor | 284 | 292 | 4.80 |
| Mariai-Jorhat | 260 | 263 | 3.95 | Madras | 283 | 285 | 5.05 |
| Rangapara- | | | | Madurai | 277 | 279 | 5.27 |
| Tezpur | 259 | 263 | 4.29 | Salem | 282 | 289 | — |
| Jamshedpur | 256 | 264 | 4.68 | Tiruchirapally | 285 | 302 | — |
| Jharia | 245 | 248 | 4.63 | Agra | 258 | 268 | — |
| Kodarma | 242 | 243 | 5.43 | Ghaziabad | 259 | 270 | — |
| Monghyr | 260 | 264 | 5.29 | Kanpur | 278 | 284 | 4.69 |
| Noamundi | 256 | 260 | 4.58 | Saharanpur | 261 | 269 | 5.06 |
| Ranchi-Hatia | 267 | 274 | — | Varanasi | 288 | 295 | 5.12 |
| Ahmedabad | 280 | 283 | 4.78 | Asansol | 258 | 264 | 4.77 |
| Baroda | 274 | 284 | — | Calcutta | 280 | 284 | 4.74 |
| Bhavanagar | 300 | 302 | 4.99 | Darjeeling | 251 | 256 | 4.55 |
| Rajkot | 274 | 284 | — | Durgapur | 283 | 287 | — |
| Surat | 294 | 297 | — | Haldia | 286 | 294 | — |
| Faridabad | 263 | 274 | — | Howrah | 291 | 296 | 4.12 |
| Yamunanagar | 251 | 266 | 5.53 | Jalpaiguri | 251 | 257 | 4.16 |
| Srinagar | 265 | 277 | 5.47 | Raniganj | 248 | 250 | 4.40 |
| Bangalore | 269 | 275 | 5.66 | Chandigarh | 264 | 275 | — |
| Belgaum | 283 | 292 | — | Delhi | 295 | 302 | 4.97 |
| Hubli-Dharwar | 280 | 282 | — | Pondicherry | 309 | 314 | — |
| Mercara | 266 | 269 | — | Additional series of Labour Bureau | | | |
| Alwaye | 275 | 277 | 5.19 | Kothagudem | 274 | 283 | 3.25 |
| Mundakayam | 281 | 284 | — | Himachal | | | |
| Quilon | 291 | 296 | — | Pradesh | 265 | 269 | 3.75 |
| Trivandrum | 306 | 309 | — | Bhilwara | 293 | 302 | 3.20 |
| Bhalaghat | 269 | 280 | 5.24 | Chindwara | 279 | 285 | 2.59 |
| Bhilai | 250 | 255 | 3.49 | Tripura | 272 | 272 | 4.37 |
| Bhopal | 287 | 293 | 5.46 | Goa | 314 | 316 | 3.40 |
| Indore | 294 | 298 | 5.18 | Note: Figures on old base can be obtained by multiplying the Index Number on New Base by the linking factor given and rounding off the result to nearest whole number. | | | |
| Jabalpur | 300 | 298 | 6.41 | — Dash denotes new centres under 1982 series. | | | |
| Bombay | 309 | 312 | 5.12 | | | | |
| Nagpur | 292 | 295 | 4.99 | | | | |
| Nasik | 295 | 302 | — | | | | |

Coal Workers Prepare for Countrywide Agitation

The Coal India Ltd management is planning to impose a pension scheme on the workers without the management contribution. The Deptt. of Coal is also joining this proposal. The BMS and INTUC have approved their stand. This is a clear cut violation of the bipartite understanding on the pension scheme.

Com.M K Pandhe, General Secretary, CITU sent the following Fax Message to the Director(Personnel) CIL on 5th October on this subject:

"THE CITU IS NOT AGREEABLE FOR A PENSION SCHEME WITHOUT MANAGEMENT'S CONTRIBUTION AS COMMITTED EARLIER ON SEVERAL OCCASIONS STOP IT IS A CLEAR VIOLATION OF BIPARTITE COMMITMENT GIVEN BY THE MANAGEMENT TO ALL THE TRADE UNIONS IN PRESENCE OF COAL MINISTER STOP ANY UNILATERAL ACTION BY THE MANAGEMENT WILL ONLY CREATE SERIOUS INDUSTRIAL UNREST AMONG COAL WORKERS STOP WE HAVE EXPRESSED THIS OPINION ON SEVERAL OCCASIONS IN JOINT MEETING STOP I HAVE ALSO TOLD YOU OVER PHONE OUR FIRM OPINION STOP REQUEST YOU TO RECONSIDER YOUR UNFORTUNATE STAND OF TAKING UNILATERAL DECISION ON SEVENTH OCTOBER

MEETING.

OUR REQUEST TO ARRANGE MEETING WITH THE MINISTER BEFORE TAKING ANY FINAL DECISION IS IGNORED BY THE MANAGEMENT STOP WE WILL DO IT NOW ON OUR OWN STOP MEANWHILE EARNESTLY REQUEST YOU NOT TO PRECIPITATE ACTION IN THE MATTER."

In a circular to the Coal workers' unions, Com.Pandhe called upon the coal workers to launch protest against this machinations by the CIL management.

The management is also not prepared to give wage rise to the workers in the NCWA-V discussions and there is need for a countrywide movement to bring pressure on the CIL management.

It is also seen that CIL management is taking unilateral steps to withdraw concessions given to the coal workers in the last NCWA agreements which is also another attack on the workers.

The question of safety is grossly neglected by the management all over India resulting in accidents in coal mines.

As decided by the All India Coal Workers Federation, the coal workers are preparing for the massive rally planned on 11th November.

Port and Dock workers for Nationwide Industrial Action

S R Kulkarni, president, All India Port & Dock Workers Federation, G Kalan, General Secretary, Indian National Port & Dock Workers Federation, Dr Shanti G Patel, president, All India Port & Dock Workers Federation(Workers) T M Aboo, general secretary, Port, Dock & Water Front Workers Federation of india, Subash Chakravorty, general secretary, Water Transport Workers Federation of India, have issued the following statement to the press.

Five federation of port and dock workers in their joint communication addressed to Shri Jagdish Tytler, Minister for State for Surface Transport expressed in a meeting of the Bipartite Wage Negotiation Committee their strong resentment at the refusal of the Government of India to approve in toto the memorandum of understanding signed on 24th July, 1994 which included liberalisation of pensionary benefits.

The workers representatives protested at the breach of faith committed by the Govt of India which promised to approve the MoU. The proposal to delink the pension scheme was firmly rejected by all the workers representatives who made it clear that without the liberalised pension scheme as was

unanimously accepted they will not sign the settlement.

The workers representatives told the Minister of Surface Transport that they will resort to direct action if the govt failed to give clearance to the MoU in toto by 26th October, 1994.

The five major federations called upon all the Port & Dock workers at the Major Ports to observe Thursday the 20th October, 1994 as All India Warning Day by holding joint rallies and protest demonstrations all over the country in the support of their claims that the MoU should be approved in toto before 26th October 1994.

All unions affiliated to the above federations have been directed to serve notices to the Port & Dock managements about the proposed direct action if the Govt of India fails to clear the MoU in toto on or before 26th October 1994.

The federations appealed to all Port & Dock workers to rally behind them in their struggle for protecting collective bargaining rights of the workers.

Sd/- S R Kulkarni

Sd/- Dr Shanti G Patel

Sd/- G Kalan

Sd/- T M Aboo

Sd/- Subash Chakravarty

Trade Unions Protest at the Delay in Settlement of pending issues of workers

The Committee of Public Sector Trade Unions (CPSTU) has issued the following statement to the Press:

The CPSTU expresses its strong resentment at the inordinate delay in settling the longstanding issues of the public sector workers.

Despite repeated assurances given by the Union Labour Minister P A Sangma, the meeting of the workers' representatives on Tripartite Committee on DA for finalisation of full neutralisation and slab system of DA for the public sector workers has not been convened. We demand that this meeting should be convened immediately and the decision to implement the slab system from 1.1.92 as unanimously recommended by all the Central Trade Unions should be announced so that this issue pending for more than 5 years can be resolved without any further delay.

Union Labour Minister has time and again issued statements that the bonus ceiling would be enhanced. However, in spite of festival approaching very near the Govt decision has not been published so far. This is creating serious problems of settlement of the bonus on the eve of festivals. We urge upon the Government of India to remove the ceilings of the Payment of Bonus Act forthwith so that payment of full Bonus will be made sufficiently in advance before the festivals.

Thirdly, the wage negotiations in several public sector undertakings have been stalled due to the unworkable guidelines issued by the Department of Public Sector Enterprises. The period of the current agreement is coming to an end fast but the agreement in majority of these undertakings is nowhere near completion. We therefore demand that the present guidelines should be suitably modified so that the public

sector management are given autonomy in settling the question of wages through negotiations.

The question of non-implementation of the decisions of the Special Tripartite Committee regarding the sick public sector undertakings is only making them more sick and BIFR is going ahead with winding up operations notwithstanding the recommendations of the Special Tripartite Committee as well 6 industrial committees. We strongly demand that a meeting of these committees should be called at an early date so that the decisions of these committees are fully implemented and the sick public sector undertakings are saved from the threat of closure.

The CPSTU warns the Government that if it fails to take immediate steps the public sector workers will be left with no other alternative but to resort to united movement to force the Government of India to implement the past assurances.

We hope the Govt of India will take into account the gravity of the situation and take expeditious steps to ameliorate the discontent among the public sector workers.

(M K Pandhe)

General Secretary, CITU

(R A Mittal)

Secretary, HMS

sd/-

Michael Fernandes

Jt. Convenor

Joint Action Front

Bangalore

(H Mahadevan)

Secretary, AITUC

Sd/-

S Bose

Jt Convenor

Coordination Committee

Hyderabad Public Sector Unions

Joint Letter to Labour Minister

The following joint letter was also sent to the Labour Minister:

Dated: 11.10.94

Shri P.A. Sangma,

Minister of State for Labour,

Government of India, Shram Shakti Bhavan,

Rafi Marg, New Delhi

Dear Shri Sangma,

We have only learnt through the press that the Government has once again shelved the issue of raising the bonus ceiling, and introducing the new D.A. rates for the public sector undertakings. It is a slap on the face of all employees who had looked forward to a decision at long last on the eve of the festivals.

You are reported to have addressed a letter to the INTUC President, expressing that it has not been possible to get conclusive decisions on the issues involved. Mention is made of the strike call given by the INTUC for July 14, 1994, which had been withdrawn by them on your assurance that the issues would be speedily decided.

We may remind you that so intense was the feeling, that in spite of the INTUC withdrawal, an overwhelmingly large section of PSU employees had resorted to strike on July 14, on the call of the CPSTU, UTUC (LS) and the non-INTUC Central Trade Union.

Contd. on page 9

Bank Employees Sign Memorandum of Understanding

The Bank employees unions, BEFI, AIBEA, NCBE and INBEF have signed memorandum of understanding with IBA on 8th October at New Delhi detailing the frame work for wage revision and other connected issues. The salient features are as follows:

1. Wage pact will be for 5 years commencing from 1.11.92

2. Wage revisions would cost the Banks about Rs 388 crores i.e. 10.5% increase in the benefits excluding of computer advance increment and contributions to Provident Fund, Pension and Gratuity.

3. Details of wage revision and other benefits including conveyance allowance, would be fitted within this limit of Rs 388 crores cost per year.

4. A settlement would be signed under the ID Act within 90 days and not later than 120 days.

One significant development is that at the apex level all the unions have been associated in the negotiation and settlement. From this beginning, the collective bargaining power of the employees have to be strengthened and unitedly all the anticipated attacks on the Bank employees under the so-called reform package of the Government like closure of branches should be resisted and repulsed.

Memorandum of Understanding(MOU)

This MOU which covers all the workmen employees in subordinate cadre and clerical cadre in 58 banks who have authorised India Banks Association(IBA) to negotiate and settle the wage revision for their workmen employees is arrived at between the IBA and the four All India Bank Unions of Workmen Employees viz, All India Bank Employees Association(AIBEA), National Confederation of the Bank Employees(NCBE), Bank employees Federation of India(BEFI) and Indian National Bank Employees Federation(INBEF UNIONS) on Saturday, the 8th October 1994 at New Delhi in regard to the broad parameters within which the Sixth Industry level Wage settlement will be negotiated and finalised.

Terms of Understanding

I. Date of Effect and Period:

The Sixth Bipartite Settlement will be effective from 1.11.92 and will remain operative for a period of 5 years till 31st October 1997.

II. Cost of Wage Revision:

The total cost of wage revision will be 10.50% of wage bill amounting to around Rs 388 crores per annum. This cost will not include the cost of Provident Fund, Pension and additional increment granted in the two settlements signed(29th October 1993) and

Gratuity but will include all other costs which can be calculated/estimated in multiples of crores.

III. Staggering of costs:

Although the cost of wage revision will be around Rs 388 crores per annum for the period 1.11.92 till 31.10.94, various benefits will be phased over the following manner:

1. Effective from 1.11.92 New Basic Pay and New DA and House Rent Allowance.

2. Effective from 1.11.93 City Compensatory Allowance and Provident Fund.

3. Effective from 1.11.94 Medical Benefits, Hospitalisation and other costs such as Special Allowances, Conveyance Allowance, Deconsolidation of Clerical Special Allowances with DA thereon (within the overall costs 10.50%).

V Management and other Issues:

The unions have taken note of the management issues and agree to consider management issues regarding productivity, improvement in customer service and discipline without any infringement on the fundamental rights of the employees. The settlement to be entered in this regard shall incorporate agreed management issues and also other agreed issues of employees as listed in the Unions Charter of Demands.

V. Settlement:

It is agreed between the parties that endeavour will be made to sign a settlement in the subject matter under the provisions of the ID Act within a period of 90 days, in any case not exceeding 120 days.

Contd from page 8

organisations. You seem to ignore this fact.

The issues of bonus ceiling and new DA rates have been pending over several years, and none but the government is to blame for having delayed decision till today, when elections are due in four states, and the fresh plea put forward is the likely objection that may come from the Chief Election Commission.

We therefore strongly protest against the tortuous delay, and the Government's casualness in repeatedly postponing a final announcement on one plea or the other. We will be meeting soon to decide our next plan of action on these issues.

Yours faithfully,

| | | |
|-----------------------|-----------------------|----------------------|
| Sd/- (A B Bardhan) | Sd/- (P K Ganguly) | Sd/- (V Tiagi) |
| AITUC | CITU | HMS |
| Sd/- (D D Shastri) | Sd/- (Abani Roy) | Sd/- (R K Sharma) |
| TUCC | UTUC | |

N K P Salve's Baseless Tirade against BHEL

[We are publishing hereunder a statement issued by the Bharat Heavy Electricals Workers' Union, CITU Tiruchirapalli refuting the statement of the Union Power Minister regarding BHEL--Ed]

The Power Minister Mr N K P. Salve had spit venom against BHEL in the course of an interview to the Magazine "Business World" in the issue dated August 10 to 23, 1994.

Mr Salve has made two allegations:

1. The prices of BHEL are not competitive
2. Whenever BHEL competed with foreign companies it was outbid.

Before unmasking the hollowness of these arguments, one fact has to be noted. The tenor of Mr Salve against BHEL is venomous to say the least. He

| Name of Power Project | BHEL/ Foreign | Installed capacity in MW | Cost per MW (RS in Cr.) |
|-------------------------|-------------------|-----------------------------|----------------------------|
| Dhabol, Maharashtra | Foreign-Enron | 2015 | 4.50 |
| Jagarupadu/AP | Foreign ABB | 235 | 3.65 |
| Neyveli/Tamilnadu | Foreign ST-CMS | 250 | 4.40 |
| Mangalore, Karnataka | Foreign-Cogentrix | 1000 | 5.09 |
| Chandrapur, Maharashtra | BHEL | 1000 | 1.93 |
| Royalaseema, AP | BHEL | 420 | 1.89 |
| North Madras, Tamilnadu | BHEL | 630 | 1.89 |
| Vijayawada, AP | BHEL | 420 | 1.88 |

The above facts will clearly show that the BHEL prices are not only competitive, but also almost half the cost of foreign tenders. Hence Mr Salv's argument that the BHEL prices are not competitive is baseless.

| Name of the Project | Year of Commissioning | Mode of tender | Cost per MW Rs in Cr |
|-------------------------|--------------------------|-------------------|-------------------------|
| Madras North 3 x 210 MW | 94-95 | Global Tender | 1.89 |
| Royalaseema 2 x 210 MW | 94-95 | Global Tender | 1.89 |
| Chandrapur-7 2 x 500 MW | 97-98 | Inland Tender | 1.93 |
| Bhantinda 2 x 210 MW | 95-96 | Inland Tender | 1.96 |

Seeing that BHEL wins the tenders in competitive bidding, it was prevented from tendering itself in the name of Bilateral credit. In such a process not only the foreign company gets the order without any competition, but also it jacks up the price as shown in the first table. Hence Mr Salv's arguments against BHEL are not only untrue but also motivated. It becomes very unbecoming for a Cabinet Minister

states that the claim by BHEL that its prices are competitive is "bogus" The usage of world "bogous" against BHEL clearly unmasks the real face of Mrs Salve. Not even the multinational companeis would dre to state it. As a Power Minister of India. Mr Salve is duty bound to help BHEL. Even, if BHEL's prices are not competitive, which is not so, Mr Salve should be sympathetic to BHEL. But such expectation is a tall order and the followers of economic liberalisation can't be saviours of BHEL.

The price of BHEL is definitely competitive. Not only tha, the quality of the equipments and their performance is much higher compared to foreign equipments. Compare the prices of latest tenders by BHEL and foreign companies as tabled below:

The second abuse by Mr Salve that wherever BHEL competed with foreign companies it was outbide, also is not true. Some of the latest tenders won by BHEL can be seen below'

holding Powr portfolio to burst out like this. The foreing power companies will be very happy over this. Is that the real purpose of Mr Salve?

These comments by Mr Salve have not only distressed the BHEL employees, but also are an affront to the premier public sector unit of the country. This should be condemned by one and all. A resolution by BHEL Joint Committee will be a fitting rebuff to Mr Salve.

Cultural "Jatha" against New Economic - Industrial Policy and Malhotra Committee

As a part of the campaign against the New Economic- Industrial Policy and the recommendations of Malhotra Committee, launched by the All India Insurance Employees Association(AIIEA), the Central Zone Insurance Employees Association(CZIEA) sent a "Cultural Jatha" across the country, which started from Raipur on 17th September 1994 and reached Delhi on 28th September 1994 via Shahdol, Satna, Katni, Jabalpur, Bhopal, Indore and Gwalior covering a distance of about 4,000 kms in a specially decorated jeep. The jatha consisted of seven comrades whose names are Com.Sujeet Sharma, Jagat Chhura, T R Sahu, Krishna Iyyer, Jwala Kashyap and Nisar Ali. The jatha was flagged off from Raipur by Com.G P Chandolkar, vice president, CZIEA on 17.9.94.

The jatha was armed with all variety of campaign materials a street drama "hello gulami" especially written and directed by Com.Nisar Ali, for this purpose, especially drawn cartoons by Com.Aparajit Shukla, People's songs, colourful posters and pamphlets all depicting the real character of the Govt's new economic and industrial policy. The jatha received magnificent public response whenever they performed their shows.

Before starting the journey, in the form of a cultural "jatha" these comrades as part of the cultural platform of the raipur Division Insurance Employees Union a divisional unit of CZIEA(AIIEA), performed eleven shows at different parts of Raipur city during August-September 1994.

Every where the programme started with people's song followed by the exhibition of cartoons and posters. One artist would explain the contents of the cartoons and posters to the assembled public with the result that even the illiterate people were able to follow the pinch of the satire. Then the main drama "Hallo Gulami" used to start. The drama depicting the anti- national character of the new economic industrial policy made the people spell bound because of the tremendous performance given by all the participating artists. The drama would end with all the artist exhibiting the symbol of unity of the people and inflicting and crushing blow on the imperialist designs.

The jatha started its programme from Shahdol. A tribal dominated town with not so strong left democratic movement, Shahdol received the Jatha with all enthusiasm. In Kuthcery chowk the heart

place of the town the programme performed by the troupe attracted more than one and a half thousand people. after giving number of shows for two day at Shahdol the jatha reached Satna which is a business centre. The town also extended a warm reception to the jatha in spite of the fact that left democratic movement is weak in the area. The entire population of "Pannilal Chowk" the busiest place of the town assembled to witness the drama. Surely it was a splendid experience for the troupe. After performing well at Satna, the jatha reached Jabalpur stopping at Katni for some time to give one show which also attracted large crowd inspite of disturbances by the local police. At Jabalpur the Jatha gave its magnificent performance at some places. One such show was held in super market creating unprecedented enthusiasm amongst the people of Jabalpur. From Jabalpur the jatha went to Bhopal, the capital city of Madhya Pradesh. New market, Bhopal, witnessed a massive gathering on that day when the troupe was giving its performance. The next camp for the jatha was at Indore. A Scooter rally accorded warm reception to the jatha. a massive show was organised in front of Malwa mill which was witnessed by thousands of workers. The jatha then proceeded to Gwalior, where people received them with tremendous zeal and gusto. Thousands of people who assembled at Maharaja Wada at Gwalior made no secret of their anger against new economic industrial policy of the govt while witnessing the drama performed by the jatha.

The final camp for the jatha was at the National capital, New Delhi, where they reached on 28th September 1994. They gave a wonderful performance before the striking Bank-Insurance Employees on 29th Sept, 1994.

During the period August-September 1994 the Jatha gave 36 programme at different places. It was an unique experience for the participants of the jatha most of whom are employees of Life Insurance Corporation. The overwhelming response the jatha received wherever they visited and also the awareness created by them during their performances would surely go a long way in the struggle of campaign launched by the AIIEA against the evil design of the govt policies.

The local press of every single place they visited, gave wide coverage to each and every show performed by the jatha.

17th State Council meeting of West Bengal

The 17th State Council meeting of the West Bengal CITU was held on 3-4th Sept 1994 at Sramik Bhawan, Calcutta. This meeting was very important in the context of present political and industrial scenario of the country, particularly on the eve of country-wide general strike and hartal of 29th Sept 1994.

The meeting concluded with a firm determination to intensify the struggles by forging broader unity of the working class to defeat the anti-people and anti-national economic policies of Govt of India.

In his inaugural speech before the meeting Com.Niren Ghosh, president of West Bengal CITU, pointed out that the multinational corporations are advancing aggressively to grab the markets of third world countries. They want to use the cheap labour of these countries to a mass more profit by plundering the economics of these countries. Under the plea of resource crunch, govt of India accepted loans from different international financial institutions with conditionalities detrimental to India's economic interest and political sovereignty. These conditionalities have encouraged unfettered entry of multinational corporations in India. Consequently India's indigenous industries are facing uneven competition from their international counterparts as a result of which the existence of these indigenous industries are at stake. Com.Ghosh gives a clarion call to the participants to wage relentless struggle to defeat this policy of Govt of India.

Emphasising the complicated situation in West Bengal, Com.Ghosh pointed out that Central Govt policy since independence have ruined West Bengal's engineering industry and jute industry. Currently they have targeted wagon industry. Besides Indian embassies abroad are used to spread canards against the industrial situation of West Bengal inspite of the prevalence of good atmosphere in the field of industrial relations and considerable improvement in the infrastructure of the state. He said, intention of the Union Govt is to keep West Bengal industry starved to liquidate the militant base of working class struggle. What will be the fate of toiling masses if we allow to galvanise this intention of Union Govt into reality posing this question before the meeting he wound up his speech.

Com.Chittabrata Majumdar, general secretary of West Bengal CITU introduced his report with an introductory discussion on the present situation. He underlined that while we are propagating that the present economic policy of the Union Govt would ruin the country they are propagating that their policy would bring prosperity, Govt have started disinvestment of PSUs by selling their shares to public. We are opposing GATT because of its detrimental conditionalites, because of the inclusion of TRIPS and TRIMS which would make us dependent on foreign multinationals for Research & Technology. Even countries which have developed their economies on the basis of capitalist path, are also experiencing deficit in foreign trade. They also could not make their economies self-reliant. Indeed current policy of central Govt will endanger our economic independence.

Along with this has been added the attack from ruling-class- controlled mass media. This media in order to weaken morale of the masses are spreading canards against Left Front industrial policy for the purpose of creating confusion. He said that inspite of 3 nationwide strikes in the last 3 years, we have not been able to bring any change in the policy of Central Govt. This is because of the limitation of our organisational strength. Even politically we have not been able to motivate people to participate in this movement. Hence we must try to revamp our organisation through more democratisation of our TUs and through proper functioning of unions.

In his report Com.Majumdar pointed out that developed capitalist countries are in the grip of economic crisis. Industries are facing depression. Unemployment has reached menacing proportion. Wages and social security measures are under severe attack. To come out of their own economic crisis capitalist countries are demanding entry in the markets of 3rd world countries under the plea of globalisation of national economy and trade. Indian ruling class, sacrificing the principle of self-reliance, economic sovereignty are surrendering to the pressure of these capitalists. GATT agreement has been signed granting unfettered rights for the entry of foreign capital and commodity and also foreign investment in service sectors.

The New Economic Policy has brought great

crisis in the country's industry and trade. In between 1991 to 1993 industrial production has increased by 1.9% only. Unrestricted import of industrial machineries have threatened the existence of BHEL, Chittaranjan Locomotives, etc. Many indigenous large scale industries facing uneven competition from multinationals are losing national markets for their produce. As a result they are threatened with the prospect of closure in immediate future. Initially the burden of the attack of the new economic policy fell on the shoulders of the Indian working class. But with the passage of time it is affecting peasantry, middle class and people of the other strata of the society. Even Indian capitalist who was gloating over the new economic policy have now started to feel the pinch of this policy.

In the report it is pointed out that the situation of West Bengal is highly critical. Since 1960 a conspiracy is going on to keep West Bengal industry starved. Two major industries viz engineering and Jute are already collapsed. Now they have targetted to liquidate the Wagon Industry. Against an annual production capacity of 24,000 wagons only order for the production of 5317 wagons have been received by West Bengal. The collapse of wagon industry will affect 1.5 lakh workers. Sustained efforts from interested quarters are being made maligning West Bengal just to stall its industrial growth. Notwithstanding this canard, Left Front Govt have taken serious initiative for industrial expansion.

The report also mentions the various movements in the form of seminar, Dharna, strike in different industries so far launched in West Bengal besides the participation in three nationwide strikes between 1991 to 1993 to fight this policy of Central Govt. In the report Com.Majumdar notes that the 19th September 1994 strike has been taken as a harbinger of the new phase of struggle. The report also notes the weaknesses of our organisation and has suggested some remedial measures including the proper implementation of the principle of more democratisation of Union functioning. It also has given importance to increase the number of members of CITU, to intensify the collection for BTR Memorial Fund and CITU affiliation fees etc. It also proposes to intensify the propaganda work for attracting more people at the grass root level in the fold of movement.

The discussion on the report was continued for

two days. Twenty Eight Council members participated in the discussion of the report. It revealed the havoc the new Industrial Policy has created in the country. From the discussion the following moot points emerged:

- a) How to involve more grass root people in the present struggle.
- b) How to tackle the problem of closure of some traditional and small scale industries of West Bengal.
- c) What is our stand on new technology
- d) How to tackle the problem of work culture - what about the work culture of management staff.
- e) How to remove the confusion among the masses about the Industrial Policy of West Bengal Left Front Govt
- f) How to generate confidence and reanimate sagging morale of about the future prospect of our movement.
- g) How to rejuvenate our trade union organisation.
- h) How to clarify our stand on GATT.

Summing up the discussion Com.Majumdar replied that in no time working class faced such a typical and critical situation as we are facing today. On GATT he said that we are not opposing GATT for oppositions sake but for its harmful conditions. We must be conversant with those conditions, try to understand their implications and then we would explain them before the people. We should have clear-cut understanding about work culture. We must take initiative on this issue and also for management cadre we will take this issue from organisational side. On organisation he said we should give importance on programme also. In respect of Great Eastern Hotel he replied the issue is under discussion between the Govt and workers. Till the issue is settled between them, CITU have nothing to comment except that industries earning profit should remain under the control of govt.

Com.Majumdar concluded the session urging the members to make 29th September nationwide Bharath Bandh a success and giving clarion call to them to forge a greater and broad-based united platform of Left democratic and secular forces for a more consolidated, relentless, militant mass struggle against the Center's New Economic Policy.

BATA : Multinational Myster(y)

Myster(y) of BATA WFTU Publication.

Right from the beginning, emergence of multinationals was viewed with concern by many. UN conducted studies on the role of multinational corporations. Impacts of multinationals on industry and labour is a matter of regular investigation by the ILO. In International working class movement has taken serious note of the "menace of multinationals." In less developed regions they are rightly regarded as instruments of neo-colonial exploitation. Incidents of intervention in political life of a country, involvement in conspiracy to oust government even by force if their policies do not favour their reckless profit hunting are not unknown.

Our Govt, however, have chosen to "open up" India for free entry of the multinationals. Multinationals are of course not quite new to India. A section of Indian working class---those who have been working in multinational concerns---have already had some taste of their anti-labour role. But

now in the context of the possibility of large scale penetration by the MNCs it has assumed greater importance for the working class to know more about them. Such knowledge will equip them better in their struggle against the economic policies of the Government.

Of all the multinationals operating in India the name of BATA is perhaps the most widely known in because their product-- footwear--is used in every household. Very few however people know about their worldwide empire and their global role. Bata workers, of course have the experience of prolonged struggle of for their legitimate claims as well as for their job. Entire working class need have more awareness about the the character of this notorious multinationals concern. That will help them understand the character of other multinationals also. This book contains useful information about the BATA empire as also about the working class response to their anti-labour attitude and action at national and international level.

Trade union activists will be benefited from this.

Com.Satdev Sharma

Com.Satdev Sharma, Secretary, Sonapat (Haryana) Dist CITU was found dead in his home situated in Bahalgarh village of Sonapat district on 4th October. His body was burnt and lying in the fodder room.

Com.Sharma worked in trade union movement for several years. He was active in the industrial areas of Sonapat and adjoining villages.

It may be recalled that there was a dispute over a piece of land meant for village girls school. Some anti-social elements wanted to grab that land. Com.Sharma foiled this attempt with the help of the people. It enraged the culprits. A case was also filed against the culprits in which Com.Sharma had to appear in the court the next day.

There was strong resentment among the

people and workers of sonapat and the adjoining villages over the murder of Com.Sharma. His body was cremated the next day. Com.S N Solanki, Com.Balbir, Com.Inderjit Singh, Com.Raghubir Hudda, Com.Surinder Malik, Com.Ramchander Sivai, Com.Hava Singh, Com.Satbir Singh, etc were present in the cremation ground.

A deputation of CPI(M) and CITU leaders met the police superintendent later on. They demanded high level enquiry in this incident.

The Secretariat of CITU condemned the brutal murder of Com.Sharma and demanded that the administration should take stern action against the culprits and put them behind the bars. The Secretariat paid homage to the departed leader, and conveyed its condolences to the bereaved members of his family.

BIFR: Sickness Eventually Catches Up

[We are reproducing hereunder an article written by Aasha Gulrajani Swarup, published in Indian Express, New Delhi on October 16, 1994--Ed]

The Board of Industrial and Financial Reconstruction (BIFR) is a total failure, a waste of public funds and it should be wound up," says a highly placed source in the Department of Company Affairs. A similar sentiment is echoed by Mr R Ganapati, the first chairman to head this organisation.

"An organisation which does not meet its objectives has no business to exist," said Mr Ganapati to the Indian Express. He is sad to see the deterioration of the BIFR, that he helped create, and suggested that BIFR should prepare a rehabilitation package for itself if it is not wound up.

But the primary reason why this organisation should be wound up is the total lack of expertise of its members, he added.

Set up as a specialised body of experts for the rehabilitation of companies, the Government has allowed it to degenerate into a forum of retired bureaucrats, many of whom are unable to read a cash flow statement or a balance sheet.

By giving an extension to retiring bureaucrats, allowing them to retain their houses in posh Delhi colonies, the Government gave in before lobbying pressures and let the BIFR become a refuge for retiring bureaucrats.

In fact, on retirement a highly placed official in the Department of Public Enterprises informed the estate office that he was soon to be made the chairman of BIFR and therefore they shouldn't insist on his vacating the accommodation allotted to him.

But by accommodating bureaucrats in the BIFR, the Government has violated the very basis of the Sick Industrial Companies Act(SICA), that envisages the BIFR as a specialised body for rehabilitation of companies.

The Act specifies that the chairman and members of the Board shall be persons who are qualified to be High Court judges or are persons with a special knowledge and professional experience of not less than 15 years in science, technology, economics, banking, industry, law, labour, industrial finance, management and industrial reconstruction or marketing, investment accountancy or any other special knowledge or professional experience which

would be useful to the Board.

Giving an insight into what the organisation was supposed to be, Mr Ganapati who set up the BIFR said, "the BIFR was intended to be an organisation headed by experts in finance, taxation and corporate law."

But, today, it is an exclusive domain of retired secretary level bureaucrats drawn from the ministries of child welfare, textiles and heavy industries.

Not surprisingly, these bureaucrats are unable to read a company's balance sheet, on the basis of which they should sanction a revival scheme or recommended the winding up of the company.

To make matters worse, some of these members, without adequate expertise to head a specialised body like the BIFR, have misinterpreted the Sick Industrial Companies Act, despite what has been clearly specified in the Act.

As a result, there are inconsistencies in the implementation of the Act by each of the BIFR benches.

For instance, the basic definition of a sick company is interpreted differently by different benches. So, while one company may be accepted as sick by one BIFR bench, another bench would reject the same case.

Moreover, as a chartered accountant puts it, the members are not even familiar with the Act. As a result, they are unaware of the various options available under the Act for the rehabilitation of companies.

This is the reason, companies take the BIFR for a ride, said an expert on industrial restructuring. For instance, one of the companies from the Birla group, was caught in the act of siphoning off Rs 40 crores from company funds, which was reflected in the balance sheet. This was during Mr Ganapati's tenure about six years ago, when members drawn from various specialised fields, were experts with the balance sheet, said Mr Ganapati.

Companies continue to take advantage of a reference to the BIFR. Units have been known to use the BIFR to delay harassment from creditors, get a major portion of their bank loans and interest dues written off and get concessions from the State Government, all on the pretext of sacrifices to set the unit on track, said the expert on corporate restructuring.

Strangely enough, companies do not have to pay any penalty for mismanagement, and in many cases, promoters use the time between the registration of the sick unit and the sanctioning of a BIFR scheme for revival, to siphon off company funds to line their pockets, sources said.

For companies, a reference to BIFR is like a death sentence. Behind the sick label, promoters strip company assets while creditors wait in limbo, helpless, a chartered accountant informed the Indian Express.

For instance, in a majority of cases, where BIFR has sanctioned a revival package, companies are never taken off the sick register, he added. For instance, between 1987 to 1993, BIFR dealt with over 1000 cases. Revival schemes were sanctioned in

about 400 cases. Of these however, not more than 40 companies have turned around.

Another problem are the delaying tactics employed by promoters. To gain more time to strip the company, they obtain a stay from High Courts against any BIFR order, whether it is to wind up the company or the sanctioning of a revival scheme. (Winding up cases in various High Courts have been kept pending for an average of 30 years, according to a study conducted by the World Bank.)

To overcome these problems and set BIFR on the right track, sources in the Department of Company Affairs suggested that qualified experts should be taken on as members of the BIFR. If however, BIFR itself cannot be "rehabilitated", then it is best that it is wound up, said department sources.

Regional Labour Ministers' Conference

West Bengal Opposes Centre's Policies

The Conference of the Regional Labour Ministers of Eastern and North-Eastern Region was held at Bhubaneswar on September 29-30, 1994 to discuss several items viz (1) Implementation of the Minimum Wages Act, 1948, (2) Bonded Labour, (3) Child Labour, (4) Equal Remuneration Act, (5) Social Security for unorganised labour and (6) Problems of Bidi Workers.

The Left Front Government of West Bengal placed the following views:

1. The State Govt is opposed to the idea of establishing Regional Minimum Wages Advisory Board for adjoining states through amendment of the Minimum Wages Act. Instead frequent consultations among adjoining states about implementation of Minimum Wages Act should be held. A special meeting of the Labour Ministers of all the States may be held to consider amendments of the Minimum Wages Act that might be necessary.

ii) The State Govt may have the option to fix or revise minimum wages either through committee system or through issue of notifications as both are provided in the Act.

iii) In order to avoid litigation stalling orders in connection with fixation/revision of minimum wages, the Minimum Wages Act should be brought under the 9th schedule of the constitution.

iv) At present, the State Govt is required to recommend schemes submitted by the Non-Government Organisations for sanction of fund under the International Programme for Elimination of Child Labour, but the State Government has got no

supervisory power. For effective implementation of the projects and proper utilisation of fund, it is necessary that the State Government should have supervisory power with regard to these projects.

v) For implementation of various social security schemes and for proper identification of the target beneficiaries, the Zilla Parishads should be involved.

vi) The State Govt is of the opinion that a norm for fixation of minimum wages for Bidi workers should be evolved which may be followed by all states.

vii) The State Government does not agree to fixation of a percentage of wastage that should be allowed in connection with rejection of bidis rolled by bidi workers.

The West Bengal Government proposed the following amendments to the Resolution for industrial promotion of the Eastern and North-Eastern States of the country:

Keeping in view the on-going programme of economic reforms and liberalisation; taking note that the investment flows arising out of the reforms are not adequately in the direction of the Eastern and North-Eastern States consistent with their resource endowments and development potential,

This conference of Labour Ministers of Eastern and North-Eastern Regions appeals to the Central Government for extending all assistance for extending industrial development of the region which will generate more employment.

This conference further appeals to the workers and the industrialists for rendering best efforts for industrial development of the region.

CHALLENGES AHEAD IN EMPLOYEE RELATIONS AND HUMAN RESOURCE MANAGEMENT

W.R. VARADA RANJAN
Secretary, CITU, Tamilnadu

National Institute of Personnel Management had organised their Southern Regional Conference - on the theme of "Winds of Challenges in Managing Human Resources" on 24th September 1994.

In an exclusive session on the challenges ahead in employee relations Mr. Debandranath Sarangi, I.A.S., Commissioner of Labour, Tamil Nadu and Mr. S. Ramalingam, Chairman and Managing Director, Madras Refineries Ltd. and Com. W.R. Varada Rajan, Secretary, CITU, Tamil Nadu participated. This is the paper presented by Com. W.R. Varada Rajan on the subject.

"Winds of Challenges" is obviously an expression denoting the on-going economic reforms undertaken by the present Government at the centre. As there are two sides to any coin, so is the opinion on the nature, necessity and content of the so called economic reforms, which is two-world, one for and another against. If one starts dwelling on this, it will be a political debate on this, which though relevant and important, could lead to derailing the scope of the present discussion. The views of the CITU and other left trade unions are diametrically opposed to these of the ardent admirers and supporters of the economic reforms.

The fact of the matter is that the Government at the Centre has inextricably and irretrievably opted for these reforms in the economic sphere, admittedly or rather irrefutably at the behest of IMF and World Bank. This is, at least under the present dispensation, a *fait-accomplis*. The economic reforms have brought in severe challenges and more are in the offing. The NIPM had chosen a milder description of "winds". Whether these challenges will remain as "winds" or turn into a hurricane or a tornado is a point which time alone can tell.

The economic reforms mainly comprise devaluation, privatisation, liberalisation and globalisation, with several micro-aspects under each of this broad classification. The pace at which these are being implemented is shaking the very roots of industrial organisations, which are either struggling to withstand the impact of the tremor or attempting

to convert this as opportunity. Success stories of our industrial organisations which have succeeded in seizing this as opportunity are far and few between. Those struggling for survival are on the increase.

Employee relations will definitely have the maximum impact of this struggle against the impending challenges. Admittedly labour will have to bear the brunt of the burdens descending on every industrial organisation.

Labour-employer relations have come to be described as "industrial relations", though of late "Human Resources Development" has become the new christening. The former terminology, viz, industrial relations, reduces the interaction between labour and management to a mechanical level. The latter terminology, viz, Human Resources Development, reveals the keenness to harness labour as a "resource" to be benefited from. One wonders why it has not been feasible; e to perceive the labour-management relations as "human relations" perhaps this explains the absence of human approach in employee relations, more often than not.

It was with some measure of consolation that one reads the thematic exposition by the NIPM asserting that "human resource is the only resource that appreciates unlike another resource".

Even the World Development Report - 1991, sermonises: "investment in people provides the foremost foundation of lasting development and the proper economic role of the state is larger than merely standing in for markets if they fail to work".

Viewed in this backdrop, the challenge ahead is whether we as a nation will ever be able to optimise the use of this inexhaustible reservoir of human resource or are we to end up frittering away this abundant resource condemning the largest contingents of it to a miserable conditions of existence?

The winds of challenges, already started blowing have not touched this all important aspect. Why so? It is because the "economic reformers" at the helm of affairs have diagnosed only two aspects of the ailing Indian economy, viz the fiscal deficit of the Government and the balance of payment(BOP)

crisis. The more basic, serious and chronic ailments afflicting the crisis ridden economy, viz the poverty, price-rise and inflation are not even on the monitoring screen. The reforms, initiated on such a partial diagnosis no doubt throws up challenges, severe enough to deal with. But the other chronic ailments, destined to turn more and more acute, could turn the body politic of the country to a trauma through social tensions bound to surface sooner than later.

The new dispensation ushered in by the course of events occurring in the industrial scenario of the country does not show any sign of optimism on this score.

The most urgent and important challenge before any industrial organisation is, we are told, to effect cost-reduction to remain competitive with the global competitor having arrived next door. With every other cost like that of inputs, interest, taxes, etc. not capable of being reduced, the axe falls on the labour cost only. At any rate this is the direction that the Government points out. This attempt at reducing the labour cost poses a challenge--to the employer of increased productivity with less manpower and to the labour of protecting the employment and existing living conditions. This twin challenge leads to an arena of conflict. Either the labour is forced to submit itself and bargain for compensation package for bowing out or the employer is compelled to bring in new investment to achieve increased levels of output with full utilisation of existing manpower strength. The personnel professionals, will be in a quandary if the employer insists on the first option, as the same is bound to meet with resistance from labour. As paid professionals, the personnel executives will have the inevitable option to carry out the brief of the employer, no matter even if it is irrational or inhuman!

But, what challenge does this situation pose to the labour and the trade union?

The principal challenge thrown to the labour and trade unions is to resist sections of organised labour being pushed out to unorganised labour. I am talking of not individuals but the variation in the proportion of organised labour and unorganised labour in industrial organisations. Throw out the organised permanent work force through the mechanism of coercive voluntary separation schemes and carry out the jobs performed hitherto by them through contracting and subcontracting, will be the design of the employers. This is already a phenomenon taking shape. Thus, the economic reforms contemplate on the one hand privatising the public sector and on the other disorganising or dissipating the organised sector employment. This will be the toughest challenge ahead of the trade unions in the coming days.

One voiceferous demand being raised as an inevitable need to meet the challenges ahead of the industry, is for drastically altering the existing industrial legislations. The Government had been

accused of dilly dallying in this matter on political or populist considerations. The Government on their part had committed to the IMF-World Bank to introduce an exit policy as a concomittance to the liberalisation drive. Amendments to the Industrial Disputes Act renaming it as Industrial Relations Act had been drafted and held over successive sessions of Parliament. 'No more waiting' is the loud cry from the industry on this score!

One wonders why this orchestrated chorus on overhauling industrial legislations!]

Firstly our industrial legislations have no teeth. The maximum penalty prescribed under various sections of the Industrial Disputes Act, for instance, is imprisonment upto six months or fine upto Rs 1000/- Violations of the Industrial Disputes Act provisions are galore! But how many times the penal provisions of the Act had been invoked? When and where employers had been imprisoned under these provisions?

Secondly, the implementation machinery under various industrial legislations is in a state of total collapse. This machinery, particularly inspection-machinery, may at best be of some nuisance value to industries. Even the minimum wages legislation, intended to protect the hapless workers in the unorganised sector, is not enforced.

Thirdly, though apparently the Government is vested with vast authority, quasi-judicial powers and large scope for intervening in conflict situation, the Government intervention in Labour-management disputes had been the least effective. The conciliation officers do make, sometimes at least, valiant attempts at mediation. But their role is very limited. Employers can even afford to ignore them by not even responding to notices for discussions or conciliation. Or at best an insignificant person is sent down to put in appearance. Even the rural Nyay Panchayats have better authority! It is beyond anybody's comprehension why such sterile intervention by Government is fussed about as a big handicap to meet the new challenges.

Fourthly, the remedies open to aggrieved workers under the present industrial legislations are time consuming. The balance of convenience is certainly in favour of employers as they can afford to stand and wait pushing the aggrieved worker to desparation.

Fifthly, our industrial legislations are very much obsolete. There is tall talk of obsolescence of our technology and updating thereof is emphasised with all force. But what about updating our industrial legislations? Take for instance the income parameters prescribed in the Bonus Act. Mr G Ramanujam, the veteran INTUC leader, on the eve of his departure of Raj Bhawan, Goa made a fervent plea for raising the income ceilings prescribed in the Bonus Act. In the present context of high-inflation and

the wage- levels of a large section of workers in the organised sector, these income limits are absolutely meaningless. What was the response of the industry the very next day? Shrill voices were raised that the industries, which had just started rearing their heads in the wake of new economic reforms would be doomed if the income parameters in the Bonus Act were to be tinkered with. Rather there was a strong case to do away with the minimum bonus stipulation for loss making units. This was counter-plea from the employer's side: But the limits to executives' salaries, perks, percentage share of profit etc have all been removed with no adversity descending on industries. This dual stance needs no comments!

What is sought by employers in the name of amending the industrial legislations is a total deregulation of labour laws. A return to jungle laws of hire and fire in industrial relations is the demand. Is this in consonance with the gleeful slogans of globalisation and marching towards the 21st century world? The working class and the trade union movement will never agree to such naked deprivation of their hard won rights, secured through a chequered history of struggles.

Employers are elated at the mere sight of an exit door being opened up to push out the unwanted worker. But that very exit door will be the one through which many a Indian industrial organisation will be pushed out by the unregulated influx of foreign capital and transnational corporations. Even internally, small scale units are in danger of being phased out with the deregulation measures which permit monopoly houses to barge in any industry. The danger will be all the more with the entry of multinationals. The exit policy-which is the prime objective to be realised in the name of overhaul of industrial legislations-- could end up as an exercise of throwing the baby along with the bath-water.

Labour in India is mostly unorganised. Indian industry is a low-wage one: even in the organised sector most of the workers are unskilled. May be, the most recent units could be the exceptions. Modernisation visualised in the context of new reforms could result in forcing a large section of labour out of employment. With the large scale contracting, sub-contracting, off-loading, etc, further recruits in the industrial units may well be condemned for a life-long non-permanent status. These are the challenges thrown before the trade union movement.

What is happening today? Please go through the unfair labour practices listed in the fifth schedule to the Industrial Disputes Act. To interfere with

workers' right to organise a union, to show partiality to one of several unions, to establish employer sponsored union, to encourage or discourage membership in any union by a series of punitive moves, to victimise workers, to abolish the work of a regular nature, to transfer worker mala fide, to insist on individual workers signing a good conduct bond, to employ temporary workers and continue them for years depriving them of permanent status and privileges, to recruit workers during a strike, fail to implement award, settlement or agreement, to refuse to bargain collectively, to propose or continue an illegal lock out - thus goes the long list. Similarly, elaborate provisions are there in the code of discipline in the industry. Every unfair labour practice had been resorted to by employers without any let or hindrance. The code of discipline had been violated time and again. These pose a big challenge of ensuring respect of law.

Globalisation has thrown up challenges. of course, International benchmarking is to be achieved in productivity, capacity utilisation, quality and what not. But what is the bench mark for the Indian worker in respect of his wages living condition, work-environment, safety, etc? This again is a challenge which is left out of the agenda.

These challenges cannot be met as long as the employee relations and human resources management is sought to be tailored to meet the management requirements.

The personnel professionals and the NIPM should ponder over these aspects with certain measure of introspection.

The necessity of involving labour in meeting the new situation is obvious. Our workers and trade unions have shown the maturity and willingness to rise to the occasion and respond positively to the frequent changes that have taken place. But the trade unions have a bitter experience in that they are neither informed nor involved even when drastic changes are made. They are only shown the end-result and asked to take it as it is. Any dissent or even a query is branded as non-cooperation and negative attitude. This approach will only lead to confrontation. To meet the challenges ahead the employers will have to adopt an open book policy. But will it materialise? Trade unions have their apprehensions. Even the Government at the centre is indifferent to involve labour in taking policy decisions. The Union cabinet is the decision making forum. The Labour Minister is not a member of the cabinet. This is not by accident. This is reflecting the callousness towards labour. Correctives are to begin from there.

Bonus: A Myth for Majority

□ **Nirmala L Bhawnani**

Security personnel guards the establishment round the clock. Sweepers clean the premises. Peons take out files from the cupboards and arrange them on the tables of the concerned clerks, who process the same and pass on to the supervisors at middle level for onward transmission to the head of department for his nod and seal of approval.

While white collar deals with papers, the blue collar handles tools. Thus the wheels of industries keep on moving and the year goes by. And when audited statement of accounts is drawn, the balance sheet discloses profits, which reflect positive outcome of the dedicated labour put in by the employees, belonging to high as well as humble cadres.

As the monthly reward for sweat & toil, determined on the basis of actual past performance, without taking into account estimates of the current profits, failed to cater to the minimum necessities of families, natural corollary demanded that certain definite portion of the profits should be disbursed amongst entire ranks, without an exception or discrimination, to bridge to some extent, the yawning gulf between the wages actually payable and those paid on lower scale, to satisfy families' bare needs.

In order to achieve the above object, payment of Bonus Act was introduced in 1965 to supplement the regular wages, out of the latest profits at the year end. However, the social security measure carried a rider that the provisions of the Act would be applicable to those employees who received wages (Basic salary + D A) upto Rs 1,600 and bonus for such employees would be calculated on maximum wages of Rs 750, on the percentage ranging between 8.33 & 20.

The above bonus parameters were determined when All India Average Consumer Price Index for Industrial Workers (Base Year 1960, derived from 1949 series, then in vogue) had reached the average of 129 points for the financial year 1964-65 and when rupee carried value of 77.5 paise. According to this worth of rupee, it may be noted that bonus parameters at 1960 level work out to Rs 581 and Rs 1,240 respectively.

It is interesting to note that during those (g) olden days, overwhelming majority could receive

bonus on full salaries, falling within the lower ceiling of Rs 750, while the upper limit of Rs 1,600 rarely deprived the toiling multitude from the entitlement of the annual additions.

However, it may be noted that the wages equivalent to the lower parameter ensured minimum bonus of Rs 750 (8.33pc) and maximum Rs 1,800 (20 pc), the purchasing power of which during 64-65 comes to Rs 581 and Rs 1,395 respectively.

As the inflation raised its ugly head during mid-sixties, bouts of Addl.DA turned out to be counter-productive. While the salaries of lakhs of employees crossed upper parameter of Rs 1,600, the same was allowed to stagnate for next two decades.

It is pertinent to mention that though the index moved up by 351 pc to touch the mark of 582 points by 1984-85, the authorities willy nilly applied cosmetic touches and raised the lower limit by 113 pc to work out bonus on Rs 1,600 and the upper one by merely 56 pc to bring negligible section drawing wages upto Rs 2,500, back into the fold of labour welfare(?) law, while the major chunk of the work-force belonging to various posts/categories, was left in lurch, as in the past. And the cumulative effect of the half-hearted move was that the payment, in terms of the revised parameters, varied between Rs 1,600 & Rs 3840, but in absolute terms, value of such enhanced bonus, based on purchasing power of a rupee for 84-85 standing at 17.2 paise, was reduced to Rs 275 & Rs 660. In other words, apparent rise instead of improvement, reveals loss in bonus.

Owing to continuous denial of bonus to the millions, the apex court has rightly upheld the plea of the labour that as payscales are formulated on the basis of immediate past performance of the respective industries, and as the profits, during the course of a particular year, cannot be estimated, the annual additions out of the current profits, meant to supplement the real (money) wages, should be treated as "Deferred Wage."

Today, the situation has come to such a sorry pass that the bonus has been practically delinked from the statutory share in prosperity, and instead its payment or denial totally depends upon the fluctuations in DA associated with movements in the

Consumer Price Index. Consequently, at times, it so happens that temporary fall in DA brings the marginally excessive wages back into the protective umbrella, and subsequent rise repeats the old story of deprivation and denial of bonus, as before.

And to cap it all, the sad commentary on the stringent provisions is that irrespective of profits, DA of a single rupee worth 7.9 paise received in excess of the upper parameter of Rs 2,500 multiplies the woes of the working class, because the same mercilessly snatches away legitimate right to the benefit, known in labour parlance also as 13th wage.

As the payment of the "Deferred Wage" representing statutory share in profits is tagged to another labour welfare law, specially enacted to compensate against erosion in hard earned wages, thanks to galloping inflation, the spirit behind the Bonus Act has evaporated. Needless to mention that today DA occupies dominant position among wages, and the same is an indicator not of high living standard, but rather worsening economic conditions of the workers, which are compounded due to negative approach in respect of bonus. And such approach has been responsible to create discrimination amongst various segments and has given rise to the wide spread discontentment.

Last year, the authorities added fuel to the fire, when they raised the upper ceiling for Central Govt Employees to Rs 3,500 and further relaxed the same to Rs 4,500 for Railway staff, and allowed the statutory limit of Rs 2,500 for railway staff, and allowed the statutory limit of Rs 2,500 to stagnate for others.

The wage-structures of various industries are revised periodically in the backdrop of prosperity achieved since last review. (In case of Govt employees, the review takes place, when index reaches certain specified level).

However, subsequent to such revisions, so far bonus is concerned the lot of the seniors remains unchanged, as share in future profits is not available to them during intervening period and they are obliged to wait till next settlement, which is tantamount to the official punishment rewarded for seniority.

In sharp contrast, many employers with progressive outlook, inspite of the statutory handicaps, willingly shell out exgratia in cash or kind, in addition to or in lieu of the annual bonus.

The following two acid tests prove beyond an

iota of doubt that the present salaries fattened by the payments of Addl DA do qualify for bonus in case of practically all cadres of the employees, right from humble sweeper to top executive.

a) In spite of periodic wage-revisions, annual increments and bouts of Addl. DA, if the high wages are trimmed by the lowest purchasing power of a rupee on sliding spree, carrying meagre value of 7.9 paise for 1993-94, they will be covered by the real value of the original parameters of 1965, vis Rs 581 (Rs 750) & Rs 1,240 (Rs 1,600) hence entitled to the bonus.

b) Alternatively, if outdated and absolute parameters of 1965 are expanded in full, in the light of inflation since 1964-65, it will be observed that in view of astronomical zoom in index to reach the high of 1272 during 1993-94, the ceiling of Rs 750 & Rs 1,600, haphazardly revised to Rs 1,600 & Rs 2,500 in 1984-85 will be equivalent to Rs 7,400 & Rs 15,800 respectively, while present wages will remain far behind the parameters, fully stretched, as above.

It may be noted that if bonus for 1993-94 is released on the basis of parameters, presently in vogue, the value of such payment in terms of purchasing power of 7.9 paise for 1993-94, would be merely Rs 126 (8.33pc) & Rs 303 (20 pc) - a steep economic fall in 100 pc sound bonus of Rs 581 & Rs 1395, respectively.

As the wages have not kept pace with the galloping inflation, and as the "Deferred Wage" has proved to be a myth for the majority, the best course would be that the parameters of 1965 should develop dual linkage with inflation as well as profits, so that, as originally envisaged, benefit of bonus can be extended to those who are engaged in productive activities at all levels.

Accordingly, as the index for 1993-94 has jumped up, leaps and bounds, to scale the peak of 1272 from lowest level of 129 points in the last 29 years, and as rupee value, as a sequel to the rising index has dwindled from the zenith of 77.5 to the bottom level of 7.9 paise, the original parameters of Rs 750 should be stretched to Rs 7,400 and that of Rs 1,600 to Rs 15,800. Still better, if superficial upper ceiling is given a decent burial, so that supplemented by the deferred wages, fat salaries, which in fact are devoid of sound value, could receive fillip, and cheer up the gloomy hearts of the majority, which has been deprived of the bonus for decades.

The Productivity Movement: Union Perspective

□ S. DEV ROYE

Industrial operation, or to say any kind of human operation is in surge of sharpening its productivity edge. In fact this remains to be the basic rationale of every activity in human society.

In any industry, the surge for productivity of the industry as a whole can ensure effective involvement of all the factors of production including labour to meet its fruition, only when the interest of all the factors reaches a equilibrium.

THE HUMAN FACTOR

The interest of all other factors except labour can be regulated by managerial capabilities and technological level. But for the human factors, the matter is something more than mere regulation or ensuring of proper combination of factors. And how, while pursuing surge in productivity, the industry will take care of the human factors involved in it, essentially determines how the human elements in the production process would respond as a collective force to such process. The role of the trade union particularly at the micro-level becomes mere reflection of such response.

Secondly the concept of productivity also relates to different factors of production. But the experience is that the productivity is being talked about in the industrial world, mostly refers to labour productivity and that too with a distinct undertone of reducing cost on labour account. If productivity is defined by the output labour ratio, same can be improved either by improving the numerator or reducing the denominator. Now if the thrust of improvement of productivity hovers round mainly the reduction of the denominator, it is but natural that the denominator, it being a living element and not just a button driven object, would confront to it. And if such confrontation is termed as opposition of labour to productivity improvement, it matters little to labour, as the basic question of their livelihood comes to fore.

THE MACRO ECONOMIC POLICY OF GOVT.

Yes, when the whole macro economic set up within which an industrial unit under reference is faced with such sensitive issue, can create such condition for the workforce in general so as to ensure gainful employment and living standard for him within the given economic set up and enjoys credibility of the working class as a whole, situation would definitely be different. But such credibility cannot come through generally talked about 'safety net' being toyed by the policy makers in the developing countries including India, and the kind of role being played by different Governments in these countries, heavily tilted in favour of capital and more appropriately foreign capital, is not capable of earning such credibility from the workers of the entire region, as I understand.

On the other hand, the approach of improving productivity by improving the numerator in the output-labour ratio would invite less problem within the factory premise, but the same also depend heavily on various extraneous factors

operating at macro level, such as availability of raw materials, finance and like, and above all the size of the market, and propensity of its expansion both in the short and long run.

THE EMERGING NEW SITUATION

With the scientific and technological development continuously attaining ever faster pace, industrial operation has been witnessing revolutionary changes very frequently. This process is again taking new turns due to the policy changes in the economic front undertaken by the Governments in the background of unprecedented global domination established by the highly industrially developed countries. The Director-General of ILO Mr. Michel Hansenne has noted - "In such an environment, the capacity of nation-states to pursue their own economic policies is sharply reduced. The process of internationalization limits current instruments for regulating economic and social activity. The ever-growing presence of multinational enterprises means that satisfactory results from collective negotiation at the national level are increasingly difficult to obtain. It follows that workers feel themselves to be more and more dependent upon global circumstances beyond their control."

THE THEORY OF LESSER WORKFORCE AND MORE WORKLOAD

The foremost question in this connection is that, there is a motivated approach to adopt the easiest process to attain better productivity by reducing the number of workers. Such ill-conceived formulation spreads the message that higher productivity means lesser worker and more workload! This assessment can be best authenticated by quoting from the theme presentation made in a seminar held sometime back at New Delhi by a management representative from Indian Industry.

"While industrial units in the country have made conscious efforts to bring improvement in productivity by introducing latest production and management techniques, these have been thwarted in our country because of the restrictive practices resorted to by unions..... It is widely known that adjustment in technological unit will, of necessity, require appropriate adjustment in labour force." Thus it is clear that according to management, productivity is linked with reduction of workforce which is just unacceptable to the trade unions.

Further that simply by slashing down number of workers, cost of production cannot be reduced is evident from the fact that a chemical fertilizer (Urea) producing factory in India is having around 1200 permanent workers with a capacity of 1000 tonnes of Urea per day and another with a capacity of 2300 tonnes of urea per day is having about 900 permanent workers. The per tonne cost of production of Urea in the former factory is Rs.2,672.00 and that of latter is Rs.9,262.00. The abnormal difference is due to variation in size of capital investment, cost of inputs and pricing policy of the Government.

On the other hand it is a fact that lesser number of workers does not necessarily ensure lower wage component in the cost of production. In other words the wage bill of a company having lesser number of workers can be higher compared to another company having higher number of workers. For example, take the case of two steel companies. It has been reported that Steel Authority of India Limited (SAIL) and Pohang of South Korea produce about 10 million tonnes of steel a year. The workforce of SAIL is around 20 times of that of Pohang, but the wage bill of Pohang, as per the report, is about 25 times higher than that of SAIL! One of the major reasons for such situation is that, for operating most modern sophisticated technology-based production system, highly skilled and well trained qualified workers are essentially necessary. The wages of such highly skilled workers is bound to be much higher compared to the workers having lower level of skill.

TECHNOLOGICAL OBSOLESCENCE

In the background of the above noted example it would be pertinent to examine another vital point. Of-late, in India, we are confronting a situation that, comparison of the degree of productivity of two workers who work under distinctly two different situations is made by the management with absolutely ulterior motive. The productivity of a worker working in a highly capital intensive plant built with most modern technology would obviously be better than a worker working in a factory with obsolete technology procured decades back by investing a fraction of capital compared to the modern one. Now, citing the example of the former industrial units, the managements of the latter units are pressurising the unions to accept manpower reduction in the name of attaining higher productivity. Surprisingly they exert such pressure even without undertaking steps for technological upgradation or for that matter modernisation of the old production process. This is clearly a case of exploitation and no trade union can extend support to such heinous move of the management.

JOB SECURITY AND EMPLOYMENT

Unless the fear of insecurity of job is effectively addressed to, it is impracticable to think of getting wholehearted support from the workers for higher productivity by inducting the fruit of STR. It is a matter of serious concern that in the face of growing unemployment, many economic pandits have started speaking of "high employment" and not "full employment". It has been pointed out that the mad drive for privatisation, financial de-reregulation and liberalization of trade in the name of achieving higher growth, greater flexibility and improved productivity and efficiency has not consistently delivered higher growth. On the contrary unemployment continues to rise at alarming rate.

Unemployment in the industrialised countries is forecast to increase from the average 8.5 per cent to 8.6 per cent by the end of 1994. 23 million people in Western Europe itself are apprehended to be unemployed. "

Throughout the OECD countries (which account for 75 per cent of world economic activity) unemployment levels are at their highest since the Great Depression of the 1930s".

In the narrated horrifying scenario of growing unemployment, the question of improving productivity by adopting the road of modernisation without exercising necessary steps to combat job killing disaster is a key factor before the trade union movement for deciding its stand on productivity. There are many shocking instances in this regard. In the famous Swis Watch, over the years, production has multiplied four-fold, labour cost has come down to only 19%, exports have moved up from 3 billion to 8.8 billion but 60,000 jobs have disappeared in this sector. In the United States telecommunication services employment has been reduced by 40%, in postal service 47,000 job cuts is in process, in telephone 6,000 phone operators are going to be retrenched - all these are on account of technological consideration. In India also situation is no different. According to an ILO study, due to the structural adjustment nearly 8 million people will be rendered unemployed in India.

Employment of modern technology for rapid and higher industrial growth by itself cannot yield desired result. For smooth induction of modern technology and to ensure desired result, two most important tasks must be accomplished. These are, to do away with the feudal land relations, in other words, proper land reform must be carried out which should help stop migration of labour from rural areas to urban areas and also contribute to develop indigenous market due to increased purchasing power of the people, and the next pre-requisite is that the management must also be a modern one, which should be absolutely free from the influence of feudalism. It has been noted that to change technology but not the operational climate is to invest in the machines which can give better productivity but not the necessary corresponding modern management.

COST OF INPUTS MATTERS MORE THAN COST OF LABOUR

It has been pointed out that "Productivity makes a difference not to Labour costs, but to production costs." Now the cost of production has been continuously increasing mainly due to economic policies adopted and pursued by the Governments from time to time. The Government have been pushing up the cost of inputs through price hike of basic inputs by administrative orders. Again with the shift to capital intensive technologies, capital cost has been increasing by leaps and bounds. All these factors are the basic major causes for rise in cost of production. But deliberately ignoring these facts desperate steps are taken to impose wage freeze under the guise of productivity linked wage.

As per the Public Enterprise Survey for 1992-93 published by the Department of Public Enterprises, Ministry of Industry of the Government of India, manufacturing cost on account of cost of goods and raw materials consumed in the process of manufacture in the public sector units in the country has been increasing

every year due to price rise. In 1991-92 it was 54.63%, of the cost of production and in 1992-93 it increased to 56.48%. Again the expenditure on fuel, power and energy constituted 6.07% of the total cost of production in 1991-92 and in 1992-93 it went up to 6.39%. But the component of salaries, wages and other benefits is continuously coming down year by year. In 1991-92 it was 9.90% and in 1992-93 it has come down to 9.61%.

Thus it is crystal clear that although a hue and cry is raised centering round the wages of workers vis-a-vis cost of production and productivity, it is not wages but the steady hike in the price of inputs which is responsible for increase in cost of production.

On the other hand while the cost of labour component in the cost of production is consistently decreasing, the contribution of labour in enhancing the Gross Block in the Indian public

sector industries is progressively increasing. The following table will show the reality:

| Year | Per employee contribution in Gross Block Rs. in thousand | Labour Content as % of cost of production |
|---------|--|---|
| 1984-85 | 106.17 | 11.25 |
| 1987-88 | 255.16 | 10.43 |
| 1988-89 | 310.64 | 9.94 |
| 1991-92 | 533.92 | 9.79 |
| 1992-93 | 784.71 | 9.22 |

As per data available from the Annual Survey of Industries, wages earned by the workers were not commensurate with increase in consumer price index. When wages of factory workers increased at a compound growth of 11.5 per cent during the quinquennium ending 1978-89, the consumer price index had gone up more sharply by 14.6 per cent. Moreover, wages has declined in proportion to value added. The share of wages in value added for all industries declined steadily from 58.0 per cent in 1986-87 to 41.9 per cent in 1991-92. In contract, the value added as percentage of net sales showed a continuous rise during the past years. For the industrial sector as a whole, the ratio of value added in net sales increased steadily from 18.7 per cent in 1986-87 to 22.8 per cent in 1991-92 as the corporate sector entered an era of high profit.

SHARING THE GAINS OF PRODUCTICITY

Productivity cannot attain success merely as a concept but has to be perceived as a movement. And a movement cannot succeed in any country without the involvement and wholehearted support of the people in general. Here comes the question of sharing the gains of productivity.

It is unthinkable even to imagine that the people in general and the workers in particular would extend whole-hearted support to productivity movement unless

gains of productivity are duly distributed amongst all concerned. Productivity would no doubt benefit the entrepreneurs. But at the same time it must enable the workers to enhance their real wage, improve standard of living and open up career prospect including better work-life. Further, with improved productivity, the society should be benefited with better quality goods and services at cheaper price.

It is a fact that over the years the productivity of the workers has gone up many times but gains of the same has neither reached the workers nor the public. The real wages of the workers has gone down, job losses are on the increase all over the world and the people are groaning under skyrocketing hike in the price of commodities. Inflation is creating havoc, unemployment has attained menacing proportion. Then where has the benefit of productivity gone? It is obvious that the benefit has been appropriated by the owners.

NEED FOR A TOTAL APPROACH

If the aim of productivity is only to increase the wealth and fortune of the owners, then the society will not only have no urge to participate in such productivity movement rather shall oppose it. It must also be noted that productivity cannot be a deal between the owner and workers ignoring the general welfare of the society.

To summarise with an objective note, it is necessary to reiterate that approach to productivity movement can attain scientific, meaningful and smooth practicality by recognising and appreciating that in today's context of global reality, it has to be perceived in a given country in its national socio-economic context. That it is in effect an issue of multi-lateral dimension, not just bi-lateral and definitely not unilateral. Further, each partner must be true and sincere upto the mark. Each must do its best to strengthen the chain but for which the wheel of productivity movement cannot attain its momentum towards the desired goal.

BOOK POST