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# CITU

## Policy Papers

**Imperialist  
Offensive and  
the World  
Trade Union  
Movement**

**Democratic  
Functioning**

**Minimum  
Wages**

**Structural  
Reforms:  
Its impact on  
.Working Class  
and TU  
Movement**

**Technological  
Advances**

**Safety, Health  
and  
Environment**

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**COMMISSION PAPERS OF 9TH CONFERENCE  
OF CITU, KOCHI, 20 - 26 APRIL 1997**

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## Foreword

The six Commission Papers published in this book were the subject matters of discussion in the 9th Conference of the CITU held at Kochi from April 20-26, 1997.

The subjects were, (1) Imperialist Offensive and the World Trade Union Movement (2), Democratic Functioning (3) Minimum Wage Policy, (4) Structural Reform: Its Impact on Working Class and TU Movement (5) Technological Advances and the Structural - Compositional Change in the Working Class and (6) Safety, Health and Environment. All these issues are of topical importance before the entire trade union movement.

The Six different sessions of Commissions were presided over by Comrades N Prasadarao, Vimal Ranadive, S Suryanaryana Rao, K L Bajaj, Chittabrata Majumdar and T K Rangarajan. The Commission Papers were presented by Comrades E Balandnan, Kanai Banerje, P K Ganguly, Tapan Sen, Sukomal Sen and P K Das.

2400 delegates were divided into the six commissions to take part in the discussions, which started from 24th April morning and continued upto 25th April afternoon. In total about 200 comrades took part in the discussions on various commissions. They put forth various suggestions, amendments and also submitted written notes to improve upon the documents. All these suggestions were discussed in the concluding sessions of the Commissions on 25th April morning and the conclusions were placed in the Plenary Session of the Conference on 25th April afternoon. The Plenary Session authorised the Secretariat to finalise the Commission Papers in the light of the discussions. The Secretariat of the CITU accordingly finalised the papers.

**Secretariat of the  
Centre of Indian Trade Unions**

## Contents

S.N.	Subject	Page No.
1.	Imperialist Offensive and the World Trade Union Movement.	1
2.	Democratic Functioning	17
3.	Minimum Wage Policy	28
4.	Structural Reform: Its impact on Working Class and TU Movement	39
5.	Technological Advances and the structural Compositional Change in the Working Class	55
6.	Safety, Health and Environment	65

# IMPERIALIST OFFENSIVE AND THE WORLD TRADE UNION MOVEMENT

## 1. Perceptions about imperialism

History as told in the conventional way is the history of wars among nations. Subjugation and plunder of weaker nations by the stronger are not only the object of wars but also its ultimate consequence. Epics from every region deal with wars big and small, involving not only men and women but also gods and demi-gods speaking different dialects and languages. There are well over several thousand wars duly recorded by the historians of our times and the two world wars that engulfed the entire globe, which stand out in terms of the destruction, pain and the misery they inflicted on mankind.

The two global wars were the natural culmination of hundreds of small and big wars at local or regional levels inflicted by modern imperialist countries, driven by their capitalist or so called market economies. Conquests of the continents, the numerous military interventions for conquering territories and subjugating races, the hundred years war and all the others were intimately connected with the industrial revolution that swept Europe first and then the entire globe under the hegemony of the capitalists.

For the monopoly capitalists who had held the charge of imperialist nations, these wars were nothing but a logical extension of their perfectly legitimate business or economic activity. There were any number of intellectuals in their pay rolls who theorized on the inevitability of wars and there was Malthus who could even eulogize on the beneficial impact of war on mankind. Resistance

against imperialist aggressions and capitalist hegemony came naturally from the working class the world over who were struggling to synthesise an alternate world view. The Paris Commune, the Communist Manifesto, the numerous TU actions across the entire Europe and then the Soviet revolution at the end of first world war were the natural responses of the working class against imperialist aggression and the hegemony of capitalists.

The First World War could not put an end to imperialist rivalries in the global market place; the Second World War came in as a sort of Malthusian solution for the market problem. Capitalists and their ideologues have their own interpretations on the Second World War and also the decades of Cold War they inflicted on the peoples of the world in the name of freedom, democracy and human rights. The decades-old cold war successfully demolished the Soviet Union and could thoroughly weaken the world socialist camp that had served as the base for global anti-imperialist alliance for more than seven decades.

## **2. United Nations and the New World Order:**

The League of Nations that came into existence after the first global war was intended as an instrument to resolve peacefully the conflicting economic or market interests of imperialist countries. It proved a failure, for it could not prevent the outbreak of an even more destructive second world war. The UN that was brought to existence by the winners of the second war, the allies and the Soviet Union, was a forum for interaction among the different peoples of the world at the global level. There are several examples where the imperialist powers under the new leadership of the USA had tried to use this new world body for reinforcing their hegemony over the world. The Soviet Union, the socialist camp and the third world countries through their non aligned movement could successfully resist these imperialist offensives.

It is recent history that, the countries that swear today by globalisation and interdependency of the nations of the world including their leader, the USA, did precious little to strengthen the august body of UNO. On the other hand they did everything to prevent the emergence of a democratic UN system that could effectively deal with the problems related to the progress and development of mankind. From the very beginning, the IMF and the

World Bank, though creations of the UN, were kept outside its democratic purview. These organizations even today continues to be the captives of USA and other imperialist countries with the UN having absolutely no control over them.

Denial or withholding of funds to the UN and its various agencies like the UNIDO, the UNICEF etc. on flimsy grounds and arm twisting of these world bodies, thereby violating even the UN charter in letter and in spirit, were the usual pastime of the USA. America has even dissociated itself from UN bodies like the UNIDO and ceased to be their member. On questions of world trade the USA was particular that UNCTAD, the legitimate UN agency to deal with these and related issues, should not be the focal point for international trade treaties and the treaties related to intellectual property rights. The GATT as well as its successor the WTO were forced to work totally outside the UN system.

With the active support and contrivance by the USA the UN system is being consistently denigrated and downgraded and its status as a democratic assembly of independent nations systematically destroyed. The series of global conferences ostensibly organised by the UN are turned into jamborees organised by NGOs and Voluntary Organisations of all sorts. The Rio conference on environment, the Cairo conference on population, the Beijing conference on Women and the Copenhagen Summit for social development have all discussed issues of global concerns. But nothing is done by way of action other than pious declarations and the UN is being used as a platform for launching all sorts of civilian and military intrigues by the imperialist nations. The UN system is perceived today as a God that failed and it has practically no say or initiative in shaping up the so called new global order.

And worse, the numerous UN declarations put out after prolonged noisy campaigns world wide often turn out to be misleading and even ideologically loaded in favour of the imperialists and cleverly hide their hegemonic intentions. In his foreward to the Copenhagen Declaration, B B Ghali the former UN Secretary General, makes a sweeping comment apparently with lot of satisfaction: "The east-west divide has disappeared and the north-south confrontation is gradually giving way to more global approach". Even a cursory look at the world situation today will tell us that the former UN Secretary General's statement has nothing to

do with the ground realities.

### 3. The Global Production Machinery.

The democratic world fora like the UN have been thus rapidly degenerating after the fall of the Soviet Union. And simultaneously, a global production system and a global financial system are rapidly shaping up under the hegemonic control of world monopolies. The gigantic progress made in electronics, computers, communications and satellite technology or the Information Technology is exploited in a big way not only to reorganise and relocate production facilities on a global scale but also for restructuring the production systems. Transnational monopolies are giving shape to global strategies not only for minimising wage, interest and tax costs, and for eliminating competition but also developing a Global Production Machinery under their hegemonic control.

And most of these transnational monopolies have their base in imperialist countries and inevitably they shape up their national policies and politics, and they in turn shape up the global policies. The following excerpts from an article published in the Peoples Weekly World are revealing:

The poorest 4.5 billion people on earth - 80 percent of its inhabitants - together earn only a little more than half the amount earned from the sales made by the world's 200 largest corporations. So says the Institute for Policy Studies (IPS) in Washington, D.C., in its recent report, "The Top 200: The Rise of Global Corporate Power."

"Two hundred giant corporations, most of them larger than many national economies, now control well over a quarter of the world's economic activity," states the report written by Sarah Anderson and John Cavanagh. "Philip Morris is larger than New Zealand and it operates in 170 countries... The most alarming finding is that as corporate concentration has risen, corporate profits have soared, yet workers and communities are getting a shrinking piece of the growing pie."

The income of these corporations is growing both absolutely and as a proportion of the world's total Gross Domestic Product (GDP). In 1982 world GDP was \$12.6 trillion, of which sales of the 200 equaled a bit less than a quarter. By 1995 world GDP had

doubled to \$25.224 trillion; the sales of the top 200 had increased to more than 28 percent of world GDP.

Japan and the Untied States accounted for 115 of the companies in 1982 and 117 in 1995. In 1982 only 15 of them were headquartered in Japan. Today, however, 58 are headquartered there and account for 39 percent of the 200's total sales while the 59 U.S. firms generated only 28 percent of total sales.

Six of the top 10 companies in terms of sales - but not corporate profits - are based in Japan, three in the Untied States and one in South Korea. Ninety-three percent of the top 200 firms are based in only seven countries - the United States, Japan, Germany, France, the Untied Kingdom, the Netherlands and Switzerland.

Only two developing countries, South Korea and Brazil, have firms in the top 200: Their six firms account for under 2 percent of the 200's total sales.

Of the 191 countries in the world in 1995 only 21 had economies which exceeded that of the largest corporation, Mitsubishi of Japan. Mitsubishi had sales of \$184.5 billion more than the GDP of Indonesia, the world's fourth most populous nation. In the Americas, only the Untied States, Brazil, Canada, Mexico and Argentina had GDPs greater than Mitsubishi's sales income. In fact, the income of each of the 20 largest global corporation exceed the GDP of every country in Latin America except Brazil, Mexico and Argentina.

The 200 corporations represent but one half of one percent of the 40,000 firms whose operations extend beyond the boundaries of the nations in which they are headquartered. These 40,000 firms conduct their business through some 250,000 affiliates. When corporations establish branches in other countries to produce parts then sold back to the original firms - or to affiliates in still other countries - should this be considered trade? One-third of world trade is made of just such "sales purchases." Forty percent of Japanese exports are to other branches of the parent firms.

If the leading corporations account for a quarter of the world's economic activity should they not also employ at least a quarter of the world's work force? That would total about 650 million people, according to U.N. figures cited by IPS. Actually, they employ only about 18.8 million, less than one percent of those workers. Only 118,000 people were employed in the 13 trading firms represented

in the top 200.

This "industry" and greater sales - \$1.216 trillion in 1995 - than any other industry represented. Automobiles, the second most profitable industry, employed more than 2.876 million people. Three of the 15 auto companies were U.S. Corporations: 1.168 million between them. GM, with 709,000 employees, is the largest employer in the entire group of corporations.

Non-productive industry, i.e. the 63 trading, banking, insurance and finance firms, accounted for some \$2.490 trillion in 1995 sales, 35 per cent of the total sales of the 200, nearly 10 percent of world GDP. Five trading companies generated 12 percent of the entire 200's sales - 3 percent of world GDP. Telecommunications alone now accounts for \$289 billion in sales annually - 1 percent of the world's economy.

But how much of that capital is available to the world's people? The poorest 85 percent of the world's population live in countries whose GDPs are less than \$1,000 per person. By comparison, the GDP per person in the United States is around \$25,000.

There is much ballyhoo that this is the era of the "information super highway." As we visit AT & T's and GTE's world-wide computer web sites, we should remember that more than 90 percent of the world's people do not have access to telephones. In the words of the IPS report, "the top 200 are creating a global apartheid, not a global village."

The social and political tensions, this sort of global production machine will bring into international relations, will be enormous. The architects of this monstrous machine theorises that this will lead to open and free trade on a global scale which will cut down costs and lead to all round economic development and progress provided the WTO and other mechanisms are allowed to their work. And of course these are not at all their immediate worries. The Global Production Machine is already ranking' out super profits and their most immediate concern is to find investment outlets for these super profits.

#### **4. Global trade and takeover of third world infrastructure:**

The fact that the Global Production Machine is already lead-

ing to colossal over-production is now a well acknowledged fact. While reviewing a recent book, "One World, Ready or Not: The Manic Logic of Global Capitalism" by W. Greider, the Harvard Business Review (Jan-Feb 1997) commented:

Greider's message is profoundly discomfoting. He is convinced that although the rapid spread of free-market philosophy since the end of the Cold War has created countless pockets of prosperity from Shanghai to Warsaw, the world economy has spun out of control and is heading for a cataclysmic fall. He discerns three ominous, converging trends. The first trend is increasing production; the world will soon be awash surplus goods. Multinational companies, engaged in brutal competition for market share, have expanded to the far corners of the globe. Their profitability depends on holding down wages in places such as Indonesia, which guarantees that workers in those locations cannot afford to buy what they make. Meanwhile, there is no way that consumers in the West can absorb mountains of new production. In the automobile industry, for example, global overcapacity will equal the production potential of the entire North American industry within four years. Surpluses are also building in chemicals, pharmaceuticals, electronics, and textiles.

The second trend is the rapid, constant flow of money across borders. Greider shows how large the stock of financial assets has become and how powerful Wall street is relative to Washington and other governments. In 1983, for example, the central banks of the United States, France, Germany, Japan, and Great Britain held \$139 billion in reserves, and daily trading in foreign exchange was \$39 billion. Ten years later, the reserves of those banks amounted to \$278 billion, and daily foreign exchange trading had soared to \$623 billion - and the ratio of trading to reserves is even higher today.

Powerful private markets are calling the shots in the world economy. They are inducing the developed countries to grow far more slowly than is desirable, says Greider, by demanding that governments rein in budgets too fast and keep monetary policy too tight. A long cycle of economic contraction and deflation may follow as a result. In addition, Greider fears that the phenomenal growth of investible funds far outstrips sound investment opportunities."

These and similar theorisations and lamentations by bourgeois economists are now a common experience. And they go on suggesting new types of Keynesian solutions for correcting the rapidly growing imbalances in the global economy. and the grand theoreticians of the World Bank and the IMF are working overtime to open up investment opportunities for these massive surpluses generated by the imperialist TNCs. In their new modernising and civilising missions these surpluses are to be ploughed back to the third world countries for building up and modernising their infrastructure . Experimental economic models for private or foreign financing and management of not only power, telecom, highways, railways and water supply but even the vital functions of governments are being developed by these experts in all details for implementation in the third world nations. Some of the TNCs have even the financial stamina even to buy up large territories or even continents and their inhabitants including the flora and fauna and manage these as private enterprises. These are reminiscent of the good old colonial era when East India Companies took over the political control of vast territories of the Asian, African, American continents:

## 5. Computerized policing of the globe

Economic offensives of imperialism is fully backed up today by its formidable military might of gigantic and global dimensions. United States of America, in its capacity as the natural leader of the imperialist block of the OECD countries, is fully equipped militarily to police over the community of nations. With the fall of Soviet Union and the socialist camp military might of the USA and that of the NATO holds near complete sway over the entire globe. Star War Programme or the Strategic Defense Initiative (SDI) initiated by the US warmongers during the final phase of cold war have created a global network of the super computers of the American military. They are linked up with the latest in satellite communication and networking technologies to plan out and execute a military offensive on any part of the globe at an instant notice.

The great possibilities of atomic energy was used by US militarists for making nuclear bombs on a priority basis and the first few bombs were tried out on the Asiatic people most wantonly toward the end of the second world war, just for establishing their

supermacy and for proving the efficacy of nuclear weapons. In the case of super computers and information technology also the approach of imperialists were not different. The great potential of computer networking and information technology for dramatically improving the intellectual productivity of mankind and for revolutionizing the production process itself is well accepted today. But the imperialists and their own priority: their first priority for use of these new technologies was computerized policing of the world community of nations through the SDI related programmes!

The entire globe is under the constant watch and vigil of the Pentagon and the White House today. Movements of any sizeable mass of men and materials any where on the globe are instantly detected, analyzed and accounted for by the computer network. The computer and information network are handy as well in the planning of psychological warfare on the nations of the world. Military movements and air strikes can be planned and executed with hitherto unknown standards of accuracy and precision. And all these super computer security and military installations across the globe are then backed up with nuclear and conventional weapons and delivery systems that could burn up the earth and life on earth several times over.

We all know how aggressively the Americans try to deny India access to nuclear and IT related technologies. They have been trying to bulldoze us into signing the NPT and propagating slanders about our nuclear programmes, basically addressed peaceful purposes. Our space programme was under attack branding it as a military adventure and the technology deal with Russia for cryogenic engines was effectively blocked. Even commercial deals for the import of super computer hardware were not permitted by the US. And then the fact remains that a sizable part of the computer technology of the USA was developed with Indian brain power.

The series of aggressions committed by USA, with the tacit support of its imperialist partners, earlier as well as in recent years have to be seen in the background of its global military supermacy. The destructive war inflicted on Arabs in 1991 and the prolonged economic blockade on the people of Iraq were justified by American rulers in terms of Saddam's impertinence! And now six years later, on 25th March a contingent of American naval and land

forces were dispatched to Zaire (Congo) in the name of providing protection to the American citizens staying in the capital of Zaire. The French has already an armed presence in Africa with its 10000 soldiers and the British is planning its military presence in that continent for some reason or other. There is already the talk of the G-7 countries jointly financing an African army for helping the peace process in Africa and for helping African nations with new lessons in democracy. The imperialists have taken on themselves the good old theory of the white man's burden of civilising the southern continents!

## 6. The myth of market ideology

This renewed offensive of imperialism has the support of its ideology, the violent ideology of the market place where, every body tries to take more than what he gives. It was the very same ideology that had led to the conquest, plunder and subjugation of the nations of Asian, African and American continents. Private production, competition and free market are sold today as the only way for improving production and for improving quality of life through technological innovations and improvements. Every one of these hypothesizes had been amply debated and rejected in the past not only by socialist thinkers but even by liberal intellectuals and economists.

How has the market ideology helped the people of USA and the European Union? European unemployment was less than three percent in 1974; it is nearly eleven percent today. North America, especially the USA, is the biggest attraction for immigrant labour from all parts of the globe. Major strength of the US economy is its cheap immigrant labour and the brain drain of third world countries. North American unemployment has not come down during the past two decades; it had always been between six and ten percent. Even Japan has doubled its unemployment rate from two percent in 1974 to nearly four percent today. As for quality life USA is one of the worst examples among the market economies. According to a 1995 survey more than one fifth of US children (21.1 percent) lived in poverty; 27 percent of US children lived with one parent; in all these as well as other social indicators the situation in the southern states which have more blacks is reported to be even worse.

In spite of its dismal failure at the social front, the apologists of capitalism favour the market ideology on the plea that only market competition can generate new technologies and thus ensure human progress. It is true that capitalism and free trade has revolutionized the process of production and it was a tremendous improvement over the production relationships that existed in feudal, tribal or nomadic societies. It is also well known that competition ultimately ends up in monopolies and then in state monopolies. Production of not only consumer goods but even the means of production, ie the machineries and technologies needed for production ultimately get produced by monopolies. It is planning by monopoly corporations and the state at large and not market competition that develops new technologies. These propositions are well argued out even by liberal economists like Prof. Galbraith who happen to be "person-a-nongrata" for the American establishment.

The recent dramatic developments in space, communication and computer networking technologies are examples to show that market competition do not play any role in the development of basic technologies in the contemporary world. NASA and the American space programme managed by it had little to do with market competition. The whole of the Internet technology and the internet were developed, as earlier mentioned, under the US star war programme using public funds by the US Universities.

And of course there were the Bill Gates and others who made use of these opportunities to grow into billionaires. It is for future historians to decide the precise role played by these market players in the computer revolution that has just taken off under the initiatives of state monopoly. These private operators always rush to the market with half finished products and waste considerable manpower, not only for marketing these imperfect products and then for developing the more improved models and versions one after the other. An example is the recent problem known as the 2K problem among the computer vendors all over the world: millions of computers and software packages used across the globe do not recognize calendar years beyond 1999. Millions of computer users are now forced to shell out considerable amount for teaching their computers how to count beyond the year 1999 AD! And that is symbolic of the myth around the technological efficacy of market competition!

## 7. Ideological fight against imperialism

The imperialists led by the USA plays up the efficacy of market competition in order to provide a justification for their hegemony over the nations of the world. Ideological warfare of the imperialists is not confined to the superiority or supermacy of market. It encompasses a whole range of issues ranging from human rights to environment; duplicity and deception are writ on every one of the global missions taken up by their leader, the US imperialists:

- \* With the numerous war crimes against the nations of the world and judging by jail statistics in that country US imperialists are the worst violators of human rights.
- \* US poses as the champion of peace between nations but, continues to maintain its well equipped military bases all over the world even after the cold war is over.
- \* US is the only nation that had dared to try out nuclear bombs but, goes teaching nuclear morality to every other nation in the world.
- \* US keeps the largest stockpile of nuclear weapons and it is the most ardent peddler of the nuclear non-proliferation treaty.
- \* US is the worst polluters of the environment and poses as the champions of global environment.
- \* They claim to be the upholders of democracy but has the record of supporting all sorts of dictators and despots.
- \* The democratic base of the US political system is so very narrow; hardly one third of US citizens participates in the electoral process and with the support of fifteen percent of eligible voters one can be voted to the Presidency.
- \* The US swears by free trade but imposes large number of non tariff barriers in its foreign trade; its most publicised Most Favored Nation (MFN) status means that a country can just have normal trade relations with it.
- \* The US preaches free market system and non-interference by governments in third world economies but government expense in the US is close to half its GNP.
- \* The US preaches austerity for every other country in the world but its per capita foreign debt is one of the highest in the world.

- \* The US is global champion of women's rights but it supports a socio-economic system that oppresses and denigrates women.
- \* It a global fighter against child labour but precious little tooffer to its own destitute and children who arethe market drop outs.
- \* US is the global champion of intellectual property rights but has no qualms in plundering the intellectual properly of third world nations and in exploiting their brain power.

The above are just few examples of the duplicity practiced by the US imperialists, the leader of imperialism, by way of ideological propaganda. Duplicity and deception are the hall marks of the market ideology and what the leader preaches is inevitably followed by the other imperialist partners. It is necessary for the world trade union movement to counter and expose these propaganda with concrete facts and figures.

## 8. Responses from world trade union movement

Trade union movement the world over, at the factory level, at the national level and at the international level have taken note of the new offensives unleashed by capital and the imperialists against the boiling masses of the entire world as well as the third world countries. Reports of the heroic resistance put up by the workers and their unions in the third world countries including India as well as the imperialist countries have been reported elsewhere in the Presidential address as well as the General Secretary's report to this conference.

The ILO in a recent news bulletin (26th Nov. 1996) takes stock of the devastating effect of the globalisation process on the working people: Nearly one billion people around the world, approximately 30% of the entire global work force, are unemployed or under employed in industrialized and developing countries alike. In its report World Employment 1996/97, the ILO calls the global employment situation grim... In the world's wealthiest nations, members of the OECD, at least 34 million people are unemployed.

The bulletin continues with the detailed unemployment figures of various regions and countries that are quite unnerving and

concludes that, " current levels of unemployment make no economic sense and are neither politically nor socially sustainable". The Director General of ILO, M. Hansenne warns against spurning the full employment ideal that guided national and international social policy in the post WW-II decades. But the document does not theorise on the social and political forces and the ideology that is forcing such policy changes. In fact the document argues that the restructuring programme that implemented on a global scale under the renewed faith in a global market and market ideology may not be the reason for the present trend of what is called job less growth.

The WFTU that had played an active role in the world trade union movement during the days of the socialist camp has not yet regained its effectiveness. The International Confederation of Free Trade Unions in its 16th World Congress in June last year had also reviewed the alarming situation in the employment front and its socio-political implications. IFCTU is a TU federation that has close links with OECD, the IBRD and the ILO and believes in hammering out solutions in consultation with all these world bodies and the various national governments. Sentiments expressed in the Copenhagen Summit for Social Development are repeated in this document as well. Such views are shared by other trade unions and regional federations also. They are all concerned with the new global offensive launched by capital today.

Trade upon aristocracy was always in the forefront of highlighting the miseries of the working class and the problems faced by the TU movement. But, they had always insisted that workers and their unions should seek solutions within the capitalist system. That was our experience for more than a century. And they had never taken kindly to the socialist project.

The offensives launched by the capital in the post cold war era reminds one of the years of imperialist aggression that had opened up a century of disorder, chaos and bloody destructive wars. The slogan "Workers of the World Unite!" now assumes a renewed significance in this new global context. No trade union movement can afford to miss this message.

#### 9. Action programme for CITU

The ninth conference of the CITU takes note of the new offensives launched by imperialism after the dismantling of the

Soviet Union and the collapse of the socialist camp. It also takes note of the heroic stand taken by Cuba, North Korea, Vietnam and China in defense against imperialist offensives. Several of the third world countries including India are trying in their own ways to defend against the attacks and manoeuvres of the imperialists.

The measures of success or failure of these efforts will naturally depend not only on the efforts of individual countries and their internal policies but also on the development of inter-imperialist relations. As the problems and contradictions of capitalist developments matures, these relationships could also undergo dramatic changes. CITU have to keep a close watch on these developments on a global plane and decide on actions and campaigns as things develop, keeping in mind the interests of the country, its working people and the workers of the whole world. The conference recommends the following course of action in the struggle against imperialism:

- (a) Strengthen the international department of the CITU so that it could have effective co-operation with the world trade unions and federations; these relationships should be used for enhancing the ideological clarity of world trade union movement.
- (b) Special efforts should be taken by CITU for building up unity and solidarity of the TU movement of the non-aligned countries and the Asia Pacific region.
- (c) Ideological fight against imperialist offensives should be strengthened by exposing them through detailed studies and evaluations.
- (d) Workshops and seminars should be conducted by the state centres for educating the cadres on the nature of imperialist offensives.
- (e) CITU should take the lead for organising joint campaigns with other trade unions as well as class and mass organisations.
- (f) Special issues of Working Class, CITU Mazdoor and other state level journals may be brought out on the subject in order to help the ideological fight.
- (g) Solidarity and support actions for the people and the countries who are resisting imperialist offensive have to be

organised at the national level.

(h) Campaigns should be organised throughout the country the following demands .

i) For full trade union rights in Philippines, Myanmar, and other Asian, Latin American, and African countries where the trade union rights are denied or restricted as on today.

ii) Democratise the functioning of the UNO; the system of Veto should be abolished in the Security Council and more powers given to the General Council.

iii) India which represents around one sixth of humanity should be given a seat in the UN Security Council.

iv) The NATO should be dismantled.

v) Military bases of the US on foreign soil should be dismantled and removed immediately.

vi) Military and trade blockades against Iraq, Cuba and Democratic Republic of Korea should be removed immediately.

# ON DEMOCRATIC FUNCTIONING

1. The CITU stands for complete emancipation of the society from all exploitation, which can be achieved only through socialist transformation. The CITU has declared in its constitution that it "firmly adheres to the position that no social transformation can be brought about without class struggle and shall constantly repel attempts to take the working class along the path of class collaboration".
2. This commitment to class struggle and the resolve to fight the class collaborationist line in the working class movement demands unstinted effort for broadest possible unity of the class which is inconceivable without democratic functioning at all levels of the organization and in all aspects. Hence the paramount importance for the CITU of ensuring trade union democracy in the highest possible degree.

## Challenge and Response

3. The CITU constitution, therefore, laid down specific provisions to be followed in order to ensure democratic functioning of the organisation. Besides, in his concluding speech at the very foundation conference of CITU, Comrade BTR explained the real meaning of trade union democracy and emphasized its supreme importance for the line of class struggle adopted by CITU.
4. While for a trade union wedded to class struggle with social transformation in perspective, democratic functioning is important under all circumstances, it obviously assumes utmost urgency at a time when the working class has to confront an all out offensive

of capital. Never before had the working class in India been so acutely in need of total mobilisation of its strength as at the present when it is facing the veritable challenge of the devastating new economic policy which was thrown on them in mid 1991.

5. CITU, of course, was quick to respond. With strenuous efforts it forged a united platform comprising most of the major central trade unions and industrial federations, the Sponsoring Committee of Trade Unions for Struggle Against the Economic Policies, and at a later stage the National Platform of Mass Organisations drawing in all other class and mass organisations such as agricultural workers' organisations, Kisan Sabhas, Youth, Student and Mahila Organisations and so on. But even at the early stages of the process, the inadequacy of CITU organisation to cope with the historical task of mobilising the entire working class and the masses of the people for resisting the policy leading to its ultimate defeat, was evident. Immediately, for the first time in 22 years after its foundation, a comprehensive review of the state of organisation and functioning of CITU was undertaken.

### Organisation Reviewed

6. In the course of the review it was noted that notwithstanding many achievements in uniting the trade unions in common struggles against the growing offensives of capital and steadfastly leading those struggles, the organisation of the CITU, after an initial spurt, reached a plateau and was stagnating there. Several short-comings stood in the way of its further advance and failure to adhere to the principles of democratic functioning was found to be one of the major short comings that impeded the growth of the organisation. The Report on Organisation adopted in June 1993 on completion of the process of review at all levels of CITU, enlisted the concrete manifestations of deviations from the norms of democratic functioning and laid down immediate tasks to be undertaken as remedial measures. One year later the imperative need for democratic functioning was again emphasized in the commission paper on organisation adopted by the 8th conference held at Patna.

7. Though there seems to have been some improvement in the situation at some places and in some aspects, compared to the change that is needed, the change that has taken place is much below the mark. Can we afford to allow this situation to persist? If

we do, we shall not be able long to effectively play the historic role that we have been playing all these years, thanks to our correct trade union line, as the unifiers of the working class movement. We must continue our effort in all seriousness to overcome this major weakness and for that we must remind ourselves repeatedly the implications of failure in this regard.

8. When we speak of trade union democracy or democratic functioning of trade union, we find it has two distinct but inter-related aspects. In its first aspect trade union democracy concerns the attitude of the leadership towards rank and file members of the union and the relationship between the union leaders on one hand and ordinary members and general workers on the other. In its second aspect it concerns the norms of working of the committees, the working relationship among the members of committees etc. We have serious shortcomings in both these aspects of democratic functioning.

### The unions and ordinary workers

9. The first aspect of the question of trade union democracy was elaborately discussed by Com.BTR in his concluding speech in the foundation conference of CITU. Noting that "In most of the unions....the ordinary worker is more of a guest in the union than the man whose fortress it is, whose house it is, that "atendency is there to make the union a preserve of a few leaders instead of a widespread organisation of the mass of workers," and that the consciousness that we have created in them is such that even workers tend to accept the position that to carry on the work of the union is the business of the leaders. He said "...Our struggle is the struggle for the unity of the working class, of the TU movement. That unity should be extended to all workers...TU unity...unity for resistance means every worker whether he belongs to some organisation or not must be rallied to join the common class struggle." In order to ensure this our unions must become a real live thing for every worker who rallied round its banner and every worker must consider that here is my fortress, not the leaders' fortress or the leaders' house but the ordinary workers' house." We demand democratic functioning in the union...because we want to bring the workers in the common struggle not as spectators but as active participants, active leaders..."Unless we come to...working class

democratic methods of functioning you will not be able to unite the workers...every one of us must change his own consciousness, must be determined to give up old consciousness and the old practice..."

10. 22 years after the foundation conference of CITU the Report on organisation noted the same weakness in the organisation as referred to in Com. BTR's concluding speech: "...in our unions the ordinary workers participation is only passive. The conditions necessary for inducing workers active participation is still wanting."

11. The conference where the major policies are determined are not held regularly in the case of many unions and CITU committees. There are instances of conference not being held for 8-10 years, even when it is held most often only a small fraction of the ordinary members participates. When there is delegate system, delegates are not elected democratically - this is true even for all India Conference of CITU. In the Conferences in general major part of the time is taken up by the leaders in making reports and speeches, leaving little time for ordinary members and delegates to express their views properly. Proper Election of the executive in the conference is a major aspect of democratic functioning. Since conferences are not regularly held, elections are also not held regularly. Whenever it is held. Ordinary members generally have limited opportunity to freely choose their leadership, even to offer their candidature. Extraneous factors have greater role in determining the leadership of the unions and CITU committees. Similar is the case with general body meetings - many unions and committees, do not organise GB meetings, even in cases where they are held, effort is rarely made for participation of entire membership and like in the conferences, in the GBs also, leaders do most of the talking. In most cases only the leaders speak in the GBs. In spite of CITU's directive draft agreements are not placed before general workers for their approval before finally signing. Criticism from below is brushed aside. Accounts are not properly maintained and placed before the general members. Besides the trade unions rarely concern themselves with major social, cultural and other questions of the workers at large.

12. Many of these and other lapses were elaborately dealt with in the Report on Organisation adopted nearly four years back and the

unions have been repeatedly reminded about them in all the meetings of the General Council and Working Committee. Yet, there has been very limited change in the situation. Membership has of course registered some increase. But we cannot claim that our old method of functioning has undergone change in the same proportion. The estrangement between the union and the ordinary members persists almost in the same degree as before.

13. This estrangement is now leading to disturbing developments. In recent times we have noticed cases of our union long enjoying recognised status getting defeated in secret ballot. Besides, local and foreign funded agencies are taking advantage in alienating workers from central trade unions and encouraging the emergence of the so-called independent trade unionism disrupting the trade union movement in the country.

14. It is thus clear that correction of the prevailing distortions of democratic norms brooks no delay. But in positive terms, for securing active participation of the ordinary members of the unions not only during movements and strikes but also in day to day work we are to adopt, without delay methods of functioning that create and sustain interest of the workers in the union. Firstly, the union must take care of all major questions concerning the life and livelihood of the workers including social and cultural. Secondly, in all matters, the opinion of the worker must be sought, full opportunity for free expression of opinion must be ensured and the opinion expressed must be given due importance in taking decisions. The workers must be so involved in the process of decision making that they may have the genuine feeling that all decisions are "their decisions". Thirdly the general members and workers must be continuously informed regarding implementation of the decisions and other developments. Fourthly, it must be ensured that the leadership at all levels is freely chosen by workers themselves at reasonable intervals.

15. Further, we must remember that our effort should not be confined to our union members only, it must extend to ordinary workers as well. We must draw more and more non member workers in to union activity. This follows from the basic object of trade union movement committed to class struggle. It is imperative for our unions to address the entire workers, beyond the narrow limit of our own membership.

## Functioning of Committees

16. The other aspect of democratic functioning concerns the working of the various organs of the unions, the committees, councils, secretariats, etc and also concerns, as a part of the above, functioning of the individual functionaries and their interrelationship in the process. These councils, committees and secretariats together constitute the organ of leadership of an organisation, with each having its own specific function. It is not difficult to see that, the character of its functioning is largely determined by the outlook and attitude of the leadership. If the leadership does not have a democratic attitude and the various tiers of the organ of leadership do not function democratically, one cannot even dream of active participation of ordinary members and general workers in the affairs of the union. In this regard too, the Report on Organisation has noted serious shortcomings.

17. The Report noted that as in the case of conferences, elections and GB meetings, the CITU committees and unions in many cases do not even hold committee and council meetings regularly. Even when meetings are held, no prior preparation is generally made with the consequence that the members of the committees/councils cannot make effective contribution. More often it is the leaders who do most of the talking, hardly leaving any scope for other members to speak. Even the members of councils and committees who are the activists of the union do not get any chance to feel that they are shaping the policy of the organisation and inevitably tend to become passive. All work of the unions is thus left to be carried out by a few office bearers.

18. Even the office bearers do not have regular consultation among themselves, frequent meeting of the office bearers or the secretariat does not take place, no system of information sharing exists. Ultimately the control of the entire affairs of the union or the committee often gets concentrated in the hands of president and secretary or even only one of them. This is bound to give rise to the phenomenon of bureaucratism, the most pernicious trend that fast eats into the vitality of the organisations.

19. The team of office bearers or the secretariat constitute the highest tier of leadership in an organisation. Democratic functioning of this tier essentially means collective functioning. Collective functioning of this core of leadership requires constant exchange

of information, frequent collective discussion for exchange of views, leading to broad unity of thought and understanding, and proper division of job and all that. Collective functioning is functioning really as a team. The President or the secretary has an important role to play as team leader. As team leaders they are to ensure that each individual member can give his best according to his specific ability and inclination, and it depends on them how best to pool together all such contributions to the greatest possible benefit of the organisation. They have to be extremely cautious that consciously or unconsciously they do not become, or, even appear to others to have become, the centre of a faction. The team leader will be the "first among the equals" and treat all comrades equally. These are some of the features of healthy collective functioning. Individual functioning is the opposite of collective functioning which means individual office bearers take their own decisions and get them implemented individually in respect of some aspects of work with which they are concerned, keeping the other office bearers quite in dark. In extreme cases individual office bearers carve out an exclusive sphere of their own which are carefully guarded from other colleagues. While presidents or secretaries have greater scope for individual function, other office bearers and activists also can, and often actually do, indulge in such practice. Although the damage caused by such practice is obvious, functionaries often consciously tread this path under the influence of individualism which puts self above all.

20. Another distortion of collective functioning arises from what we call factionalism. A functionary with personal aspiration sometimes unites with others having similar aspirations for fulfilment of his aspirations. Often innocent comrades, too, are drawn into factions. It is also obvious that faction functioning causes greater damage even than individual functioning.

21. Democratic functioning of any organisation depends almost entirely on how effectively the leadership team functions. This collective leadership seems to be an extreme rarity and the lack of it is impeding the development of democratic functioning in the organisation in a big way.

22. In our documents, instances of aberrations relating to this aspect have been enlisted almost exhaustively. It is not necessary to repeat them here. What is important to examine here is why even

4 years after adoption of the Report we find that it has by and large remained unimplemented.

### INFLUENCE OF ALIEN IDEOLOGY

23. The root of all deviations and aberrations lie basically in the influence of alien class ideology, the ideology of the exploiting classes, of feudal and capitalist classes. In our country because of slow growth of modern industry and persistence of feudal and semi-feudal relations, the influence of feudal ideology is widespread. Capitalist individualism combined with feudal sense of false authority shape our mental make up and provide nourishment to the reformist tendencies in us.

24. The neglect of the ordinary members of the union and the common mass of workers speaks of deep-rooted reformist influence in our consciousness. Class struggle as a developing process with conscious active participation of the entire mass of workers has little place in the consciousness of very many of our union leaders. Therefore, we adopt an attitude towards the mass of the workers hardly different from that of reformist leaders. The worst thing to which Com.BTR had drawn our attention is that even the workers do not protest when leaders function undemocratically. They think that it is normal, it is a business of the leaders to carry on the union work. This measures the depth to which our trade union movement has sunk in the morass of reformist consciousness.

25. Most of our leaders do not belong to working class by origin, many of them are not and never were workers themselves. Even those who are workers are mostly workers of the first generation who have joined the ranks of the working class without giving up fully the ideology of the alien classes. Some of them have of course some theoretical grounding - some have it in a high degree and are aware of the historical role of the workers as a class, the importance of uniting the entire class but that knowledge does not go deep into their consciousness to bring about fundamental change in it.

26. Again there are comrades who may give long lecture on the importance of collectivism but in their psyche their own individual roles are of supreme importance to them. This individualism in them leads not only to neglect the ordinary workers but also to

ignore the fellow members of committees, their colleagues in the secretariat, negligence in calling regular meetings of committees and councils and so on. And all this is true obviously not for the main leaders alone; the response of others is also often determined by the same individualism and it is bound to be so.

### TASK AHEAD

27. If this be the basic cause, the remedy, of course, lies in changing our consciousness. It is certainly not an easy task to be accomplished in a few days or months. Prolonged process of ideological cultivation and self cultivation is necessary to eradicate the influence of alien ideology and thoroughly change the consciousness, the psyche. Education needs to be a part of regular activity of trade unions but routine education is of little help in this regard. We should think of specially designed education system for this purpose. Honest criticism and self criticism in committees and teams is most useful, which again is difficult.

28. While TU democracy does not consist merely in mechanically following some rules without cultivation of the consciousness, yet rules based on principles of democratic functioning are extremely important. The incorrect ideas find concrete expression in our organisational functioning. The task of rectification of incorrect ideas is to be tackled organisationally. Our documents, while pointing out the deviations, have also laid down in concrete terms the rules that are to be followed. Every effort needs to be made that those norms are seriously adhered to. The committees at higher levels have greater responsibility in ensuring this. Undoubtedly in initiating the process of rectification and in sustaining it, CITU Centre is to shoulder the greatest share of responsibility.

29. But first the higher committees are to set their own house right and help the lower committees to do the same. We have signal failure in this regard at all levels, including the Centre. The Centre has itself failed to introduce an effective system of education for weeding out the influence of alien class ideology, apart from its failure to develop collectivism in its own functioning to the desired extent. It has also failed so far to make any effective arrangement for monitoring the implementation of the Report on Organisation for ensuring democratic functioning. It must be clear that it is wrong in theory as well as in practice to expect rectification of the

prevalent distortions in democratic norms without firm and vigorous intervention by the Centre.

30. However, there can be no doubt that intensified class struggle itself provides atmosphere most favourable for carrying out the rectification.

31. The present exercise on democratic functioning is not a new one. It is the continuation of our effort to revamp our organisation that started with the adoption of the Report on Organisation. In fact most of our organisational weaknesses and shortcomings enumerated in the Report stem from the absence of democratic functioning. It is a serious lapse on the part of the leadership at all levels that corrective measures laid down in the report have hardly been implemented. Renewed effort to implement them persistently and with dogged determination is, therefore, urgently called for.

32. Though the Report on Organisation has laid down the corrective measures in adequate details, several points are noted below which seem to demand special attention for early implementation.

- The constitution needs to be amended incorporating further specific provisions relating to democratic functioning. There should inter alia be provision for proper election of delegates to conferences at all levels.
- Centre should initiate a campaign in regard to implementation of Report on Organisation with special attention to democratic functioning and programme should be chalked out for phased implementation. Firm arrangement for regular monitoring of progress should be made
- General body meetings with general members of the union and even non-members ensuring maximum possible attendance should be regularly organised with participants having full opportunity to express their views.
- Special attention should be paid to constitutional provisions for holding elections through secret ballot, cumulative voting and other provisions made in the organisational documents. Particular care should be taken to keep the election process free from undesirable extraneous influence.
- Special detailed programme should be chalked out by the Centre for education and training with a view to eradicating the influence of alien class ideology and developing effective cadre

— The practice of one leader taking responsibility of a large number of unions should be stopped forth with.

33. However, it must be remembered that no amount of constitutional provision and rules-important though they certainly are - can by themselves guarantee full fledged democratic functioning unless we are guided by genuine democratic spirit the basis of which is total identification with the cause. For the leaders and activists, it is not self but the interest of the cause and the organisation that must come first and this is the basic precondition for real democratic functioning.

34. One note of caution is called for in conclusion. Our organisational shortcomings, weaknesses and failures have been mercilessly exposed in our earlier documents as well as in the present one. But all this must not for a moment make us forget that since the very birth of CITU, inspite of all this we have played and are still playing a historically important role in the working class movement in our country. CITU has been able to bring most of the heterogeneous trade unions together for common struggle against the onslaught of exploiting classes. But what remains undone and will have to be done is vast. Our organisation is our weapon. It is good that we have become conscious about the weaknesses of our weapon and have already carried out a prolonged exercise to identify the weaknesses and find ways and means to overcome them. If we always remind ourselves of the responsibility bestowed on us by history, if we do not distance ourselves from the masses of workers, and continue our effort to overcome our weaknesses and shortcomings, we shall certainly be able to discharge our historical responsibilities.

# MINIMUM WAGE POLICY

1 The Government of India has not formulated any wage policy for the workers and employees of various sectors of employment in the country. Demands for upward revision of wage, parity of wage among various sections of employees, neutralization of cost of living and determination of a national minimum, therefore is the main feature of the struggle of the workers and employees in various sectors of employment in the Central Government, State Governments, public sector and private sector.

2 The worst hit due to lack of any wage policy, are the vast multitude of the workers in the unorganised sector, who constitute over 92 per cent of the Indian work force including agricultural workers. Despite repeated demands, the Government has not fixed any criterion to determine the minimum wages. Minimum wages therefore vary indefinitely from state to state, from industry to industry and within the same state and the industry. The minimum wages that the workers get in the unorganised sector are below the poverty line. Their conditions get aggravated with the unabated price rise of all commodities, the real wages declining. Conditions of women workers are worse, as they do not get equal wages at par with their male counterparts.

## Impact of the New Economic Policy:

3 The issue of minimum wage however, has to be discussed in the background of the impact of the new economic and industrial policies and the structural adjustment programme being pursued thereof.

4 To encourage the labour intensive small scale and tiny scale industries in both organised and unorganised sector the Govern-

ment started reservation of items for production in these sectors from 1967 for protection against infiltration of large monopoly houses and for generation of employment. The list of reserved items progressively increased from 47 industries to 836 till 1991. According to statistics given by the Laghu Udyog Bharati, there are about 2.7 million small scale units in the country producing about Rs 3,75,000 crores worth of goods and employing about 2.5 crores workers. These units account for 40 per cent of the industrial production in the country. Exports from these units increased from 9.6 per cent in 1971-72 to 35 per cent in 1994-95.

5 However, with growing monopolisation, the tiny scale units with less than Rs 2 lakh investment in plant and machinery, and which account for 83 per cent of all the SSI units as per 1987-88 census of SSI, and which being more labour intensive, provide more jobs than the other SSI units.

6 In the above circumstances, the workers in the tiny scale units have been in pauperised condition. Wages of the workers in the other small scale units also are below poverty line. The question of minimum wage therefore in these vast sectors is a burning issue.

7 The 1991 Industrial Policy, however, threw open both the small scale and tiny scale units to not only the Indian monopolists, but the multinationals also. In pursuance of this policy the Govt started de-reserving the items gradually. The investment limit for the small scale units was raised from Rs 40 lakhs to Rs 60 lakhs by the Narasimha Rao Govt.

8 With the philosophy preached by the MNCs - from protection to promotion in pursuance of the policy of liberalisation, the Narasimha Rao Govt appointed the Abid Hussain Committee to suggest concrete measures for implementation of the 1991 Industrial Policy with respect to the small scale and tiny scale units. The Abid Hussain Committee in its diabolical report submitted during the UF regime in January, 1997 (Small Enterprises - New Policy Directions) recommended for completely scrapping the reserved list and also the foreign equity limit for the small scale and tiny scale units. As a first step, the list of reserved items were further pruned and the last budget raised the investment limit in plant and machinery five times, i.e. from Rs 60 lakhs to Rs 3 crores. Since 1991 lakhs of the small and tiny scale units were closed down throwing large number of workers jobless.

## **Structural Adjustment Programme and Composition of Workers:**

9 The practical form of the philosophy of liberalisation, privatisation and globalisation is seen in its implementation by way of Structural Adjustment Programme (SAP). First, the organised Public Sector is being gradually dismantled and contract system is being introduced both in the public sector and in other Govt employments as steps towards privatisation. Workers are being thrown in the already overcrowded unorganised sector for jobs. Secondly, the organised private sector is also being squeezed and workers are thrown in the unorganised sector in the same way. Goods produced in the organised sector are being produced in the unorganised sector and in home based units, which are growing consistently. The monopolists are earning huge profits by way of low working capital and ruthless exploitation of workers through low wages. Exploitation is further ruthless as the home based units in particular consist of larger sections of women workers and child labour too, who are paid less wages as compared to their male counterparts.

10 The composition of the workers in the unorganised sector is also changing with such structural adjustment programme. Since the workers are crowding in the unorganised sector being thrown out from the organised sector, a large number of them are skilled or even highly skilled workers. The question of minimum wage, therefore, acquires vital importance in this growing sector.

11 The SAP has brought with it the strategy of de-regulation of the labour market. This led to increasing non-enforcement of existing statute and regulation by doing-way with and/or non-functioning of the inspection and also to dilution of existing minimum wage legislation both by Central and various State Governments. The law enforcing authority do not bother for enforcement of the existing statutory minimum wage which is in most cases below poverty line earning.

12 The SAP has also given rise to another pernicious trend. In consistence with the policy of allurement to foreign capital and monopoly houses being pursued by Government of India, the various State Governments have started competing with each other in the matter of giving declared/undeclared concessions to foreign and domestic capital for attracting investment in the State,

which resulted in suppression of minimum wage level and non-revision of minimum wage for pretty long years. As UNCTAD report noted, such competition between the Govts and the State Govts for wooing investment in the states/region has resulted in a "race to the bottom" syndrome in respect of labour standards, minimum wage and the enforcement of the prevailing statute have become the worst victim of such "race to the bottom" phenomenon.

## **ILO Conventions**

13 The Government of India has not even ratified several conventions of ILO which are related to workers in the unorganised sectors of industry. The most important is Convention No.131 of 1970 on Minimum Wage. Convention No.131 calls upon the member countries to decide a system or criteria for fixing minimum wages as per the needs commensurate with the cost of living. It also calls for extension of the provision of Minimum Wage in all employments. It further calls upon the member countries to submit the list of employments which cannot be covered for minimum wage with concrete reasons therefor. A large number of employments are not covered for minimum wage at all. Convention No.26 calls for fixation of a machinery for determining minimum wage. The Government constituted one Central Minimum Wage Advisory Board to fix up the criteria for minimum wages. But the Board did not fix up any criteria at all. ILO Convention on social security measures and applications of labour laws are also violated. Apart from the above there is a series of other ILO conventions on Minimum Wage on the working and service conditions of the various sections of workers in the unorganised sector which the Government have either not ratified or refused to implement. These sections of workers include women, child labour, migrant workers, contract workers, agricultural workers, etc.

### **Need Based Wage:**

14. The concept of need based minimum wages as defined by the 15th Indian Labour Conference in 1957 came in the wake of glorious struggles launched by the Indian working class for securing better standard of living, as the Minimum Wages Act 1948, conceived during the British regime, was deficient in all ways.

15 In 1957 the 15th Session of the Indian Labour Conference adopted the following criteria for fixing minimum wages:

- i) The minimum wages should be need based keeping in view the minimum human needs of the workers and his family.
- ii) The standard working class family should be taken to consist of three consumption units for one earner only in the family of four i.e. self, spouse, and two children.
- iii) The minimum food requirement of each adult should be taken to be 2700 calories per day;
- iv) The minimum clothing requirement of each family of four should be taken as 72 yards per annum.
- v) A worker's cost towards housing should be calculated on the basis of minimum house rent charged by the Government in respect of Government subsidised quarters under the Industrial Housing Scheme.
- vi) A worker's expenditure on miscellaneous items such as fuel, lighting etc. should be calculated at 20% of total minimum wages.

16 In the above norms, the family unit taken as three, however, is not realistic, because the overall family consists of at least five. The 15th ILC also marked only 15 industries for the need based concept. This has to be extended to all industries.

17 In 1991, in the case of Raptakos Brett & Co Ltd (Appeal No.4336 of 1991, Oct, 1991) the Supreme Court of India held that

18. "The concept of 'Minimum Wages' is no longer the same as it were in 1936. Even 1957 is way behind....Each category of the wage structure has to be treated at the anvil of social justice which is the live fibre of our society today. Keeping in view the socio-economic aspect of the wage-structure we are of the view that it is necessary to add the following additional component as a guide for fixing minimum wages in the industry.

19. Children's education, medical requirements, minimum recreation including festivals, ceremonies and provision for old age, marriage, etc should further constitute 25% of the total minimum wages."

20 In an earlier judgment long back, the Supreme Court had also

rejected the bogey of capacity to pay raised by the employers and stated that capacity to pay cannot be accepted while fixing the minimum wages.

21. But even in the 40th year of the 15th ILC of 1957 the above remains a goal far away. But since we have to achieve this goal we shall have to propagate these criteria amongst the workers through a concrete and planned campaign so as to develop the awareness as also the level of consciousness of the workers in regard to their wages.

### **Minimum Wages Act, 1948:**

22 The Minimum Wages Act came into existence after bitter struggle by the workers. However, due to absence of any criterion to fix the minimum wages, the Act failed to give any succour to the unorganised sweated labour, who do not have the bargaining power to protect themselves from exploitation by the employers. Moreover, a large number of employments are not covered by the Act, and whatever minimum wages are fixed by the government, in an arbitrary and unilateral manner, they are not implemented. Further, the minimum wages fixed are all below the poverty line, and the employers go to courts even against such abysmally low minimum wages. In many states the minimum wages fixed are not linked to price index. So the real wages of the workers are declining. There is no regional parity even. This results in shifting of industries from one state to another of lower minimum wage, causing unemployment in one state and perpetuation of low wages in the other. So there is a total chaos in the area of minimum wages in the unorganised sector.

23 So far as the agricultural workers are concerned, the situation is still worse. Despite continuous demands by the trade unions and the agricultural workers, the Government has not yet enacted a Central legislation to protect their minimum wages.

24 The issue of need based wages as per the 15th ILC norms was not considered even in the various Wage Boards constituted after the 15th ILC. It, however, came up for discussion as demanded by the trade unions in almost all the Indian Labour Conferences, in the Standing Labour Committee meetings and in the now defunct Central Minimum Wage Advisory Board, which was constituted

as per ILO norms to determine the criteria for fixing minimum wages.

25 The issue has been discussed repeatedly in the State Labour Ministers' meetings and in Regional Labour Ministers' meetings also as convened by the Union Labour Ministers from time to time.

26 But despite all these discussions, the Government has not yet implemented the 15th ILC norms, nor the Supreme Court verdict, nor decided for any national minimum wage. So the chaos in the area of minimum wages remains with below poverty level wages in the entire unorganised sector, both in the central sphere, as well as in the state sphere.

### **Floor level Minimum Wage:**

27 The concept of floor level minimum wage according to Govt is that below which there should not be any minimum wage and this floor level minimum wages should not be below poverty line. But despite Govt's announcement, floor level minimum wages are below poverty line. The poverty line according to the Planning Commission (8th Plan) adjusted to 1991-92 prices, are Rs 11,060/- and Rs 11,850/- per annum for rural and urban areas respectively. Taking the Planning Commission's family size account of 5.08 in rural areas and 4.71 in urban areas, the poverty line works out to be Rs 35/- (approx) per day for rural areas and Rs 39/- (approx) per day for urban areas.

28 In the above background, the last 33rd session of the ILC discussed the issue again on November 24 and 25, 1996. All the Central TUs, with a view to giving an united view on the subject, decided that all should demand for a floor level minimum wage above poverty line, that is Rs 50/- per day at 1991 average index (1960=100) plus 25 per cent as per the Supreme Court's verdict. This demand was raised in the ILC by the CITU which was supported by all trade unions. The Govt did not raise any objection on this.

29 However, there was no conclusion in this ILC, which concluded with protests from the CITU. But the Govt later issued a statement, announcing that it had decided for Rs 35/- per day as the floor level minimum wage. The CITU, AITUC and HMS issued a joint statement rejecting this.

30 In the above perspective, the All India Coordination Commit-

tee of Unorganised Sector also discussed the issue several times. The General Council meeting of the CITU held at Vishakhapatnam from January 5-8, 1997 discussed the issue.

31. In the above context, the daily floor level national minimum wage has to be demanded by all the trade unions as stated above, which is achievable as the interim wage, while the campaign for need based wages has to be carried forward. The total daily wage would come to around Rs.78.00 as per the calculation given below with the demand for Rs.50.00 as the floor level minimum wage.

32 a) Poverty line wage in urban area according to official estimate at 1991 price (average Index 1045) (1960 = 100)	Rs. 39.00
b) 25 per cent increase as per Supreme Court verdict	Rs. 09.75
	<hr/>
	Rs. 48.75

- c) Average Index in 1996 (1960=100) 1646  
d) Total daily floor level minimum  
wage @ Rs. 50.00

$$\frac{1646 \times 50}{1045} = 78.75$$

33. Wage differential:

In view of the fact that composition of the workers in the unorganised sector is changing due to structural adjustment programme, and many skilled and even highly skilled workers are compelled to work in this sector, the following wage differential is suggested between the unskilled, semi-skilled, skilled and highly skilled workers with Rs. 78.75 as the floor level daily minimum wage of unskilled workers.

1:1.5:2:2.5

34 The daily minimum wages of the above categories would be:

unskilled	Rs. 78.75
Semi-skilled	Rs. 118.13
Skilled	Rs. 157.51
Highly skilled	Rs. 196.89

35. The clerical skilled worker would be categorised in between skilled and highly skilled categories.

36. The above stated floor level national minimum wages should be introduced for all employment in unorganised sector including service sector (eg, ICDS, security services, cooperatives, etc.).

### 37 Flexibility

The above floor level minimum wage would be flexible depending upon the local conditions in the states.

### 38. Role of the Administrative Bodies:

It is our bitter experience that in many states despite notification of minimum wages the administrative authorities responsible for supervision in implementation of the minimum wage do not take any initiative in this regard. Even the administrative bodies use to protect the employer who does not implement the minimum wage.

### 39. We, therefore, suggest that:

- a) Tripartite Committees with the workers' representatives shall have to be formed at the district level to monitor the implementation of minimum wage.
- b) Violation of implementation of minimum wage by the employer shall be treated as cognisable offence and appropriate action shall have to be taken accordingly.
- c) Issuance of appointment letters/identity cards will have to be made by the employer as a statutory obligation to ensure payment of minimum wages.

### 40. Amendment of Minimum Wage Act

It is our experience that the Minimum Wage Act is not at all conducive to the interest of the workers of our country. We firmly

opine that this Act in particular shall have to be amended with inclusion of the following points:

- a) The Minimum Wage Act must incorporate need based wage as per 15th ILC deliberations and also the judgement of the Supreme Court.
- b) The Act be amended with categorisation of unskilled, semi skilled, skilled, clerical and highly skilled workers, and fixing minimum wage covering all employments including service sector and drawing away of the schedule of employment. However, it should not be applicable to cases where higher wages are settled through agreements and other mechanisms.
- c) Amendment of appropriate provision so that the employer not implementing the minimum wage be punished more rigorously, and non-payment of minimum wage by the employer shall put him in jail. Appropriate provisions of CrPC and IPC should be amended accordingly.
- d) The Act has to be amended accordingly and put in Schedule IX of the Constitution so that the employers cannot go to court.
- e) The Act has to be amended so that the revision of minimum wage be made for every six months or rise of 50 points, whichever is earlier.
- f) Exemption clause of the existing Act has to be deleted.
- g) While declaring the minimum wage the scale of pay with annual increment shall have to be declared.
- h) The Act should provide full neutralisation of the cost of living.

## **Campaign for Need Based Wage**

41 In the light of the discussion in the General Council,

1) We must launch vigorous campaign and struggle for need based wage as per the 15th ILC norms with 25 per cent addition as per Supreme Court's verdict. Our campaign should be educative so as to make the workers aware of the 15th ILC decisions and of their needs, not only the nutritional aspects, but also the other requirements including the Supreme Court's verdict. This thorough going and continuous campaign is necessary, so that through struggles need based wages can be realised gradually step by step. They must realise that they are unable to make both ends meet

because they are getting wages even below the poverty line in the vast unorganised sector.

- 2) The family unit should also be five and not three.
- 3) Furthermore, the workers must also raise demands for full neutralisation of the cost of living with automatic linkage with the Consumer Price Index and revision after every six months or 50 point rise in CPI, whichever is earlier.

### **Movement:**

42. State level rallies and demonstrations to culminate in a central rally at Delhi in September, 1997 followed by a deputation to the Prime Minister and Labour Minister.

# **STRUCTURAL REFORMS: ITS IMPACT ON WORKING CLASS AND TU MOVEMENT IN INDIA**

1. Since 1991, following the introduction of the structural Adjustment Programme (SAP), much euphoria was demonstrated regarding the 'magical efficacy' of 'Market Economy'. It was being sought to be said all around as if for the first occasion the market economy has been introduced in India in 1991 and as if market played no role in the Indian economy earlier.
2. But, as a matter of fact during post-independence period Indian economic development followed nothing but a capitalist path where market forces is no way anything novel in Indian context as being claimed by the policy makers.
3. After independence Indian ruling class had undertaken the policy of state's active participation in building up key and heavy industries, capital goods and infrastructure industries to start with for providing congenial base for private investment resulting emergence of large public sector network.

## **WITHDRAWAL OF STATE'S ROLE IN ECONOMY**

4. What is new under the present dispensation of Fund/Bank brand of economic measures being trotted by Indian rulers since 1991 is the phillosophy of complete withdrawal of the state's direct role in economic activities, including its role of regulating even the

direction of economic and developmental path. This led to privatisation of PSUs, total opening of the Indian market to foreign capital, opening of the sectors hitherto reserved for Public Sector to private capital both Indian and foreign and also withdrawal of states' regulatory interventionist role in the labour market. State or the Government as per the Fund/Bank approach would only be there to provide free and congenial ground for the players to play by way of complete deregulation.

### CULMINATION OF FAULTY POLICY AND COMPROMISE WITH FEUDALISM

5. The so called 'Mixed Economy Model' being followed since independence had also many basic shortcomings and the history of economic development in India shows explicitly that those shortcomings were being pampered and nursed by the Indian rulers. Further the role of state in economic development as envisaged in Industrial policy resolution 1956 was being continuously diluted and distorted making the same lopsided ineffective. One of the basic shortcomings was the compromise of the indian policy makers with the forces of feudalism and its failure to end feudal land relations in Indian agriculture covering 70% of the population. The very co-existence and dominance of feudal economic structure in the rural economy along with the effort of industrialisation in the capitalist path, resulted in unproductive blockade of scarce resources generated in vast rural economy in the fewer hands of rural landlord class on the one hand and gradual impoverishment of the majority of Indian population leading to contraction of the domestic market for industrial commodities and retarding growth and capacity utilization of the industries, besides creating crisis of resource generation for economic development.

6. The failure of Indian rulers to end feudal land relations has created serious distortion in the pace and character of industrialisation and has not allowed the economy even to exploit the full prospect and potential of even the capitalist development available within the existing economic framework. And infact this compromise with feudalism had its fall out in gradual dilution over the years in the policy of state's command on industrial activities and the policy of import-substitution, with more and more areas thrown open to private sector and foreign capital. Notable was the major

shift in the direction in the 1980's when the reserved areas for the public sector were further pruned and floodgates opened for import of Capital goods and consumer durables and their components in a big way thereby increasing manifold the import dependence of Indian industry and widening the trade gap culminating to foreign exchange crisis in late 1980's and early 1990s.

7. It can be conclusively said that the unholy compromise with the feudalism and its ramification on the industrial economy has led the country to the latest crisis which culminated in the ultimate surrender of the Indian rulers to the Fund/Bank design of Structural Adjustment which is basically structured to ensure free access of the international finance capital to the market of the developing countries at the cost of domestic industries and self-reliant development. The dismantling of Socialism in Soviet Union and East Europe has no doubt acted as facilitator to such process, emboldening the imperialist forces to mount their offensive.

8. Feudal elements in the Indian economic structure also had their ramification in the society in terms of social backwardness. It also had its adverse impact on the Industrial Management as well, which got manifested in the mismanagement of the vast public sector network of the country.

9. It is to be noted that the Fund/Bank prescribed reform package has not included land reform in their agenda. Rather the policy of liberalisation has encouraged greater commercialisation of Agriculture and its export orientation already resulting in shift of 2 million hectors of land from foodgrain production to cash crop endangering food security of the country. And the added thrust of commercialisation of agriculture is creating ground for further concentration of land in fewer hands in the rural economy through dubious means, and the process has already started in many places.

### ALL RELIEF TO CAPITAL AT THE COST OF PEOPLE

10. The New policy regime is directed towards total opening of Indian Economy to outside world alongwith withdrawal of state from all sorts of economic activities. In infrastructure sector also role of private and foreign capital has been envisaged in a big way of course with active assistance of state in the form of purchase and

profit-guarantees. Under the new dispensation, state is further expected to withdraw all kinds of subsidies for common people and also substantial concessions to the corporate sector from the burden of any tax on their income and profit. State is also expected to dismantle its public sector and thereby release its command on the economy and erode the country's industrial base. In the background of shrinking domestic market, export-orientation should be the motive force for any production-venture and there should not be any restriction on import.

11. Successive annual budgets of the Central Government particularly since 1991 demonstrated adherence to above direction and concept featuring steep reduction in customs duty, greater relief on corporate and wealth taxes, liberal concession to monopoly houses and foreign capital, alongwith reduction in real terms in the allocation on poverty alleviation, education, and all other heads of common peoples concern. State's withdrawal from economic activities has been demonstrated by privatisation of PSUs through gradual disinvestment, non-revival of Sick PSUs and opening of sensitive sectors like telecom, Mining, Oil, Power, Defence industries, insurance etc. to private and foreign capital.

12. The tax on essentials consumables by common people remains to be the major source of revenue but that has got also its limitation. In general under the new policy regime the revenue base of the govt is getting considerably weakened. After the last budget tax-GDP ratio stands at only 10.5% compared to 20% in many developing countries. Hence in the background of dwindling revenue base owing to tax concessions to monopoly houses, foreign capital and rural rich, the compulsion imposed by World Bank/IMF for containing fiscal deficit is leading towards drastic reduction of expenditure on general welfare and basic essential services having direct bearing on the life and living of common people leading to further contraction of domestic market. In essence the whole direction of the budgetary and fiscal exercises is towards gradual marginalisation of the role of the state in the economic field. The camouflage of a 'Social Welfare State' is getting gradually withdrawn and the theory of "Survival of the fittest" is being brought back to operation.

Naturally, the New Policies are having their severe ramifications on the whole body of Indian economy.

## IMMINENT DEBT TRAP

13. The balance of payment crisis in 1990, was stated to spark the switch over to the policy of so called liberalisation as per Fund/Bank Prescription. After five years' pursuance of the policy, situation continued to remain in same vulnerability posing palpable threat of debt trap. Current Account deficit has already crossed \$2.1 billion in 1995. The foreign exchange reserve with the country though projecting an apparently comfortable figure of \$21,687 million at the end of March 1996 is basically composed by lion's share of external debt and amounts flowing from portfolio investment, with its vulnerability to flow out in no time, which has also been admitted by World Bank in its latest report. Out of total inflow of foreign capital every year, more than 70% is in the form of portfolio investment during last five years of liberalised regime. The external debt burden stands at 32.8% GDP ( \$96 billion).

## INCREASING POVERTY, DECLINING REAL WAGE

14. Impact on labour of the new policy happens to be the worst. The policy of liberalization has cast gloom on more than 80% of the population of the country. Prices of essentials are sky-rocketting sharply eroding living standards of the common people. In the background of annual average inflation of 10%, the purchasing power of common people has gone down to an alarming extent reflecting sharp reduction of total purchase of foodgrains even from Public Distribution system from 18.8 million tonne in 1991-92 to 14.1 million tonne in 1994 and the same trend is continuing in subsequent years.

15. The real wage of agricultural labour still representing sizeable majority of the workforce has also gone down substantially. Despite good monsoon, food production marked a decline in recent years. As per estimate of National Sample survey, rural poverty in India has increased from 35.04% in 1990-91 to nearly 44% during end of 1994, and in absolute term to 245 million poor in rural India.

## INCREASING UNEMPLOYMENT

16. Employment generation has become the biggest casualty under the new policy regime, which torpedoed totally the claim of

the policy makers that market economy would act in generating employment and prosperity. The rate of unemployment consistently grew from 3.1% of the total labour force in 1991 to 5.5% in 1994. Annual rate of growth of unemployment is much more than the rate of growth of population. Unemployment as per live register of employment exchanges has already reached around 28 million in 1995. Employment generation is not at all consistent even with the sluggish growth of GDP. The employment elasticity has been consistently diminishing under the new policy regime, it being only 0.41% in 1994, imposing the reality of the jobless growth pattern.

17. Besides above, if the underemployment prevalent in unorganised and rural sector is converted into full time unemployment by a suitable conversion factor, the figure of unemployment would definitely go up by 25%.

18. Added to this is the problem of redundancy and sickness of industries. According to a study report redundancy in organised sectors owing to industrial sickness and various other reasons amounts to 2.5 million. Of this around 7 lakh workers are employed in sick PSUs which constitute 18.2% of employment in Govt and quasi govt organisation. In private organised sectors redundancy amounts to 1.3 millions and in small scale units it is around a million.

### LOSS OF JOBS OUTSTRIPS JOB-CREATION

19. The pattern of employment generation during the post liberalization period reveals some hard truth. During 1991-95, employment generated by the organised sector every year remained mostly below 0.5%. Jobs are created in the informal/unorganised sector at a comparatively faster rate than the organised sector no doubt, but the Frequency of joblosses in unorganised sector and inherent character of casualised and seasonal working has more than off-set such growth. Added to this was the loss of jobs in organised sector due to sickness and rationalisation etc. In net terms employment growth remained negative.

### CASUALISATION/INFORMALISATION OF WORKFORCE

20. Instead of generating full-time productive employment, the

policy of liberalization has led to greater informalisation of labour sector as a whole. Permanent job posts are being abolished in greater number in almost all the sectors of industry and farming out jobs to contractors and allied agencies have become the order of the day in industrial operation. Organised sectors and in particular the Govt. Sector happens to be the biggest promoter of the contract system. Public Sector Steel Industry employes more than 80000 contract workers, and Indian Railways employes more than a lakh in various phases of operation. Coal is another major employer of contract workers. Same is the case of various Govt deptts like Postal Service, Telecom Service and many other public sector manufacturing and service units where offloading or farming out jobs on contract have become a regular pattern. The whole construction Industry including the units in public sector are based on a vast number of contract or casual workforce. Such pace of contracterisation and casualisation of work has taken a jump after the initiation of the so called market driven policy regime.

21. The new policy regime has also been contributing towards some structural change in the production-organizations in the industries having inevitable impact on employment pattern and condition of employment and also on unionisation. Such changes are yet to take place in a widespread manner but the new policy regime is provoking such changes. There are instances that some companies once having large-scale production set up in big factories employing thousands of workers have been off-loading manufacturing of components to number of small scale units/agencies or home based units and also their assemblies, while making the original workforce redundant and the factory inoperative and sometimes declared as sick units. The cases of Bata, and many other industrial units in electrical and electronic sector are the example of such trend of decentralised production.

Infact this trend of decentralization in the factory system of production has already set in to create greater-informalisation in the workforce marking a process of greater shift towards unorganised sector. In a high-unemployment Scenario like ours, such trend indicates faster decline in labour-standards and quality of employment besides casting negative influence on unionization of the workforce. The said trend of decentralized factory system has also added a new dimension to the problem of unorganised sector

which was so long dominated by labour-intensive and classically unskilled category of work.

### ATTACK ON TRADE UNION RIGHTS

22. The new economic policy of liberalization has also intensified offensive on Trade Union and Democratic rights of the workers.

23. The strength of the trade union and democratic movement is unevenly spread over the vast country. And the weaker spots in the country witnesses complete lawlessness and unbridled oppression by employers. The workers in unorganised sector are the worst sufferers. The labour legislations and the statutory obligation of the employers to provide for statutory minimum wage and other basic amenities, accident compensation, safety norms etc. are flagrantly violated by the employers with impunity. Situation has become worst in export processing zones scattered all over the country where even trade unions are not allowed to enter and workers are being subjected to work under inhuman conditions, meagre wage and under constant threat of being fired out.

24. In the export processing zones in particular, there are various instances that newly set up industrial units in such zones are closed down just after the expiry of five years tax holiday period, throwing the workers jobless. Same unit is being opened with a new company name with a new set of workers to enjoy again the tax concessions applicable for new export oriented units.

25. Such violation of labour legislations etc., are being directly indulged by the Govts by doing away with the system of periodic inspection in various states by the concerned enforcement authorities in the name of non-intervention in management, alongwith most ineffective, inefficient and slow-moving grievance settlement machinery under the labour-deptt.

26. In the organised sector as well, having comparatively higher rate of unionization offensive on the right of workers are increasing. The employees of Insurance Sector are not having right to collective bargaining. Govt is exercising its right to declare any lawful strike of the workers illegal as has happened in the case of coal Industry, Postal and Telecom sector and Safderjung Hospital. Cases of invoking ESMA against trade union action has increased many times during last five years. The Unilateral imposition of the retrograde rules regarding recognition of unions on the central govt employees are nothing but blatant encroachment of their

trade union rights. Notable also is the phenomenon of imposing ban on demonstration/dharna/gate meetings etc. in the factory gate/workplace through court order, putting embargo on routine trade union activities as is being commonly seen in northern India and also in many places in the south.

## TOWARDS DEREGULATION OF LABOUR MARKET

27. One of the most important ingredient of Fund/Bank policy of liberalization is deregulation of labour. Labour legislations are being sought to be overhauled under the new policy regime in the direction of stripping labour from whatever meagre rights they possess. Existing labour legislations are already having severe limitations and bias in favour of employers. But still the ruling class under pressure of foreign investors and Indian Capitalists seeks to scrap any protective shield of workers howsoever small and fragile, in order to totally clip the workers right to assert and liberate the employers from all its obligation by empowering them with the right to hire and fire. The draft proposals circulated in Indian Labour Conference on industrial relation legislations, if read between the lines would expose such desperate move by the govt and the employers class.

28. The economists of the policies of liberalization are seeking to plead that deregulation of Labour or in other words removal of Labour market rigidity to ensure the right of the employers to hire and fire would be instrumental to greater employment generation. The experiences do not substantiate such a proposition, not only in case of India, but also for the entire world. The World Employment Report (1996-97) published by ILO commented that "There is no basis for a blanket presumption that these regulations are invariably sources of rigidity and that deregulation is automatically the optimal solution (for unemployment problem)".

## ALL ROUND DECLINE

29. The policy of liberalization being pursued since last five years has brought about all round decline in all the sectors of economy.

30. In the first place it has aggravated industrial sickness endan-

gering and marginalising the jobs of hundreds of thousands of workers. And prospect of revival is being blockaded by Govt. policy.

31. Secondly in the name of generating competition, imports are being liberalized particularly of finished goods - in almost all the sector of the economy - creating crisis of survival for large number of domestic industries including the PSUs.

32. Opening of the vital petroleum sector to foreign capital accompanied by alarming decline in indigenous oil production from 73% domestic consumption level to a low of 44% is indicative of pernicious, trend of fast erosion of indigenous capacity in the respective area. Same is the case in the Coal Sector, where despite having rich Coal reserves in the country, import is going up.

33. Thirdly the industries in the traditional sector like Jute, Textile, etc. have also been worst hit owing to policy of liberalization and their failure to cope up with the environment created by globalisation. Notable is that particularly in textile sector traditional industrial units are facing crisis whereas many small scale export oriented units are coming up with higher technology and lower wages.

#### MNCS LOOKING FOR MORE MARKET, LESS VENTURES

34. Whatever foreign investment is taking place in industry till date, are mostly through take-overs and joint ventures with the existing establishments. This has not led to expansion of employment. Rather take over of Indian Company by MNC is followed by severe reduction of the manpower and rights of the workers in the name of rationalisation. Case of Hindustan Lever taking over TOMCO M/s Malhotra of blade manufacturing taken over by Gillete and M/s Parle Gobbled up by Cocacola are the examples in this respect. MNCS are more interested in the existing Indian market than setting up factories and production facilities.

35. Wherever new ventures/units are being set up - they are mostly in capital intensive areas with minimal employment compared to investment and production capacity. Moreover, in many industries, the balance between the unionized workers and the so called officers have been seriously altered in favour of the non-un-

ionized workforce. This trend is particularly visible in the new units which have come up during post liberalization years.

### INDIA FACING DEINDUSTRIALISATION

36. Overall trend can be broadly outlined as follows. Policy of globalisation is acting in eroding the domestic industrial base and hence the self reliance. In net terms production facilities in the industrial sector are not expanding. Whatever new ventures are coming up are being more than neutralized in terms of employment generation and capacity creation by the losses due to sickness, closure and ouster of many domestic units from the market owing to extremely unequal competition. On the other hand, Indian market is becoming the hunting ground for products of the multinational companies. Indian market, at the cost of employment opportunities in Indian soil are offering relief to recession stricken western economies suffering from excess - capacity.

### STRUGGLE AGAINST THE POLICY:

#### STRENGTH AND WEAKNESSES.

37. Indian working class has unitedly fought against the Fund/ Bank dictated policy of liberalisation and have been able to expand the platform of struggle beyond the boundary of trade union movement to draw people from all walks of life. During last five years of liberalised regime four countrywide strikes could be organised besides many sectoral, industry based actions by the Indian Working Class.

38. Notable is that the platform of movement got broadened through the process of struggle itself. National Platform of Mass Organisation was formed to include the mass organisations of students, youth, women agricultural workers peasantry and other professionals. Working class could take the much needed lead to mobilise other section of people in the struggle.

39. It was even admitted by the World Bank in its report that of all the countries, where structural adjustment programme was introduced, it has met biggest opposition from Indian trade union movement. And the fact remains the struggle of the Indian people against the policy of so called liberalisation under the leadership of

working class could slow down the pace of the so called reforms, though we could not yet reverse it.

40. But at the same time, we must admit, there are certain weaknesses as well. The struggle could not draw in its fold the entire working class and a large section still remains uncovered. Secondly all the mass organizations could not be activated with their full strength in the struggle against the new economic policy. Thirdly, the strike actions by the working class and other forms of agitation could not be effectively combined with the action of peasantry to make the force of resistance more widespread and really effective.

41. Those weaknesses have its natural reflection on political scenario as well. Although the last general election in the country was held in the background of continuing agitation/struggle against New Economic Policy, Election result did not reflect the desired change of correlation in favour the anti-liberalisation platform, although Congress was defeated. The post election scenario brought forth before the working class a peculiar dichotomy of situation - the need to fight out the policy of liberalisation and the need to keep the force of communalism at bay.

42. And these weakness have also brought anti-NEP struggle to a palteau and a breakthrough from this situation requires a much deeper broader involvement of the peasantry as well as working class in the resistnace struggle against new policy.

### IMPACT ON COLLECTIVE BARGAINING STRUCTURE

43. The process of liberalisation has also brought forth certain notable changes in the pattern of Industrial relation management and structure of collective bargaining.

44. In the organised sector of industries, particularly in Steel, Coal, BHEL, Fertilizer, Cement, Sugar, Airlines, Banking, Power Sector, Oil etc. having multi-unit production centres scattered all over the country, a pattern of national level industry based negotiating fora for deciding wages and other benefits have developed over the years. Through this process at least a general parity in wage pattern within workers of a particular industry working in different units could be developed, and with accompanying effort by the trade

unions, various powerful industrywise trade union federations came into existence. In the post liberalisation scenario, the employers' have become quite active in dismantling this practice of National level industry based forums - and switching over to a decentralised unit level negotiation on wages and other benefit of workers.

45. Already in Fertilizer Industry in public sector, some of the highly profit making units, got themselves separated from National forum of the Fertilizer Industry and had separate unit level wage negotiation, whereas the rest of the Fertilizer units were kept out of the wage revision on the plea of making losses. Same is the case with Cement Industry, and such move is afoot in some other sectors as well. Unfortunately such moves by the employers did not receive much opposition from the concerned unions/workers at the unit level barring some formal protest/opposition at the All India level. Probably steel industry is the only exception where effort to disassociate IISCO from the purview/coverage of Steel wage negotiation on ground of sickness, could be resisted by the trade union movement.

#### IDEOLOGICAL OFFENSIVE

46. The New Economic Policy of liberalisation has been introduced not in the economic front alone but alongwith a strong ideological campaign through media and all propaganda outlet, which is having its ramification among all section of people including working class and on the human value system as well. This is also bringing silent changes in approach and outlook of individuals as well spreading in all the segments of the society. The phillosophy of "Survival of Fittest" and "success at any cost" and "Selfish orientation" are being sought to be cultivated as key values. And this campaign has taken off in the back ground of the dismantling of socialist system in Soviet union and East Europe.

47. Another phenomenon is the mushrooming of NGOs dealing with agendas of the TU movement, with a bid to propagate irrelevance of TUs in the changed scenario. These NGOs, pose to take up the problems of the workers in the unorganised sector and get wide coverage in the media, and seek to project an alternative to trade union action and enjoy active patronage in the government as well. Many of them are foreign funded organisations and sell the

idea of 'social clause' linked with WTO framework. This NGO-ism also has made some inroad within the constituency of trade union movement owing to its weakness in unionising the unorganised sector workers.

48. The ideological offensive of the market-driven economic policy is basically aimed at divesting the working class movement from its class-moorings, provoke drift from collectivism to individualism, it being the most potential force to build resistance against the onslaught of capital.

### STRUGGLE MUST PROJECT ALTERNATIVE

49. The working class movement in India with all its limitation could build up opposition to the policy of liberalisation through struggles and could broaden the platform of struggle. But the struggle is yet to project concrete and workable alternative to these policies which could touch the imagination of the people and can draw patriotic people at large to the struggle against the policy of mortgaging the self-reliance and economic sovereignty of the country.

50. To counter such selfdestroying policy, our movement must project alternative proposal of selfreliant development and an alternative reform programme to strike at the very root of present structure of the economy - overshadowed by feudal land relation. It is not at all fact that country is lacking resources. Rather, the huge resource-potential of the country is blockaded by the very existence of extremely unequal feudal economic relation prevailing in rural India and its impact on the industrial economy. Radical land reform can create, through substantially altering the present income distribution pattern in rural economy and resultant multiplier effect on the entire economy as such, condition for resource generation by alternative route based on self reliance. There are other avenues of resource mobilisation through unearthing of black money, recovering of Rs.40000 crores unpaid loan by Corporate and monopoly houses from Nationalised Banks, higher taxation on monopoly houses and MNCs and bringing rich landlord class into the taxnet. Such internal measures can master much more resources and place the country's economy on much stronger footing to bargain and dictate terms to foreign agencies.

51. In fact, situation demands projection of such workable and

concrete alternative even (and not just in generalised terms) within this existing constitutional frame work as immediate slogan which would imbibe greater confidence and force in the anti-NEP struggle.

### ABSENCE OF ALTERNATIVE CREATES VASCILLATION, AFFECTS CREDIBILITY

56. Our failure to yet project such concrete alternative is also bringing the anti-NEP struggle to a plateau besides weakening the conviction regarding the prospect of defeat of such retrograde policies. Such a situation is giving rise to a trend of reconciliation with the existing policy frame work of pro-MNC liberalisation finding expression in the form of various vacillations and hesitations within the platform of struggle. This is also severely affecting the credibility of the entire struggle and our anti-NEP credential. A sizeable section within the T.U. movement has already fallen prey to the 'TINA' (There is no alternative) syndrome which dilutes the commitment level as well, besides incapacitating the movement to make a breakthrough.

57. Precisely in this background of ideological vacillation—all negative aspects such as individualism, so-called enterprise unionism, isolationist ideas seek to make inroad within the TU movement taking advantage of the utter confusion prevailing in the rank and common workers. Our organisational shortcomings in respect of democratization of union functioning and non-involvement of common workers in framing the tactics and policy relating to line of approach and struggle, and resultant lapses in lifting their consciousness level to confront the ideological offensive and broaden the struggle beyond the horizon of trade union movement, and above all feudal practices blocking both way communication from top to below and vice versa within the movement are offering fertile ground for the alien ideology sought to be injected into the ranks of the workers.

58. Changes in the economic policy are towards complete *Laissez faire*, accompanied with its ideological weapons to marginalise opposition and working class is the prime target. If we want to reverse the direction of the change, we must read properly the real face of the change and equip ourselves to counter both ideologi-

cally and organisationally. Struggle on ideological front is thus of supreme importance and has to be carried to the width and depth of the working class and also beyond. This warrants also structural and qualitative change in the organisation and organisation of the movement as well.

# TECHNOLOGICAL ADVANCES AND THE STRUCTURAL- COMPOSITIONAL CHANGE IN THE WORKING CLASS

## Preamble

This paper seeks to deal with the changes that we gradually taking place in the structure and composition of the working class due to on-going revolution in technology.

Working class is exploited by the capitalist class and the class interests of these two class are opposed to each other. It does not mean that working class is necessarily a homageous in its structure and composition. Structure of the working class has hidden meaning. It may be a highly skilled worker in a modern industry, it may be a semi-skilled one and it may be at unskilled one also doing simply physical labour in the production process. Further it further variations, worker may be a permanent one in the industry, it may be a temporary one without job security, it may be a .....contract labour or a casual labour. Moreover there are workers in the unorganised sector where 2, 3 or 4 persons work together under a ...employer or where the worker is fully self-employed like a rikshaw puller, head load worker etc. These are the various strata of the workers which together constitute the structure of the working class.

Compositional aspect of the workers is also noteworthy. In Indian condition, bulk of the worker have a peasant background.

They hail from the impoverished peasantry and despite being employed in industry has a semi-peasant background without almost any level of education. There are workers in many industries, particularly the modern industry, who do not have a peasant background, but of a urban background with a certain level of academic achievements. Thus in India, in a traditional industry like jute or cotton textile on the one side, and in the most modern steel industry or other heavy engineering industry, there is visible difference in the social background of the working class. All these taken together make the composition of the working class.

Since, working class is the exploited class and is considered to be the most revolutionary class, the structure and composition of the working class are very much relevant in deciding its revolutionary character. Therefore proper understanding of the phenomenon of structure and composition are necessary for properly organising the working class for achieving its revolutionary goal.

This paper seeks to deal with the subject in view of the changes that are being brought into play by the revolutionary advance of technology and its affiliation in industry.

## **Scientific & Technological Revolution**

The ongoing scientific and technological revolution has opened up a new vista for the development of the productive forces and has unleashed a process of structural and compositional change of the working class.

The revolution in the mode of production in modern industry began with the instruments of labour. The systematic application of science immensely helped the process of industrial production further. After labour, science is the last important social property to be turned into an adjunct of capital. While the earlier Industrial Revolution used science as a generalised social property incidental to production, the ongoing scientific and technological revolution has turned science into a capitalist property at the very centre of production. The incorporation of science into the modern-day capitalist industry is one of the important facets of modern history which presently has assumed its full form effecting a change in the labour process and also in the structure of the working class.

## **The Recession & Unemployment**

Simultaneous with the on-going scientific and technological revolution the global expansion of capital in the form of giant multinational corporations is gradually tending to change the labour scenario not only in the advanced capitalist countries but even in developing countries like India. On the other side, with the onset of world recession in capitalist economy particularly in the 1980s, the Western Capitalist countries abandoning Keynesian economics of increased public funding primarily designed to increased economic activities for increased employment, resorted to drastic reduction and cut backs in public expenditures. With the recession, manufacture in the Western world and the public sectors contracted significantly. Thus the decline of both sectors, engineering unprecedented level of unemployment.

## **Privatisation & Re-locating manufacturing units and its effect**

Through World Bank prescription, reduction of public expenditure, and the privatisation of public sector were became the hallmark of Indian economy in the late 1980s. While, the privatisation of public sector gave rise to unemployment, increased the relocation of manufacturing units from Western and advanced capitalist countries to the low-cost third world nations like India on high-tech base did not generate any perceptible employment. On the contrary in competition with those giant high-tech companies from abroad indigenous industries of the host countries suffered a set back, particularly the medium and small scale industries leading to further rise in unemployment. Whatever little expansion of labour force that has taken place in service sector would be drastically pruned under the present dispensation, and that too under the present policy is going to be severely pruned. The service sector is particularly associated with flexible labour condition (which means instead of the system of fixed type of work with particular skill and fixed working time, the worker is forced to change the type of work frequently thereby losing his acquired skill. This helps the capitalists to exploit the workers in order to maximize profits) Part-time and contract labour - much of it female has replaced the regular workforce in many manufacturing units in

whose case the promises of employment legislation have no application and relevance..

## **Expanding service sector**

Service sector has assumed greater importance in advanced capitalist economies as well as in countries like India, While relative decline in manufacture is primarily caused by the comparatively less profitability, expansion of services is the result of the search for alternative areas of investment and profitability. This is same for the the western capitalist countries and Japan and considerably true for India also. Multinationals entry into high-tech service sector and financial sector in India is an alternative area for them for investment and higher profitability. But due to introduction of high technology such expansion of service sector did not generate employment potential in any significant manner. The expansion of service sector and greater flexibility of labour force instead of improving the working conditions is leading to increased pressure for more subcontracting, short-time, part-time, home-based and other forms of flexible employment conditions. Unionization of this flexible labour force became difficult resulting in their low bargaining power.

The future industrial landscape in India will be dominated by large, and small multinational corporations. These high-tech based corporations will be operated by a core of relatively better-off labour force buffered by large numbers of peripherals, which can be dispensed with during the period of falling demand, for they are closely tied to these large units, multinationals and indigenous both, through sub-contracting agreements of varying degrees of stringency. A range of small firms supplying components or specialised lines of services will coming up for the peripheral subcontracting. Many of these small firms will approximate to the family-based artisan workshops with inferior service conditions bereft of unionization due to their spread out and incohesive character.

## **Labour scenario in India**

In India the present labour force presents contrasting scenario. On the one side, the workers employed in high-tech based modern industries, both multinational and indigenous, for ex-

ample in steel industry, in public sector BHEL, ONGC or private and public sector petro-chemical companies, with relatively better pay and service conditions and higher skill indicates the development of a modern working class in India, on the other side, in some traditional industries like cotton textile, jute and plantations where there is very little modernisation the workforce with relatively inferior pay and service conditions continue to resemble the character of traditional working class, the arch-typical proletarian. Added to this is India's vast informal sector of the working class with low wage earnings, total lack of security of jobs and other benefits. Their nature of work and the scattered character make unionisation extremely difficult. The large number of unorganised workers in Indian situation requires to be specially taken into account. Though it is difficult to unionise the unorganised workers it is hardly possible to build up a strong trade union movement without them.

Similar is the case of women workers. Though in comparison to Western countries, the proportion of unionised Indian women workers is far less, they are an integral part of the Indian working class. Their active involvement in the day today functioning of trade unions has to be perceived as also a precondition for developing militant trade union movement in India.

## **Technological Revolution displacing human labour**

With the technological advance, especially the microchip revolution, human labour is increasingly being replaced by machines in most areas of activity, services as well as manufacturing. The earlier industrial revolution introduced machine for human labour, but did not displace human labour. But now the entire labour process is being changed. 'Jobless Growth' is a term used more and more frequently to denote the process under which not only the Western economies, but also Indian capitalists economy are undergoing. While in Western countries, shorter working week, job sharing and early retirement are the phenomenon of the 'Jobless Growth', in India the emphasis is on the direct reduction of manpower, through large-scale automation, retrenchment, abolition of posts, voluntary retirement scheme etc.

## **Structural compositional change of the Indian working class**

With all the above factors coming into play a structural-compositional change in the Indian working class is becoming more and more visible in the modern industrial system based on high-tech and preponderance of giant multi-national corporations side by side with big indigenous high-tech industrial units.. The trade union movement in India will have to take into account the problems and prospects presented before the trade unions by this structural compositional change in the working class.

Structural-compositional form of the indian working class - presents also another picture which is not connected with technological revolution. These are based on social, ethnic, and caste origins of the working class. Coupled with this differentiation, gender bias injects discrimination of women workers.

Very often the caste affinity of the workers undermines class struggle and severely weakens the united working class movement.

Another factor in the composition of the working class is that a large number of Indian workers still possess a semi-peasant character and closely tied with land. This points out urgency of building worker-peasant alliance in order to build up a strong working class movement which will ultimately add strength to peasant movement also.

## **Service sector also produces surplus value and integrates service sector employees with industrial proletariat**

The phenomenal increase in the service sector and the connected labour force has given rise to another question - whether the capital invested in the service sector is productive or not. And whether the labour performed by wage-earners in this sector is to be deemed as production or not. In the present-day capitalism, the boundaries of productive labour is closely connected with the above question. In the service sector, the worker sells his 'service' to the capitalist who in turn sells it in the market as a useful commodity and makes profit. In large corporate industries, some

intellectual workers are employed for accounting, some for computer work, some for clerical work and other for direct production. When the capitalist sells the commodity thus produced in this industry after making use of all these components of labour, the capitalist earns profit i.e. surplus value. Thus the intellectual workers also contribute to generation of surplus value. The intensity of exploitation of the workers in the service sector and the rate of extracting surplus value by the capitalists in respect of these service sector employees are no less than that in case of the industrial workers. In the present mode of production and marketing, the apparent trend to have a large non-proletarian middle class is resolving itself into creation of a large proletariat in a new form. This working population, commonly called 'white-collar' employees has lost all former superiority over workers in industry, and in its wage levels of pay it has sunk almost to the bottom when compared with the manual workers in the high-tech modern industries. Economic and social compulsions are leading this intellectual workers to more and more integration with the proletariat thus swelling its structure. In the present day trade union movement this new structural form of the working class is an important factor to be counted with due seriousness.

The present day working class movement can advance and be radicalised after duly taking into account the structural-compositional change in Indian working class along with the working class of other industrially developed and developing countries in the context of sweeping technological advances and globalisation of capital.

## **Revolutionary character of the modern day working class**

Now the important question that arises is, whether this structural-compositional change deprive the working class of its inherent revolutionary character, or not? In the thirties, as a result of world recession in Germany and some other Western developed capitalist countries, the intellectual workers and the employees had a tendency of joining the fascist forces. And in the United States, Canada and in the Scandinavian countries like Sweden, Switzerland, Norway, etc, they showed strong inclination for social democratic politics and trade unionism.

But today's globalisation, privatisation and the consequent retrenchment, shorter working hours, cut backs etc have created such a serious and unbearable situation, that the working class in almost all countries in the West, in the far East and in the third world countries are moving towards more and more militant struggles. Four countrywide general strikes were organised against new economic policies, by the Indian working class from 91 to 94. In Western countries like France, Germany, Belgium, Italy, Spain, Portugal and Australia waves of working class struggles broke out in the recent period. Most notable among them was the three week long militant general strike of the French working class which began in December 1995. In South Korea, which is almost under dictatorial rule, in the last week of December 1996 an unprecedented massive struggle of the working class began against the retrograde labour legislations passed by the government. Most notable feature of these struggles whether it is in France or other European countries, or Australia or in South Korea or India is that all sections of the working class; belonging to public and private sector hitech and traditional industries, are including service sector employees, government employees and teachers, joined to participate massively. Militant demonstrators braved police torture in those countries.

Faced with retrenchment, cut-backs in economic benefits, even the highly paid technical workers performe join hands with the other workers for united and militant struggles.

### **Militant working class struggles breake out in different parts of the world**

All these militant struggles of the working class in different parts of the world challenging the present economic dispensation of capitalism, convincingly proved that the ongoing structural compositional change in the working class will not deter the working class from rising to the height of militant class actions. This further convincingly confirmed the inherent revolutionary character of the working class despite the changed global economic situation, structural-compositional change of the working class and the labour process.

## **Soviet collapse & globalisation objectively pushing the working class to new revolutionary paths**

Moreover, the October Socialist Revolution of Russia which guaranteed new living conditions for the working class forced many of the Western capitalist countries also to provide better service conditions and wages to their own working class with the aim of keeping them aloof from taking similar revolutionary path. A part of the loot of the colonies was also used by the Imperialist countries to swell the wage level of their workers. But now with the collapse of former Soviet Union, deep crisis of capitalism, globalisation of the economy, operation of the TNCs and wholesale automation and privatisation, the working class of the advanced capitalist countries including the service sector and public service employees are no more getting any advantages from their governments or their private capitalist owners. They are left in the lurch and have become victims of retrenchement, cutback etc. They are in the circumstances, pushed, more and more to the revolutionary resistance path. Further, all these struggles are showing a new yearning for international solidarity in various forms.

## **Revolutionary character unfolding**

Together with the already oppressed working class of the third world countries, the working class of the developed capitalist countries are once again revealing their inherent character of a revolutionary force directly opposed to capitalist exploitation.

This belies the theory propounded by some that the revolutionary character of the working class is disappearing. On the contrary it is rising up with new revolutionary vigour, somewhere in a subdued form, some where openly according to the objective conditions and subjective preparations.

## **Conclusion**

The foregoing disunion indicates that the Indian working class despite undergoing changes in its structure and composition have tremendous fighting potential. Among its different strata, there are differences in economic standards and level of education and skill. Even then they are exploited by the capitalist system and all them

together produce surplus value, the basis of capitalist exploitation.

The workers of different social backgroundóthe semi-peasant and urbanóare also a exploitative lot, capitalist exploitation does not discriminate on the basis of this said backgroundóonly some have the exploitation is more ruthless, than in the case of the others. Taken together the entire composition of the workers are exploited and as the Indian working class has a tendency to resist.

The ongoing globalisation of economy is spelling disaster for all sectors of the workers inspite of its structural and composition differences and in that respect working class as a class is victim of this latest development of capitalist economyóthe predatory globalisation.

Its p..a tremendous possibility of the Indian working class to be organised and united into struggle against capitalist exploitation, its ..disastrous phase of globalisation.

Indian working class movement in the present juncture, while correctly tackling the specific compositional characteristics will have to take full advantage of this newly unfolding revolutionary temper and mood of the working class in furthering the revolutionary trade union movement.

# SAFETY, HEALTH AND ENVIRONMENT

1. The Working Class all over the world are facing serious problem of health and safety due to massive advancement of new manufacturing processes. Thousands of hazardous raw materials are used by industry whose number continues to grow alarmingly. The problem is bound to aggravate further due to rapid growth in consumption of processed food and industrial products. The net result is their abundant use, and exposure to hazardous chemicals due to substitution of natural materials by man made and synthetic ones. The latter have a carcinogenic potential in many cases and some have even radioactive components.

2. Volume and capacity of industries are continuously increasing to take advantage of massive production process but if it is a manufacturing industry, the component productions are diverted to hundreds of cottage, small or household production centres creating hazards of operation, maintenance and effluent disposal. Shift of habitation pattern from rural to urban add more fuel to cause concern on health and environment.

3. Working Class being in the frontline are exposed to all sorts of occupational hazards and become worst victims of all those hazards. Awareness already developed in trade unions and working class of developed countries force their management to take some protective measures in some industrial sectors if not all. But acute economic crisis resulting in industrial slow down in developing countries has severely curtailed/impaired the position of working class to press for protection in the work place in most instances

4. Indian Trade Union movement is increasingly involved with serious agenda like industrial sickness, closure, retrenchment, wage negotiation and various attacks from the ruling classes. Yet

they cannot skip this important issue affecting crores of workers and their families along with other population in India.

#### THE PROBLEM:

5. The thirteenth World Congress On Health, Safety and Environment held in India highlighted many important areas concerning these problems. The ILO report revealed that there are 12 crores of workmen getting injured at work due to industrial accidents each year of which 20 lakh workmen die. Not less than 150 lakh people are killed in Road traffic related accidents in the world.

6. Rate of accidents are far more in India where large number of workmen are killed in our factories, mines, docks, plantations, rails, road etc. Rate of Fatal accidents in road per 1000 vehicles is 21 times more in India than Japan or 17 times more than in USA. Frequent incidences of large fatalities in our mines besides frequent fatalities and injuries, owing to roof-fall, side fall, subsidence etc, are being witnessed today. In public sector some protests are raised at times but that too is only spontaneous. Around 80 to 100 deaths in our public sector steel plants became the annual extent of killings. And contract workers in the steel industry are worst sufferers of safety hazards resulting in loss of lives. Plight of construction workers need no elaboration. Even Govt. of India do not feel it necessary to keep any record of accidents, injuries and deaths of construction workers after 50 years of independence. Some unofficial estimate of the death tolls in construction industry indicate that it may be as high as 10,000 in a year. Accidents in non coal mines, quarries, electricity, docks, railways, plantation etc. if counted together as reported in news media are enough to shock the nation.

7. The state of affairs in unorganised sector and small scale industries are beyond narration. Labour deptt, of Govt of India and in states simply evade their responsibility taking the plea that the concerned units are not covered under the Factories Act. Workmen working in more than 70 lakh small scale industries have to work in condition most comparable to the 18th century. The workmen engaged in small and unorganised sectors enjoy no protection against unsafe working or extreme occupational hazards at their workplace.

8. Crores of workmen working in stone quarries, Brick kilns, Salt field, Lime Burning, Stone cutting and polishing, Ferrous and

Non-ferrous Foundries, Match and Fireworks, Ornament industries, tannery, Glass blowing, Mica mines, Plastic moulding, Tea Plantations, motor garages are regular victims of high rate of occupational disease. Neither social security nor any sort of medical relief is available to alleviate their sufferings at any point of time. Exorbitant cost of private medical care compel them to stay far away from formal medical treatment and they are condemned to die a slow death.

### NEW POLICY - NEW DIMENSION

9. The problem is further being aggravated with introduction of open door economy under the banner of new economic policy. Developed nations are shifting their pollution prone production process to developing countries like India. Instead of importing raw materials from mineral rich countries, their aim is to convert raw materials to primary products and transfer these for use in their factories for producing value added finished products. This way they obviate the risk of environmental pollution and escape the scourge of occupational disease in their countries. Conversely, production process or technology banned in their countries are shifted to developing economies under Buy-back Agreement, Technology transfer etc. In the Export Processing Zones in particular practically no law of the land prevails in reality and no safety standards are followed.

10. Again, while pollution prone production process and technology etc. are being shifted to India and other 3rd world countries by the MNCs of the West adding to environmental and health and safety problems on Indian soil, environmental and safety issues are being used as an instrument by the advanced countries of the west to pressurise 3rd world countries including India and dictate terms of international trade and also to create barrier against Indian exports. Recent incidents of refusal by Western countries to import Indian Carpet on the plea of child labour, readymade garments on the plea of flammability, restriction on agricultural products due to chemical fertilizers and pesticide content are all well known.

11. Another disturbing trend is the shift and/or off-loading of the production process to thousands of small scale and household sectors. This is the surest way practiced by industrialists to escape all sorts of legal obligations provided under the Factories Act, Pollution Control Act, Waste Disposal Act, Minimum Wages Act,

Workmen Compensation Act, etc. In one way they are completely relieved from statutory obligations as well as can get the production at minimal labour cost. In 1972, there were 17,58,218 small scale industries which grew to 70 lakhs in 1995 indicating the trend of diversion. Change of philosophy from welfare to market economy is a big moral boost to Business and Industrial houses to earn more profit at the cost of reduced labour expenditure and that is possible only by denying all sorts of statutory minimum stipulated benefits to workmen and by ignoring all safety and environmental requirements.

12. Another important area of concern is indiscriminate use of toxic chemicals by Indian industries. Not less than 40,000 chemicals are in regular use as reported by ILO causing serious damage to human organs including body cell and nerve systems. ILO study also revealed that more than 30 lakh human being are affected by chemical poisoning each year in the world. Share of this toll is much more in developing countries including India.

13. Not many workmen are coming forward to protest against hazardous practices even when they are fully aware of its implications on health due to severe employment crisis prevalent in our country.

14. Employment of children and women workers in many hazardous industries and operations are affecting lakhs of human beings resulting health impairment, disablement and occupational illness.

15. Developing countries are also chosen by multinational companies as dumping ground of toxic and radioactive wastes which seriously contaminate our ground, river and sea water with far reaching effects on health of the entire population.

## TRADE UNION OUTLOOK

16. Most of our Trade Unions are yet to get seriously concerned over growing rate of accidents and occupational diseases. Major trade union activities are still hovering around either economic demands and fringe benefits or on issues concerning job security and survival of the industry.

17. Only handful of Trade Unions find some time to place on their agenda the issues relating to Safety, Health and environment. Few Trade Unions formed any sub-committee to look after this

area. Concrete suggestion or demands are seldom being placed before the management to evolve and implement some action plan for improvement in areas related to health and safety and environment. Total managerial apathy to comply with the laid down rules and Acts never cause much concern among some Trade Unions. There are various instances of concluding agreement on "safety or hazard allowance" instead of demanding personal protective equipments and safety arrangements. It is equally true that many workmen do not use personal protective appliances even when supplied by their employer. And trade unions seldom feel it necessary to make full use of even limited provisions of the existing statutes to uphold and fight for the cause of safety in workplace, not to speak of fighting against loopholes in the existing laws and its bad enforcement. Struggle for safety and health sometimes is considered as fashionable activities or impractical proposition when large number of factories are already in crisis and struggling for survival. On the whole, the issue of health and safety is yet to come as an important agenda of TU movement in general.

18. But when it is Bhopal Gas disaster or Mahabir Colliery accident, or the fire disaster, in New Kenda Coal Mine or Surat plague and the like, barrage of protest statements appear in the news media followed by age old silence till next shocking incident.

19. The situation takes a new turn when hundreds of factories are facing closure by High Court or Supreme Court Orders on environmental grounds as a result of which trade unions are landed into most difficult and painful situation. Often it becomes difficult to build up movement against legal verdicts and for allowing pollution prone industries to operate as it is or to advise their members to accept retrenchment silently and peacefully.

20. There is no common solution for every type of industry nor it is very easy to handle this problem. Each trade union have to concentrate its attention keeping all the constraints in mind and all the possible solutions to ponder.

21. With so called globalisation, the multinationals are using safety and pollution as an instrument to bring down our image and play all tricks to curb our industries with a motive to get rid of our products which are cheaper as compared to their own products.

22. We can not rule out the possibility of environmental issues being used for protectionist purpose. We must strive to save our economy from malicious pressure of developed countries. And at

the same time we cannot ignore environmental problems.

### **THE TASK:**

23. It is not possible to change technology, production process or location of factories overnight or within a couple of years. Already crisis ridden major industries are unable to infuse additional fund to make those totally safe as well as to secure against economic ruin.

24. In spite of that, T.U.'s have to make every endeavour to mobilise opinion among working class in favour of steady improvement of the current situation. We can not remain passive when thousands of crores of rupees enter the Black market or are deposited in foreign secret accounts but investment on safety to save the lives and limbs of our workmen is denied on the plea of resource crunch. Indian industrial houses have to fix up some priorities to improve occupational atmosphere and also the climate to make the country a land where one can live safely.

25. It is the workmen who know their problems best. It is the working class whose struggle and initiative can change the present unjust world order. We must not wait for the strictures from judicial authority. We are to keep in mind that many factory owners cannot change their total machinery or technology - but they are able to supply proper drinking water, personal protective devices, arrange proper illumination and ventilation, construct toilets and washing facilities, build adequate rest rooms and canteens, supply hygienic foods, earmark a sizeable amount in annual budget to eliminate most unsafe work and not to allow discharge of toxic effluents without appropriate treatment.

26. It is of utmost importance to ensure safety consciousness at enterprise level TU activists. The trade unions at the enterprise level must take up the issue of workplace safety and environmental hazard as a regular agenda of the day to day trade union activity. A total comprehension on the production process and probable hazard at each stage of operation among the leadership and rank and file activists is of urgent necessity for effectively addressing the problems of health and safety in workplace. Unions also must organise safety awareness campaign among the workers which would help preventing diversion of the safety movement towards derailed negotiation on hazard-allowance etc. There must be safety-sub-committees within the trade union to oversee the safety-awareness campaign among workers and develop speciali-

sation among the TU leadership on health and safety matters. This is something which is urgently required.

27. Problems of Health & Safety and environment and their magnitude vary widely from industry to industry and sector to sector. Each industry has got its own specific problems and set of remedies. Hence issues are to be tackled and addressed on industry specific or sector specific terms as well if trade unions are to intervene into the matter effectively. Hence, trade unions must take initiative at the enterprise/industry level to set up the team to identify hazards at various stages of operation and required remedial preventive and protective measures including suitable alternative to existing unsafe working method/process, if any.

28. The literature and fact-sheets available on health and safety matters are either too general or elitist. Trade Unions should take initiative to produce suitable literature in simple language for education and awareness campaign. Enterprise/industry level workshops in hazard pollution prone industries like Coal and ore mines, chemicals, steel, construction, port & dock, electricity, road transport, plantation and also in small scale and unorganized sectors, should be organised involving plant level workers and activists and also experts on the line to pool and combine the grass root level experience and technical and theoretical expertise to produce required industry specific literature on the subject.

29. At the Central level, the trade union centre must take initiative to monitor and oversee the initiative being taken or to be taken at the industry/enterprise level on health and safety aspect with all seriousness with a time-bound programme. Also important and urgent is the task of identifying the shortcomings and limitation of existing statutes and their administration on health and safety matters both in terms of content and their enforcement and also to identify the areas for which new enactment is necessary and draw concrete action plans. For the purpose inputs have to be drawn from the industry level experience and findings and hence centre's initiative in activating the grassroots level activities on health and safety aspects is of supreme importance. Initiative has also to be taken from the trade union centres both at state and national level to ensure that the tripartite fora on health and safety are strengthened in which trade unions should play a dominant role in the same.

30. At the national level as well the aspects of safety and environ-

mental hazards have to be taken up with all seriousness by the TU movement. The intervention of judiciary in the matter of pollution creating industries has already imposed the agenda on the TU movement concerning environmental issues. It cannot be denied that the problems relating to pollution by industrial operation has been overlooked so long by the TU movement which is also one of the responsible factors for sudden spurt of problem of closure on ground of pollution owing to judicial intervention.

31. In the given situation, while the TU movement should jointly pressurise the employers to take required step to contain pollution by suitable alteration or modification in the machineries and production process and treatment of wastes before disposal, it should also pressurise Government to develop and provide proper infrastructure and make necessary investment for pollution control. Trade union movement should also exert pressure on Central and State Governments to draw short term and long term plans for pollution control involving the industrial houses and corporate sector. Government may undertake suitable projects of pollution control and waste and effluent treatment plants in industrial centres pooling the resources from the polluting industries with supplementary investment from Govt, to ensure best utilisation of limited resources for pollution control and environmental protection.

32. At the same time Central Government should also be pressurised for suitable legislative measures to protect the interest and jobs of the workers of the units facing closure and relocating on pollution ground. The judgement of Supreme Court in respect of Delhi-based industries have set a direction but the same does not take care of all the problems faced by the workers involved in these undertakings and much remains to be done in this regard.

33. Moreover in respect of major pollution prone and accident prone industrial sectors like coal mine and non-coal mines, stone quarries, steel plants, chemical plants etc on the one hand and the various small scale manufacturing and processing units in the unorganised sector on the other, the demand for stronger mechanism of surveillance on observance of safety norms, proper machinery for such surveillance and fixing up responsibility for default and stringent punishment of the defaulting employers/management through comprehensive legislation and finally effective enforcement should be taken up seriously by the trade union movement with all seriousness.