THE ECONOMIC WEEKLY

Each government outsider and each attempt to force the peasant to conform only further hinders the eventual reform of Chinese agriculture. Persuasion within a real democratic village organisation is the only path which will create the results that new China wants.

Workers' Participation in Management

S D Punekar

THE concept of workers' participation has not so far been clearly defined. The systems, organs and methods of participation profoundly differ from one country to another, both in the form and degree of participation. In its mildest form, workers' participation may mean only the willingness of the employer to negotiate with the representatives of the employees on matters of routine factory interest. In its extreme form, the participation may lead to workers' full control of the undertaking. Gandhi had recommended such a radical step, when, in 1946, he advised certain employers, who were faced with a strike of the workers, to withdraw, leaving the factory and management altogether in the hands of the workers themselves. In between these two limits, workers' participation may take the form of joint committees for such functions as safety measures, social and cultural activities, production and productivity, personnel counselling, control of working conditions, auditing, profit sharing, recruitment and dismissals, and management of the enterprise. Earlier in 1937, Gandhi had pleaded for a milder form of workers' participation, when he said, "It is vital to the well-being of the industry that the workmen should be regarded as equals with shareholders and that they have, therefore, every right to possess an accurate knowledge of the transactions of the mills. If employers are co-equal owners, their organizations should have the same access to the transactions of the mills as the shareholders."

Workers' participation can be distinguished also on the basis of its advisory or mandatory nature, and its voluntary or statutory character. Participation in the U. K. and Sweden is practised through joint committees, having an advisory status and set up by agreement between employers' and employees' organisations, without any legal compulsion. On the other hand, legal machinery for participation is set up in Belgium, France and Germany. Yugoslavia furnishes the radical model, where undertakings are run by the employees themselves, through an elected council and a management board.

A Form of Co-operation

Workers' participation in management can be considered as an advanced form of labour-management co-operation. There has recently been a happy trend in emphasis from class-conflict to class-collaboration and the necessity of labour-management co-operation is being increasingly realised for industrial peace and for higher productivity. This co-operation takes various forms and is organised at various levels. At the lowest level, i.e., the level of the undertaking, co-operation, which is only between the employer and his workers, takes the form of collective bargaining, creation of a personnel department or appointment of a labour officer and establishment of a joint committee (or works committee) to discuss the problems of common interest in the undertaking. At a higher level, co-operation may be organised for the industry as a whole through industrial committees, working parties and wage boards. Then there may be co-operation at the regional level (State Labour Advisory Boards), at the national level (Indian tripartite labour machinery), and also at the international level (I.L.O., I.C.F.T.U. and W.F.T.U.). Co-operation at these higher levels has been organised fairly well. However, co-operation at the lowest level, which in fact forms the base of the pyramid of industrial relations, has not been adequately or properly organised, with the result that workers' participation in its true sense cannot be achieved. To elicit such co-operation, various steps may be taken. These include supply of adequate information to workers and their representatives about the firm and especially about any changes that the management proposes to introduce, encouragement to workers to suggest schemes, opportunity to workers' representatives to participate in the technical processes of time and motion study and rate-fixing, and establishment of joint consultative machinery. In India, though some progress has been made, mainly through statutory means, towards labour-management co-operation, and development so far is not sufficient to bring about the acceptance of workers' participation.

Pre-requisites

In addition to labour-management co-operation, the pre-requisites to workers' participation are a strong and responsible trade unionism and progressive employers' associations. Indian trade unions suffer from such defects as political influence, dominance of outsiders, rivalry and multiplicity, weak finances, poor membership and heavy reliance on Government machinery. A programme of workers' education imparting
longevity

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training in the working of trade unions and in tackling problems of labour and management may go a long way towards equipping the workers to play their legitimate role in management. Side by side with a responsible labour side, it is essential to have progressive and enlightened employers' representatives, particularly the supervisory staff, in order to make the workers' participation a success. The employers' men should therefore be adequately trained in business management, including personnel administration.

Two great evils of modern large-scale industrialisation are (a) the loss of personal and cordial relations between the management and the managed and (b) the treatment of labour as an inanimate object, either as a commodity or as a tool of production. When a worker has to work under prescribed regulations in an impersonal atmosphere, he naturally feels that he is being treated, not as a human being, but merely as a part of a machine. Such a reaction is harmful both for labour and industry, both for work and production. Workers' participation restores the individual worker's self-respect and status and also increases productivity and production. It may also be a practical lesson in industrial democracy.

**In the Second Plan**

The Second Five-Year Plan recognizes the necessity of increased association of labour with management. It observes: "Such a measure would help in (a) promoting increased productivity for the general benefit of the 'enterprise', the employees and the community, (b) giving employees a better understanding of their role in the working of industry and the process of production, and (c) satisfying the workers' urge for self-expression, thus leading to industrial peace, better relations and increased co-operation." This, according to the Plan, could be achieved by providing for councils of management consisting of representatives of management, technicians and workers. The management should supply such a council of management with fair and correct statement of all relevant information which would enable the council to function effectively. Such a council of management should be entitled to discuss various matters pertaining to the establishment and to recommend steps for its better working. Matters which fall within the purview of collective bargaining should, however, be excluded from the scope of discussion in the council. To begin with, the proposal should be tried out in large establishments in organised industries, and any extension should be made in the light of the experience gained.

### Study Group

The Government of India appointed a tripartite group of 10 members (three labour leaders, two industrialists and five Central Government officials) for a first-hand study of the achievements in Europe in securing workers' participation in management. Unfortunately, both the employers' representatives and one of the workers' representatives could not go and hence the Group become bipartite in character, with a preponderance of Government officials. The seven members of the Group visited eight centres—Paris, Brussels, London, Stockholm, Dusseldorf, Frankfurt, Bonn, Belgrade and Geneva—discussed the problems of workers' participation with representatives of labour, management and Government and submitted a report, which has recently been published.*

Besides the introduction and the appendices, the report is broadly divided into three parts: (a) a brief description of the systems of workers' participation in management in the six countries visited; (b) analysis, evaluation and appraisal of these systems; and (c) recommendations. The practical value of the report may be said to be embodied in the section on "Conclusions", consisting of eight pages. It may be interesting to know whether the Group has something new to say in these pages.


### Recommendations

According to the Group, the primary pre-requisite for consultation is the "right attitudes", which can be cultivated by sustained educational campaigns not only among labour but also among middle and lower levels of management. The methods of education include group discussion and intensification of training within industry. Joint consultation should be in-built and the State should restrict its role only to the provision of an advisory service on personnel management. Adequate preparation for the success of workers' participation should be made by starting workers' colleges and schools, seminars, publication of literature, etc.

Good participation machinery contributes to good industrial relations and at the same time successful participation itself is dependent on good industrial relations. Hence the necessity of having good relations. The functions of joint councils of management should be separate from those of trade unions, and collective bargaining matters like wages, bonus and individual grievances should be assigned to the latter. There should be a two-way communication between the management and the workers. Formal machinery for participation may be set up by permissive legislation but informal consultation at the shop-floor is better. Normally there may be a single council for an undertaking as a whole, but for undertakings spread over several places, there may be separate councils at the local, regional or national levels.

The joint councils of management, the Group recommends, may be consulted over matters like (i) alterations in standing orders; (ii) retrenchment; (iii) proposals for rationalisation; (iv) closure, reduction in or cessation of operations; (v) introduction of new methods; (vi) procedures for engagement and punishment; (vii) the general economic situation of the concern, the state of the market, production and sales programmes; (viii) organisation and general running of the undertaking; (ix) circumstances affecting the economic position...
I am Adipocere
Pronounced 'adi-po-saire'

how d'you do?

You have never heard of me—well,
I don't blame you as I have been very shy
of tom-tomming my existence. Let me tell you
a story about myself, my trials and tribulations.

I was born millions and millions of years ago.
My origin was from sources which are not socially
acceptable. In fact, I cannot wear a dinner jacket!
Lots and lots of animal and tiny plant matter decayed
in stagnant water where there was no oxygen...
these were my ancestors, who eventually turned into
the waxy residuum that I am—ADIPOCERE.
I have no ancestral wealth, and I could never own a
castle—but I am fabulously rich in fatty acids,
and I don't think you could do without me.
I am flabby, shapeless and ungainly—
all the same I am quite happy.

That's me—ADIPOCERE, the ancestor
of that Prime Mover—Oil.

STANVAC—the name that stands for progress

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Appraisal

The report is disappointing from a number of viewpoints. Firstly, a large part (about 90 per cent) describes what is happening abroad and therefore is not useful for immediate action. Secondly, no concrete suggestions have been put forward, the Group has drawn up no model scheme of a joint management council, indicating what its constitution, objects and main functions should be. Perhaps some would expect the Group to remove the obstacles to their progress. Thirdly, the recommendations may be said to suffer from masterly vagueness. The Group has not formulated definite views about such essential matters as content of educational campaign, level of participation, selection of workers’ and of employers’ representatives and necessity of statutory machinery. On its own admission it has "laboured the obvious" (p 75), repeated the conclusions frequently urged by others (p 78), and left out of consideration innumerable details (p 80). Finally, the number of printing mistakes could have been kept within reasonable bounds and the exposition not made unnecessarily perplexing by grammatical errors.

But are we justified in expecting all this from a study-group? The main purpose in appointing this particular Group was that it should study the working of the workers’ participation schemes in the Western world and if it has done this limited job properly, the purpose can be said to have been served. It would serve to educate the labour, the management and the Government—the three parties whose effective cooperation is necessary to make workers’ participation a success.

Still, it might be asked whether it is worthwhile sending such groups abroad. The report does not say how much it cost the country to get this first hand view of workers’ participation abroad. It must, however, be a sizable amount, when seven persons including five high Government officials toured the principal cities of the Continent to collect information, most of which would be available in published sources. One wonders if similar information could not be collected by securing the services of a competent research student of labour problems at a much smaller cost.

of the undertaking: (x) methods of manufacture and work; and (xi) the annual balance sheet and profit and loss statement. To reduce the danger of apathy, the councils may be given some administrative responsibility in the fields of welfare schemes, safety measures, vocational training and apprenticeship schemes, schedules of working hours and breaks, holiday schedules and payment of rewards for valuable suggestions.

Around Bombay Markets

THE Kerala Budget which came mid-way through the week, has interrupted the recovery of Dalai Street, which is now mourning in sympathy with Madras and Calcutta. There are fears that other States may follow the Kerala lead in imposing an agricultural wealth tax and a higher tax on agricultural incomes. This has depressed plantation and sugar estate shares, and laid other scrips low as well. Such technical factors as rumours of payment difficulties in Madras and Calcutta and the termination of the current fortnight’s trading due tomorrow have also made their contribution to the slump in values.

The support lent by the Life Insurance Corporation has, however, discouraged short selling on a large scale. Long buying, aside from the LIC’s operations, has, however, practically disappeared and can revive only if and when the current state of uncertainty subsides. For the present, sentiment is in favour of limited liquidation at every bulge.

The Clearing List for the settlement on June 7 contained 4,90,471 shares, only slightly less than the last one did. The List expanded in respect of Apollo, Century, India United Ordy, Century, India United Ordy, New Great, Swadeshi, Tata Mills, Scindia, Hindustan Motor, Bombay Burmah (Old) and Indian Copper, reflecting some degree of selling pressure. The turnover in Bombay Dying, Tata Steel, ACC, Tata Chemical and Tata Loco, however, recorded a significant decline due to the LIC’s readiness to purchase them at almost every dip. While, by and large, the LIC’s operations command approval in the market, some of the purchases imputed to it have evoked criticism. Apparently, the criteria of selecting shares for investment-cum-support have not been settled yet. The setting up of a separate body for this purpose is now eagerly awaited.

Thursday, Morning

The busy season just ended has been unique not so much because it was the first of the series in the Second Plan as on account of the unprecedentedly high credit ratio on which the banks have operated. During this season, net demand liabilities rose by Rs 75 crores as against only Rs 34 crores last season, and the rise could be observed in each month from October to April as against the decline that occurred in some months during the last season. Bank credit expanded by Rs 178 crores compared to Rs 165 crores last season, but while the latter had a base of Rs 604 crores, the former started moving up from Rs 756 crores. Since credit contraction in the slack season of 1956 had been of the order of only Rs 19 crores, banks had to replenish their resources by borrowing from the Reserve Bank. Loans under the Bill Market Scheme, however, expanded much less compared to the last season. This pattern is

Ill Wind from Kerala

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