

A Tribute to the Legend



Born
19th November 1920

Expired
14th October 2004

10



Bharatiya Mazdoor Sangh

Ramnaresh Bhavan, Tilak Gali, Chuna Mandi,
Pahar Ganj, New Delhi 110 055

❖ Shri Dattopant Bapurao Thengadi (b 1920, Arvi Distt
❖ Wardha, d 2004, Pune) is recognised by scholars as
❖ philosopher and visionary. He authored more than
❖ hundred books and numerous articles.

❖ For 12 years he was a member of the Rajya Sabha.

❖ For the last 7 decades he continued to work untiringly in
❖ the service of the nation. His source of inspiration was
❖ Rashtriya Swayamsevak Sangh.

❖ The labour organisation founded by him viz Bharatiya
❖ Mazdoor Sangh, is the foremost labour union in the
❖ country. He founded the Swadeshi Jagaran Manch,
❖ Bharatiya Kisan Sangh and many other such organisations
❖ aiming at arousing national feelings among the masses.

LIFE PROFILE OF SHRADDHEYA DATTOPANTJI THENGADI

(10-11-1920 to 14-10-2004)

Name	:	DATTOPANT BAPURAO THENGADI
		Pracharak, Rashtiriya Swayamsewak Sangh Since 1942
Father's Name	:	Sh. Bapurao Dajiba Thengadi
Education	:	MA, LLB Maurice College and Law College, Nagpur
Date of Birth	:	10 th November, 1920
Place of Birth	:	Arvi, District Wardha (Maharashtra)
Languages known	:	Hindi, Bangali, Sanskrit, Malayalam, English, Gujarathi, and Mother Tongue Marathi

Early days

1. President - Vanar Sena of Arvi Taluka Congress Committee (1935)
2. President - Student Association Municipal High School Arvi 1935-36
3. Secretary – Poor Boys' Fund Committee, Municipal High School, Arvi 1936-36
4. Organiser – Arvi Govari Zuggi Zopadi Mandal – 1936
5. Probationer in the Hindustan Socialist Republican Army at Nagpur –1936 –38

Founder

- A. Bharatiya Mazdor Sangh (BMS)
- B. Bharatiya Kisan Sangh (BKS)
- C. Samajik Samarasata Manch
- D. Sarvapanth Samadar Manch
- E. Swadeshi Jagaran Manch

Founder Member

- A. Akhil Bharatiya Vidyarthi Parishad (ABVP)
- B. Sahakar Bharati
- C. Akhil Bharatiya Adhivakta Parishad
- D. Bharatiya Vichar Kendra
- E. Akhil Bharatiya Grahak Panchayat (ABGP)

Patron

1. All India Retired Railway Mens' Federation
2. All India Federation of Pensioners' Association
3. All India Railway Telegraph Staff Council
4. Loco-Mechanical Artisans Staff Association Eastern Railway
5. All India Railway Stenographers' Association
6. All India Railway Drawing Staff Association
7. Tamil Nadu Provident Fund Employees' Association
8. Welfare Society Fateh Nagar, New Delhi
9. Uttar Pradeshiya Vishvakarma Vikas Parishad
10. Bharatiya Karigar Suchana Kendra, Vidharbha

11. Andhrapradesh Cheneta Parishram (Weavers) Forum 1965)
12. Uttar Pradesh Samaj Delhi
13. Bharatiya Kaithari Nasavu Thozhailar Union (TN)
14. Bharatiya Shikshana Mandal
15. Shilpakar Kalyan Sangh Chunar (UP)
16. Vishwakarma Samaj Sabha Delhi
17. All India Central School Non-Teaching Staff Association (1973)

Associate Member of

1. Indian Academy of Labour Arbitrators
2. Vishwa Karma Pratinidhi Sabha Punjab
3. Bhartiya Adim Jati Sevak Sangh
4. Scheduled Castes Federation (Former MP Unit 1953-55)
5. Pind Sudhar Sabha (Punjab) of Sant Harichand Singh Longowal

Organisations Associated

(a) Labour

1. Organising Secretary of INTUC (MP State 1950-51)
2. President of Central Labour Organisation Committee
3. Organiser National Labour Movement
4. Formation of National Campaign Committee of Trade Unions etc.

(b) Political

- 1 Organising Secretary Bhartiya Jan Sangh, Madhya Pradesh 1951-53
- 2 Secretary Lok Sangharsh Samiti Dec. 1975 to March 1977
- 3 Member of Rajya Sabha 1964 to 1976
- 4 Member, Rajya Sabha Upadhyaksha Mandal 1968 to 1970
- 5 Member, Parliamentary Consultative Committee on Public Under Taking

(c) Others

- 1 President, Bhasha Prachar Samiti, Kerala
- 2 Vice President, Shree MA Birth Centenary (Pondicherry)
- 3 President, Kerala Rashtra Bhasha Prachar Conference, Kozhikode Aug 1942
- 4 Vice President, Akhil Bhartiya Vimukta Jati Sevak Sangh
- 5 Member of :
 - i. Bhartiya Bauddha Mahasabha
 - ii. Bhartiya Shikshan Mandal,
 - iii. Vanvasi Kalyan Parishad
 - iv. Bhartiya Sahitya Parishad
 - v. Karmveer Haridasji Awac Smarak Samiti,
 - vi. Prajna Bhrati,
 - vii. Vigyan Bharati,
 - viii. Dr Hedgewar Janam Shatabdi Samaroh Samiti,
 - ix. Swasthya Bharti,
 - x. Hokar Vigyan Kalavidyala(Indore)
 - xi. Rambhau Mhalgi Prabhodhini (Mumbai)
 - xii. Bharatiya Kushta Nivaran Sevak Sangh
 - xiii. Vikas Bharati (Bishan Puri)
 - xiv. Maharshi Vedavyas Pratishthan,
 - xv. Bharatiya Ghumantu Jan Sewak Sangh
 - xvi. Dr. Baba Saheb Ambedkar Shatabdi Samaroh Samiti
 - xvii. The Battles of Panipat Memorial Society Samalochan

Abroad (On invitation / Organisational)**1. African Countries**

Egypt	Kenya	Uganda
Tanzania	Mauritius	South Africa,

2. European:

Soviet Union	Hungary	Yugoslavia
France	Italy	England
Switzerland	Germany	Holland
Belgium	Luxemburg	

3. North America:

Canada	United States of America	Mexico
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4. Asia

China	Brahma(Myanmar)	Thailand
Indonesia	Malaysia	Singapore
East Pakistan (Bangladesh)	Nepal	Israel

Books Authored**Hindi**

a) Ekatma Manav Darshan	b) Vichar Sootra
c) Communism – Apani Hi Kasauti Par	d) Purani Neev Naya Nirman
e) Prachar Tantra	f) Computerisation
g) Paschimikaran Ke Bina Adhunikikaran	h) Hamari Visheshstayen
i) Rashtriya Punarnirmanka Adhaar	j) Dr.Babasaheb Ambedkar
k) Dhyeya Path Par Kisan	l) Sapta Karm
m) Lakshya Aur Karya	n) Sanket Rekha
o) Apni Rashtriyata	p) Dalit Samasya Par Ek Vichar
q) Shiksha Mein Bharatiyata	r) Dr. Babasaheb Ambedkar – Ek Prerak Vyaktimatva
s) Bharatiya Kisan	t) Jagrit Kisan
u) Prastavana	v) Hamara Adhishthan
w) Loktantra	x) Chirantan Rashtra Jeewan
y) Shramik Kshetra Ke Upekshit Pehlu	z) Rashtriya Shrama Diwas
aa) Rashtriya Purush Chhatrapati Shivaji	

English

1. Nationalisation or Governmentalisation	2. Focus on Socio Economic Problems
3. Perspective	4. The Great Sentinel
5. His Legacy Our Mission	6. Computerisation
7. Modernisation Without Westernisation	8. Why Bharatiya Mazdoor Sangh
9. Consumer: A Sovereign Without Sovereignty	10. Spectrum
11. Third Way	12. Our National Renaissance

Marathi

1. Chintan Patheya	2. Vakrutvachi Poorva Tayari	3. Airaniche Ghav
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Foreword of Important Books

1. Kalpa Vriksha	2. Rashtra
3. Indian's Planned Poverty	4. Bade Bhaiya Smruti Granth
5. Pandit Deen Dayal Upadhyay Vichar Darshan	6. Hindu Economics
7. Swadeshi Views of Globalisation	8. Rajakiya Netrutva
9. Shrama Samanvayacha Vichar	10. Tejachi Aarti

Papers to read

1. The Third Way in World Hindu Conference, Durban (South Africa)
2. Globalisation - Economic System - A Hindu View in Word Vision 2000 Global Conference in Washington DC
3. Hindi - Ek Upekshit Hindu Granth – Jhenda Avesta (Parsi)
4. Aplya Samajache Bhavitavya in Dr. Baba Saheb Ambedkar Smriti Vyakhyan Mala Speech at Marathwada Vidyapeeth Aurangabad
5. Speech in Akhil Bharatiya Vigyan Congress Seminar at Vikarm Vidyapeeth Ujjain
6. Speech in Shatabdi Samaroh Holkar Vishva Vidyalyaya Indore
7. Speech on Co-operative Movement in India at Mananiya Lakshmanrao Inamdar Memorial Lecture in Co-operation at University of Bombay

Important Contributions

- 1 National Labour Policy
- 2 National Charter of Demands of Indian Labour
- 3 Launched Shri Ram Shila Pujan From Badrinath, Kedarnath & Gangotri
- 4 Satyagrah for Sri Ram Kar Seva at Kanpur
- 5 Received Dr. Hedgewar Prajna Puraskar, Calcutta
- 6 Deen Dayal Memorial Hospital Pune
- 7 Mahamana Malaviya Jayanti
- 8 Message Broadcasted By Beijing (China) Radio on 28-04-1985

It is a Herculean task to ever attempt to capture this gaint philosopher, visionary, organiser, eminent thinker, economist, orator, author within the folds of this small booklet.

Abiding by the tenets of Bharatiya Mazdoor Sangh to shun personal glorification of any individual set by Shri Dattopantji Thengdi himself We attempt to append the philosophy and achievements of Bharatiya Mazdoor Sangh as nurtured by this great personality during his life time.

This we feel, would serve as a further "Parichay" of the noble departed soul, personification of "Tyag, Tapasya, Balidan"

Trade Unions (background)

INTRODUCTION

What sets apart an organisation as a dynamic, vibrant, outstanding and well-knit force is reflected in how it blends its goals for growth with the myriad needs of its most precious asset – its members - its karyakartas - that lends strength to its success ratings.

It is essentially a culture, one that shows care and concern for the well being of every member in its family - a philosophy that prides itself in their welfare. And extends that ever-helpful hand not only in their hours of crisis, but even in carving out a progressive future and consolidating a life-style - in a very special way.

BMS is among such organisations that conscientiously care, and it shows. Every member in the BMS family has a deep sense of belonging and a pride unmatched, mainly because BMS reaches out to him or her humanely.

Little wonder, BMS romped home with a clear majority during the membership verification in 1989 conducted by the Government of India. Without the least opportunity to look back since then it is rising steadily and till now is undisputedly the NUMERO UNO in the country with the confidence of around 83 Lakhs (8.3 Millions) workers in the country.

- **The Role of Trade Unions**

Trade unions are unique organisations whose role is variously interpreted and understood by different interest groups in the society. Traditionally trade unions role has been to protect jobs and real earnings, secure better conditions of work and life and fight against exploitation and arbitrariness to ensure fairness and equity in employment contexts. In the wake of a long history of union movement and accumulated benefits under collective agreements, a plethora of legislations and industrial jurisprudence, growing literacy and awareness among the employees and the spread of a variety of social institutions including consumer and public interest groups the protective role must have undergone, a qualitative change. It can be said that the protective role of trade unions remains in form, but varies in substance.

There is a considerable debate on the purposes and role of trade unions. The predominant view, however, is that the concerns of trade unions extend beyond 'bread and butter' issues. Trade unions through industrial action (such as protests and strikes) and political action (influencing Government policy) establish minimum economic and legal conditions and restrain abuse of labour wherever the labour is organised. Trade unions are also seen as moral institutions, which will uplift the weak and downtrodden and render them the place, the dignity and justice they deserve.

- **The State of Trade Unions in the World.**

Public opinion is hostile to trade unions in most countries. The public is not against unionism in principle. It is against the way unions and union leaders function. The public image of union leaders is that they are autocratic, corrupt and indifferent to the public interest 'Too much power, too little morality' sums up the public's assessment of unions

There have been many opinion surveys especially in the United States, which bring out the poor public image of trade unions. In surveys which rank the confidence of the American public in fourteen institutions (as for example the army, church, supreme court, stock market, legal profession, industrialists, newspapers etc.) trade unions have been consistently placed at the bottom of the list.

There is a serious decline in union membership in most industrialized nations. There are two possible ways of looking at union membership figures. The first method is to simply add up all union members in a factory, office or country. This gives overall membership position. In the second method, the density of membership is calculated. Density is the percentage of union members in relation to total employment, for example, if unions have 50 members in a factory employing 100, the density is 50 percent. When the reference is to entire country, density is measured by comparing union members against total employment in all sectors. Density is

generally accepted as a better indicator because it shows not only how many are members but also how many are not.

Membership has dropped sharply in many European countries. In France, which is the worst hit, the density of union membership is now estimated to be a miserable 10 percent. In Holland, which is also badly affected, density is estimated at around 25 percent. In England the density of union membership is 44 percent. The picture is not very different outside Europe. In the United States, density has dropped to 16 percent. In Japan, it has dropped to 25 percent. In India, union density has been of a very low order i.e., 10 percent. There are, however, some exceptions to this depressing trend. Trade union density in Sweden, the highest in the world, stands at an extremely impressive 91 percent the working population. Trade unions in Sweden are most respected. They seek social, political and economic democracy. They participate at all levels of decision-making, national and local, and share in the administration of laws. The density in Denmark is 82 percent, and in Norway 63 percent, both very high by world standards.

- **Trade Unions in India**

The trade union movement in India is over a century old. It is useful to take stock to see whether the trade unions in India are at the centre stage or in periphery. In order to do that, one may peruse the following relevant, though selective, statistics.

The Indian workforce 31.479 Crore (314.79 million) constitutes 37.3 percent of the total population. Of the total workforce, 91.5 percent is accounted for by the informal sector, while the formal sector accounts for 8.5 percent. Further, only about 3 Crore (30 million) (i.e. 9.5 percent of the workforce) are employed on permanent basis, implying 90.5 percent being employed on casual basis. It has also been reported that by December 1991, the claimed membership of the Indian trade union movement was 3.05 Crore (30.5 million) (i.e. 9.68 percent of the workforce) with 82.24 percent of the trade union membership being accounted for by the organised sector. Thus the unorganised sector is meagrely represented.

The World Labour Report summarises the trade union situation in India "Indian unions are too very fragmented. In many work places several trade unions compete for the loyalty of the same body of workers and their rivalry is usually bitter and sometimes violent. It is difficult to say how many trade unions operate at the national level since many are not affiliated to any all- India federation. The early splits in Indian trade unionism tended to be on ideological grounds each linked to a particular political party. Much of the recent fragmentation, however, has centered on personalities and occasionally on caste or regional considerations."

Apart from the low membership coverage and fragmentation of the trade unions, several studies point to a decline in membership, growing alienation between trade unions and membership particularly due to changing characteristics of the new workforce and waning influence of national federations over the enterprise unions. New pattern of unionisation points to a shift from organising workers in a region or industry to the emergence of independent unions at the enterprise level whose obsession is with enterprise level concerns with no forum to link them with national federations that could secure for them a voice at national policy making levels. Several studies also point to a shift in employment from the organised to the unorganised sector through subcontracting and emergence of a typical employment practice where those work for the organisation do not have employment relationship, but a contractual relationship.

Unfortunately trade unionism in India suffers from a variety of problems such as politicisation of the unions, multiplicity of unions, inter-union rivalry, uneconomic size, financial debility and dependence on outside leadership.

- **Bharatiya Mazdoor Sangh**

The Bharatiya Mazdoor Sangh (BMS) is the largest Central Trade Union Organisation. The learned economist and visionary, Mananiya Dattopantji Thengdi who has dedicated his life to the service of the society, along with some like minded nationalists, founded it on auspicious Lokmanya Tilak Jayanti 23 July 1955.

Starting from zero in 1955, BMS is now a well-knit organisation in all the states and in private and public sector undertakings. Several organisations of the State and Central government employees are also affiliated to the BMS. The Sangh also enjoys the premier position in several industries.

At present it has over 5,000 affiliated unions with a membership of more than 65 lakhs (6.5 million). Although not affiliated to any International Trade Union Confederation, BMS has relations with Central Labour Organisations of other countries. BMS representatives are taking part in the ILO sessions at Geneva for the past 25 years.

- **Objectives**

Bharatiya Culture forms the ideological basis of Bharatiya Mazdoor Sangh. Approach of culture is essentially subjective. The character of its contribution to the peace, progress and prosperity of humanity is, therefore, basic and fundamental. It fulfils its mission through various individuals and institutions arising in different times and climes. BMS is one of the instruments of Culture fighting against the mutually hostile but equally anti-human Capitalism and Marxism, with the ultimate goal of establishing Bharatiya Social Order based upon the tenets of Ekatma Manavavad (Integral Humanism).

It would be wrong to presume that labour problems are related to one section of population only. Such an exclusive view would be very unrealistic. Deterioration of working and living conditions of labour cannot be a sectional problem of labour alone; it is a malady adversely affecting the health of the entire social organism. Labour has always been regarded as the very foundation of the Bharatiya social structure. It is an integral and vital part of society. The character of its problems, therefore, is not sectional but national. To protect and promote its interests-which are by the very nature of things, not only compatible but invariably identical with those of the nation as a whole-is, therefore, the natural responsibility of the entire nation. BMS is pledged to fulfil this fundamental national duty towards labour.

With a view to achieving national prosperity and eradicating poverty, BMS is pledged to 'Maximum Production and Equitable Distribution'. This spirit is reflected in the ancient Bharatiya idea: Shata Hasta Samahar, Sahsra Hasta Sankir' (with a hundred hands produce; with a thousand hands, distribute.) Prosperity is not possible without increased Production. But we must also ensure equitable distribution so that all people have the urge to produce and share the fruits of prosperity.

BMS declared its belief in the concept of God as the sole moral proprietor of all wealth.

GROWTH OF TRADE UNION MOVEMENT IN INDIA

- **The First Strike**

The origin of the movement can be traced to sporadic labour unrest dating back to 1877 when the workers at the Empress mills at Nagpur struck following a wage cut. In 1884, 5000 Bombay Textile Workers submitted a petition demanding regular payment of wages, a weekly holiday, and a mid-day recess of thirty minutes. It is estimated that there were 25 strikes between 1882 and 1890. These strikes were poorly organised and short lived and inevitably ended in failure. The oppression by employers was so severe that workers preferred to quit their jobs rather than go on strike. Ironically, it was to promote the interests of British industry that the conditions of workers were improved. Concerned about low labour costs, which gave an unfair advantage to Indian factory made goods, the Lancashire and Manchester Chambers of Commerce agitated for an inquiry into the conditions of Indian Workers.

- **The First Factories Act**

In 1875, the first committee appointed to inquire into the conditions of factory work favoured legal restriction in the form of factory laws. The first Factories Act was adopted in 1881. The Factory Commission was appointed in 1885. The researcher takes only one instance, the statement of a witness to the same commission on the ginning and processing factories of Khandesh: "The same set of hands, men and women, worked continuously day and night for eight consecutive days. Those who went away for the night returned at three in the morning to make sure of being in time when the doors opened at 4 a.m., and for 18 hours' work,

from 4 a.m. to 10 p.m., three or four annas was the wage. When the hands are absolutely tired out new hands are entertained. Those working these excessive hours frequently died." There was another Factories Act in 1891, and a Royal Commission on Labour was appointed in 1892. Restrictions on hours of work and on the employment of women were the chief gains of these investigations and legislation.

- **The First Workers' Organisation in India**

Quite a large amount of pioneering work was done with remarkable perseverance by some eminent individuals notably by Narayan Lokhande who can be treated as the Father, of India's Modern Trade Union Movement.⁴ The Bombay Millhands' Association formed in 1890 under the leadership of Narayan Lokhande was the first workers' organisation in India. Essentially a welfare organisation to advance workers' interests, the Association had no members, rules and regulations or funds. Soon a number of other organisations of a similar nature came up, the chief among them being the Kamgar Hitvardhak Sabha and Social Service League. Organisations, which may more properly be called trade unions, came into existence at the turn of the century, notable among them being the Amalgamated Society of Railway Servants of India and Burma, Unions of Printers in Calcutta. The first systematic attempt to form a trade union on permanent basis was done in 1906 in the Postal Offices at Bombay and Calcutta.⁵ By the early years of the 20th century, strikes had become quite common in all major industries. Even at this time. There were visible links between nationalist politics and labour movement. In 1908, mill workers in Bombay went on strike for a week to protest against the conviction of the nationalist leader Bal Gangadhar Tilak on charges of sedition. There was also an outcry against the indenture system by which labour was recruited for the plantations, leading to the abolition of the system in 1922.

- **Madras Labour Union**

The Madras Labour Union was founded in 1918. Although it was primarily, an association of textile workers in the European owned Buckingham and Carnatic Mills, it also included workers in many other trades. Thiru Vi. Ka. and B. P. Wadia the nationalist leaders founded the Union. The monthly membership fee of the union was one anna. The major grievances of workers at this time were the harsh treatment meted out to Indian labour by the British supervisors, and the unduly short mid-day recess. The union managed to obtain an extension of the recess from thirty to forty minutes. It also opened a cheap grain shop and library for its members and started some welfare activities.

There was a major confrontation between the union and the management over the demand for a wage increase, which eventually led to a strike and lockout. The management filed a civil suit in the Madras High Court claiming that Wadia pay damages for inciting workers to breach their contract. As there was no legislation at this time to protect the trade union, the court ruled that the Madras Labour Union was an illegal conspiracy to hurt trading interests. An injunction was granted restraining the activities of the union. The suit was ultimately withdrawn as a result of a compromise whereby all victimised workers, with the exception of thirteen strike leaders, were reinstated and Wadia and other outside leaders severed their link with the union.⁶ Against this background N.M. Joshi introduced a bill for the rights of a Trade Union. But the then member for Industries, Commerce and Labour himself promised to bring legislation in the matter and the Trade Union Act of 1926 was enacted.

By this time many active trade union leaders notably N. M. Joshi, Zabwalla, Solicitor Jinwalla, S. C. Joshi, V. G. Dalvi and Dr. Baptista, came on the scene and strong unions were organised specially in Port Trust, Dock staff, Bank employees (especially Imperial Bank and currency office), Customs, Income-Tax, Ministerial staff etc.

- **Textile Labour Association**

About the same time as the Madras Labour Union was being organised, Anusuyaben Sarabhai had begun doing social work among mill workers in Ahmedabad, an activity which was eventually to lead to the founding of the famous Mazdoor Mahajan -Textile Labour Association, in 1920. Gandhi declared that the Textile Labour Association, Ahmedabad, was his laboratory for experimenting with his ideas on industrial relations and a model labour union. He was duly satisfied with the success of the experiment and advised other trade unions to emulate it.⁷

There were a number of reasons for the spurt in unions in the twenties. Prices had soared following World War I, and wages had not kept pace with inflation. The other major factor was the growth of the nationalist Home Rule Movement following the war, which nurtured the labour movement as part of its nationalist effort. At this time the workers had no conception of a trade union and needed the guidance of outside leaders. The outsiders were of many kinds. Some were philanthropists and social workers (who were politicians). They saw in labour a potential base for their political organisation. The politicians were of many persuasions including socialists, Gandhians who emphasized social work and the voluntary settlement of disputes, and communists.

- **Formation of AITUC**

The year 1920 also marked the formation of the All India Trade Union Congress (AITUC). The main body of labour legislation and paradoxically enough even the formation of the AITUC owes virtually to the activities of the International Labour Organization (ILO). It was considered that the origin of the First World War was in the disparities between the developed and undeveloped countries. As a result the treaty of Versailles established two bodies to cure this ill viz., the League of Nations and the ILO. India was recognized as a founder member of the latter. This is a tripartite body on which each member state nominates its representatives. For the foundational conference of ILO held in 1919 the Government of India nominated N. M. Joshi as the labour member in consultation with the Social Service League, which was then making the greatest contribution for the cause of workers. The ILO has a very exercising machinery to see that various Governments take some actions on its conventions and recommendations. All labour legislations in India owe a debt to these conventions and recommendations of ILO. The formation of India's first Central Labour Organisation was also wholly with a view to satisfy the credentials committee of ILO. It required that the labour member nominated by Government be in consultation with the most representative organisation of country's labour. The AITUC came into existence in 1920 with the principal reason to decide the labour representative for ILO's first annual conference. Thus the real fillip to the Trade union movement in India both in matters of legislation and formation of Central Labour Organisation came from an international body, viz., ILO and the Government's commitment to that body. Dependence on international political institution has thus been a birth malady of Indian Trade Union Movement and unfortunately it is not yet free from these defects.

The AITUC claimed 64 affiliated unions with a membership of 1,40,854 in 1920 Lala Lajpat Rai, the president of the Indian National Congress became the first president of AITUC.

In 1924 there were 167 Trade unions with a quarter million members in India. The Indian factories Act of 1922 enforced a ten-hour day.

- **Trade Unions Act**

The Indian Trade Unions Act 1926 made it legal for any seven workers to combine in a Trade Union. It also removed the pursuit of legitimate trade union activity from the purview of civil and criminal proceedings. This is still the basic law governing trade unions in the country.

- **Ideological Dissension**

Ideological dissension in the labour movement began within few years of the AITUC coming into being. There were three distinct ideological groups in the trade union organisation: communists led by Shri M. N. Roy and Shri Shripad Amrut Dange, nationalists led by Shri Gandhiji and Pandit Nehru, and moderates led by Shri N. M. Joshi and Shri V. V. Giri. There were serious differences between these three groups on such major issues as affiliation to international bodies, the attitude to be adopted towards British rule and the nature of the relationship between trade unions and the broader political movement. The communists wanted to affiliate the AITUC to such leftist international organisations as the League against Imperialism and the Pan-Pacific Trade Union Secretariat.

The moderates wanted affiliation with the BLO and the International Federation of Trade Unions based in Amsterdam, The nationalists argued that affiliation with the latter organisations would amount to the acceptance of perpetual dominion status for the country under British hegemony. Similarly, the three groups saw the purpose of the labour movement from entirely different points of view. The party ideology was supreme to the communists, who saw the unions only as instruments for furthering this ideology. For the

nationalists, independence was the ultimate goal and they expected the trade unions to make this their priority as well. The moderates, unlike the first two, were trade unionists at heart. They wanted to pursue trade unionism in its own right and not subjugate it completely to broader political aims and interests.

- **Formation of NTUF**

From the mid-twenties of the present century onwards the communists launched a major offensive to capture the AITUC. A part of their strategy was to start rival unions in opposition to those dominated by the nationalists. By 1928 they had become powerful enough to sponsor their own candidate for election to the office of the President of the AITUC in opposition to the nationalist candidate Nehru. Nehru managed to win the election by a narrow margin. In the 1929 session of the AITUC chaired by Nehru the communists mustered enough support to carry a resolution affiliating the federation to international communist forum. This resolution sparked the first split in the labour movement. The moderates, who were deeply opposed to the affiliation of the AITUC with the League against Imperialism and the Pan - Pacific Secretariat, walked out of the federation and eventually formed the National Trade Union Federation (NTUF). Within two years of this event the movement suffered a further split. On finding themselves a minority in the AITUC, the communists walked out of it in 1931 to form the Red Trade Union Congress. The dissociation of the communists from the AITUC was, however, short-lived. They returned to the AITUC the moment the British banned the Red Trade Union Congress. The British were the most favourably disposed toward the moderate NTUF. N.M. Joshi, the moderate leader, was appointed a member of the Royal Commission.

The splintering away of the NTUF had cost the AITUC thirty affiliated unions with close on a hundred thousand members. However, the departure of the communists had not made much difference. In any case, the Red Trade Union Congress quickly fell apart, and the communists returned to the AITUC. During the next few years, there was reconciliation between the AITUC and NTUF as well. The realisation dawned that the split had occurred on issues such as affiliation with international organisations, which were of no concern to the ordinary worker. By 1940 the NTUF had dissolved itself completely and merged with the AITUC. It was agreed that the AITUC would not affiliate itself with any international organisation, and further, that political questions would be decided only on the basis of a two-thirds majority.

On the whole the thirties were a depressing period for Indian labour. There were widespread attempts to introduce rationalisation schemes and to effect wage cuts. The wartime inflation also took its toll. While the militant elements on the labour movement fought for the redressal of workers grievances, the movement itself was steeped in political dissent. The popular governments voted to power in the 1937 elections did not measure up to the workers' expectations although prominent labour leaders such as Shri Nanda and Shri Giri had taken over as labour ministers. They did pass some useful legislations, however a major piece of legislation was the Bombay Industrial Disputes Act of 1938, which attempted to eliminate inter union rivalries by introducing a system recognising the dominant union.

- **Formation of Indian Federation of Labour**

In 1939, when the British unilaterally involved India in World War II, there was another wave of schisms in the labour movement. Congress governments voted to power in the 1937 elections resigned in protest against the country's involvement in an alien war, and the nationalists in the AITUC were naturally opposed to the war effort. But Roy and his supporters stood by the British. They founded a rival labour movement in 1941 called the Indian Federation of Labour (IFL). Initially the communists opposed the war effort and British had in fact jailed most of their leaders. But there was a dramatic volt face in their position in 1942 when Soviet Russia joined the Allies.

In the same year the nationalists launched the Quit India movement under Gandhi's leadership. The British reacted to these developments by emptying the jails of communists and filling them up with nationalists. With the nationalists in jail, the AITUC was ripe for capture by the communists, and they made the most of the opportunity. By the end of the war there were four distinct groups of trade unionists, two in jail and two out of it. Among the nationalists who were in jail there had existed/for some time a pressure group called the congress socialists. The two groups outside jail were the Roy faction and communists who had in common

their support for the British war effort, but had maintained their separate identities. The stage was set for a formal division of the labour movement, which would reflect the ideological differences.

At this juncture, the Government of India became quite active on the labour front and Dr. B. R. Ambedkar, the then Labour Member of the Executive Council to Viceroy with the assistance of S.C. Joshi was engaged and exercised to take action on all the recommendations of the Royal Commission on Labour. At their instance a fact-finding committee was appointed to study the then existing situation. During the period 1945-47 most of the present labour legislations were drafted and the conciliation and other machinery were also well conceived. In 1947 when the National Government was formed Shri S. C. Joshi, the then Chief Labour Commissioner, was entrusted with the work of implementing the various provisions of labour law. The whole of the present set up owes a debt to the work that was done by him and Shri V. V. Giri, the former president of India.

• **Formation of INTUC, HMS and UTUC**

With the formation of National Government Sardar Vallbhbhai Patel advocated very strongly the cause of forming a new central organisation of labour. It was his view that the National Government must have the support of organised labour and for this purpose the AITUC cannot be relied upon since it was thriving on foreign support and used to change its colours according to the will of its foreign masters

So, on 3rd may 1947, the Indian National Trade Union Congress (INTUC) was formed. The number of unions represented in the inaugural meet was around 200 with a total membership of over 5,75,000.⁹ There was now no doubt that the AITUC was the labour organisation of the communists, and the INTUC the labour organisation of the congress This was further confirmed when the congress socialists, who had stayed behind in the AITUC, decided to walk out in 1948 and form the Hind Mazdoor Panchayat (HMP). The socialists hoped to draw into their fold all non-congress and non-communist trade unionists. This hope was partly realised when the Roy faction IFL merged with the HMP to form the Hind Mazdoor Sabha (HMS). However, the inaugural session of the HMS witnessed yet another split in the labour movement. Revolutionary socialists and other non-communist Marxist groups from West Bengal under the leadership of Shri Mrinal Kanti Bose alleged that the HMS was dominated by socialists and decided to form the United Trade Union Congress (UTUC). The UTUC is formally committed to the pursuit of a classless society and non-political unionism. In practice, however, many of its members are supporters of the Revolutionary Socialist Party.

By the fifties the fragmentation of the labour movement on political lines had become a permanent fact. Disunity was costing the labour movement dearly. There were periodic attempts at unity, but nothing much came of them. The INTUC was firmly opposed to any alliance with the communists. The HMS was willing to consider a broad-based unity that would include all groups, but not for any arrangement with the AITUC alone. The major stumbling block to unity was the bitter experience to other groups had with the communists in the thirties. Even in specific industries such as railways where a merger between rival groups did take place, unity was short-lived All that could be achieved between rival trade unions were purely local ad-hoc arrangements.

• **Formation of BMS**

Before the rise of Bharatiya Mazdoor Sangh the labour field was dominated by political unionism. The recognised Central Labour Organisations were the wings of different political parties or groups. This often made workers the pawns in the power-game of different parties. The conscientious workers were awaiting the advent of a national cadre, based upon genuine trade unionism, i.e. an Organisation of the workers/ for the workers, and by the workers. They were equally opposed to political unionism as well as sheer economism i.e. "bread butter unionism". They were votaries of *Rashtraneetee* or *Lokaneetee*. They sought protection and promotion of workers' interests within the framework of national interests, since they were convinced that there was no incompatibility between the two. They considered society as the third-and more important-party to all industrial relations, and the consumers' interest as the nearest economic equivalent to national interest. Some of them met at Bhopal on 23 July 1955 (the Tilak Jayanti Day) and announced the formation of a new NATIONAL TRADE UNION CENTER, BHARATIYA MAZDOOR SANGH.

During the All India Conference at Dhanbad in 1994, BMS has given the clarion call to all its Karyakartas to be prepared to face the THIRD WORLD WAR AND SECOND WAR OF ECONOMIC INDEPENDENCE unleashed by the developed countries against the developing countries. The emissaries of the developed countries are the multinational companies who look up to India as a ideal market to sell their outdated consumer products & technologies with a view to siphon out the profits to their respective countries. In fact there is concerted effort to even change the tastes and outlook of the average Indian through satellite and junk food channels to suit them. One might recall that the Indians were addicted to tea and coffee by the then British rulers by distributing them free of cost during 1940s. Today not surprisingly India is the largest consumers of both the beverages. Now in this decade the soft drinks and potato chips rule the roost. BMS has made it adequately clear that every country that has to develop has to adopt and adapt methods, which suits it, both culturally and economically. Today India needs MODERNISATION AND NOT BLIND WESTERNISATION. BMS publications HINDU ECONOMICS by Shri M. G. Bokare and THIRD WAY by Mananeeya Dattopant Thengdi are eye-openers to the planners of the nation in this direction. Practising SWADESHI is the only remedy to counter this onslaught.

In 1996, in its 41st year, BMS has rededicated itself in organising the unorganised labour in the country (around 95% in a total of 3500 lakh, (350 million), labour force in the country) with a view to raise their standard of living and protect them against exploitation. Every member of the BMS has donated minimum Rs.100 in the 40th year towards the cause.

BMS therefore encourages its workers to undertake social and constructive work along with day-to-day union work. During the Pakistan war, BMS unions suspended their demands and engaged themselves in repairing runways and donating blood for army men.

- **Aims and Objects of BMS**

Those who attended the convention of 23 July 1955, the formation day, had full confidence in the ability of our national genius to evolve new social systems and philosophical formulae. They were determined to steer clear of both capitalism as well as communism. They were opposed to the crude materialism of West and felt that in the absence of Bharatiya spiritual values it was impossible to evolve any healthy social structure free from internal dissensions and strife. They had implicit faith in the scientific character and ultimate victory of Bharatiya Social Order based upon the tenets of integral humanism.

The pioneers of this new movement rejected the Class Concept. They stood neither for class-conflict nor for class-collaboration. The class concept - which is a fiction - would ultimately result in the disintegration of the nation, they declared. They however, refused to identify national interests with those of the privileged few in the economic, political or any other department of national life as the criterion for determining the level of national life. The criterion for determining the level of national prosperity was, according to them, the living condition of the financially weakest constituent of the nation. To improve the lot of the underdog they would resort to the process of collective bargaining, so far as possible, and to conflict, wherever necessary. Exploitation, injustice and inequality must be put an end. The ratio between the minimum and the maximum income in the land should be 1: 10.

For industrial workers, they demanded security of service, need based minimum wage, wage differentials on the basis of job-evaluation, right to bonus as deferred wage, full neutralisation of price-rise so as to ensure the real wage, massive industrial housing programmes, and integrated social security and welfare schemes.

- **Formation of CITU and UTUC (LS)**

By 1965 a splinter group of socialists headed by Shri George Fernandes formed a second Hind Mazdoor Panchayat. The split in the communist movement inevitably divided the AITUC, leading to the emergence of the Centre of Indian Trade Unions (CITU) in 1970. The UTUC was also split into two along ideological lines, the splinter group calling itself UTUC (Lenin Sarani) i.e., UTUC (LS). Regional Trade Union Organisations affiliated to regional political parties such as the DMK, AIADMK and MDMK in Tamilnadu and the Shiv Sena in Maharashtra, have also emerged.

• **CTUOs in India (Central Trade Union Organisations)**

At present there are twelve CTUOs in India as follows:

1. Bharatiya Mazdoor Sangh (BMS)
2. All India Trade Union Congress (AITUC)
3. Centre of Indian Trade Unions (CITU)
4. Hind Mazdoor Kamgar Panchayat (HMKP)
5. Hind Mazdoor Sabha (HMS)
6. Indian Federation of Free Trade Unions (IFFTU)
7. Indian National Trade Union Congress (INTUC)
8. National Front of Indian Trade Unions (NFITU)
9. National Labour Organisation (NLO)
10. Trade Unions Co-ordination Centre (TUCC)
11. United Trade Union Congress (UTUC) and
12. United Trade Union Congress - Lenin Sarani (UTUC - LS)

• **AITUC, HMS to Merge**

In a significant development, two CTUOs, the AITUC and HMS, have decided to merge. The decision to merge in a time bound manner was taken at a joint meeting of the working committees of the trade union organisations held on March 24, 1996.

• **Verified Membership of CTUOs**

BMS ON TOP

Verified membership of Central Trade Union Organisations as supplied by the Chief Labour Commissioner to the CTUOs for the cut off date 31-12-1989:

Sr. No.	Name of the Organisation	Industrial Workers	Agricultural Workers	Total
1.	BMS - Bharatiya Mazdoor Sangh	27,69,556	3,47,768	31,17,324
2.	INTUC - Indian National Trade Union Congress	25,87,378	1,19,073	27,06,451
3.	CITU - Centre of Indian Trade Unions	17,68,044	30,049	17,98,093
4.	HMS - Hind Mazdoor Sabha	13,18,804	1,58,668	14,77,472
5.	AITUC - All India Trade Union Congress	9,05,975	17,542	9,23,517
6.	UTUC (LS) - United Trade Union Congress - Lenin Sarani	4,33,416	3,69,390	8,02,806
7.	UTUC - United Trade Union Congress	2,29,225	3,10,298	5,39,523
8.	NFITU - National Front of Indian Trade Unions	3,63,647	1,66,135	5,29,782
9.	TUCC - Trade Unions Co-ordination Centre	30,792	1,99,347	2,30,139
10.	NLO - National Labour Organisation	1,36,413	2,464	1,38,877
11.	HMKP - Hind Mazdoor Kamkar Panchayat	3,516	-	3,516

12.	IFFTU - Indian Federation of Free Trade Unions	428	-	428
		1,05,47,194	17,20,734	1,22,67,928

Source: Chief Labour Commissioner (Central), "Report on CTUOs' Membership Verification" as announced on July 16, 1994, Organiser, August 28, 1994, p.9.

• State wise Number of BMS affiliated Unions and their Membership

States	31 Dec 1989		31 Dec 1997	
	Unions	Members	Unions	Members
Andaman & Nicobar			4	932
Andhra Pradesh	383	5 74 017	407	8 92 734
Arunachal Pradesh	1	175	1	310
Assam	18	75 080	24	1 45 209
Bihar	174	3 29 830	221	7 19 695
Chandigarh	15	5 000	14	6 016
Delhi	101	4 57 811	112	6 44 793
Goa	6	3 029	9	20 602
Gujrath	87	20 216	93	1 95 739
Haryana	132	51 064	163	1 78 940
Himachal Pradesh	66	40 131	77	51 429
Jammu & Kashmir	30	16 342	31	26 508
Karnataka	118	59 178	123	68 280
Kerala	152	28 618	186	95 755
Madhya Pradesh	198	1 68 759	454	6 86 126
Maharashtra-I	257	2 03 000	218	4 38 382
Maharashtra-II	69	1 10 330	70	1 16 845
Manipur			1	208
Meghalaya			1	1 320
Nagaland	1	250		
Orissa	28	6 218	102	94 049
Pondichery	2	104	1	98
Punjab	210	1 19 797	241	1 99 725
Rajasthan	250	2 29 036	467	4 80 291
Tamilnadu	26	26 542	53	67 279
Tripura	1	450	8	3 713
Uttar Pradesh	488	4 50 826	656	6 93 349
West Bengal	156	1 41 521	220	2 22 308
Total	2 969	31 17 324	3 957	60 50 635

Analysis of Membership of BMS as on 31-12-2002**All India (Industry-wise)**

Sr.	Industry	Unions	Members
1	Textiles	236	3 36 717
2	Clothing	36	1 02 709
3	Jute	54	83 586
4	Iron and Steel	53	96 692
5	Metals	26	12 934
6	Engineering	402	3 39 605
7	Defence	183	94 236
8	Electric, Gas and Power	133	3 34 021
9	Transport Railways	22	8 94 448
10	Water Transport / Waterways	5	2 048
11	Roadways	226	4 68 711
12	Air Transport	4	2 070
13	Plantations	34	1 36 843
14	Coal Mining	32	2 73 608
15	Mining of Minerals other than Coal	60	63 880
16	Quarrying	16	66 243
17	Agriculture and Rural workers	132	15 83 303
18	Sugar	157	1 36 715
19	Cement	64	23 575
20	Chemicals	215	59 954
21	Building Constructions	110	3 10 332
22	Food and Drinks	197	1 19 990
23	Tobacco	42	7 06 351
24	Tanneries and Leather goods manufacturers	17	12 639
25	Paper and Paper Products	64	17 259
26	Printing and Publishing	56	21 056
27	Local Bodies	243	1 50 223
28	Glass and Pottries	25	7 374
29	Petroleum	25	36 027
30	Salaried Employees and Professional workers	338	3 19 155
31	P And T Workers	10	2 65 162
32	Hotel, Restaurants, Tourism and Others	55	69 555
33	Hospitals and Dispensaries, Medical and Health Services and	71	74 217
34	Personal Services	95	1 72 021
35	Financial Institutions	358	1 77 846
36	Ports, Docks and Maritime	15	8 778
37	Coir	2	800
38	Brick Kilns / Tile Manufacturing	19	95 821
39	Wood, Plywood and Wood Products	24	30 506
40	Rubber Products	34	5 842
41	Pencil Industry	3	1 374
42	Soaps and Detergents	4	1 060
43	Self Employees	44	55 469
44	Miscellaneous	346	5 47 593
	Total	4 287	83 18 348

Analysis of Membership of BMS as on 31-12-2002**All India (State-wise)**

Sr.	Industry	Unions	Members
1	Andaman & Nicobar	8	1 346
2	Andhra Pradesh	392	15 91 242
3	Arunachal Pradesh	1	309
4	Assam	29	1 63 596
5	Bihar	125	4 17 903
6	Chandigarh	14	6 417
7	Chattisgarh	59	2 65 258
8	Delhi	117	5 26 571
9	Goa	18	73 253
10	Gujrath	105	2 11 369
11	Haryana	151	1 58 136
12	Himachal Pradesh	129	94 657
13	Jammu & Kashmir	41	30 324
14	Jharkhand	117	3 98 637
15	Karnataka	110	66 307
16	Kerala	209	2 02 154
17	Madhya Pradesh	388	7 98 516
18	Maharashtra	323	5 72 226
19	Vidarbha	103	2 09 687
20	Manipur	3	5 663
21	Meghalaya	1	1 102
22	Mizoram	4	5 159
23	Nagaland		
24	Orissa	136	5 38 450
25	Pondichery	1	98
26	Punjab	287	2 75 149
27	Rajasthan	395	5 98 976
28	Tamilnadu	79	1 00 506
29	Tripura	8	4 006
30	Uttar Pradesh	661	6 53 661
31	Uttaranchal	90	1 09 101
32	West Bangal	183	2 38 569
	Total	4 287	83 18 348

"Sui Generis" (Only one of its kind)**DISTINCT FEATURES OF BMS**

In India many unions are functioning simultaneously in one and the same establishment. On this background the BMS has some distinct features of its own:

- a) One of its basics is to build a structure of society, which would promote India's contribution to humanity.
- b) It has a firm belief in Indian Culture and its ultimate success, and takes inspiration from India's ancient culture and spiritual concepts.
- c) Naturally, It believes that the whole humanity is one and different nations are only its various facets. It therefore rejects the "Class Struggle" theory of Marx and hence the fight of BMS is not against any class but against injustice and exploitation.
- d) It believes in co-existence of nations and tries to promote brotherhood among them.
- e) It has a nationalist outlook not attached to any -ism (capitalism, socialism or communism).
- f) It is not linked or to any political party and is therefore independent of party politics.**
- g) It is a genuine trade union working not only for the economic needs of the workers but also for their total upliftment.
- h) Unity in diversity is the special feature of Indian culture and accordingly BMS tries to bring together different trade unions and participates in joint campaigns for the solution of workers problems. No compromise on concepts and leaving the stamp on the deliberations of joint campaign committees and joint actions has been the tradition of BMS.
- i) It does not believe in violence and destruction/ and adheres to constructive approach in all its struggles.
- j) It considers workers interest in the context of National interest and hence propagates workers participation right coupled with duty.
- k) It believes in increasing production with proper distribution and hence propagates PRODUCE MAXIMUM but CONSUME WITH RESTRAINT.
- l) It strives for removing foreign influence on Indian Society.
- m) It considers STRIKE as a last resort after failure of bilateral talks, negotiations and arbitrations.

• Philosophical Background of BMS

The BMS has ideologically a distinct approach than the rest of the Central Trade Union Organisations in India. Bharatiya culture forms the ideological basis of the BMS The word culture denotes a trend of impressions on the mind of a society which is peculiar to its own, and which again, is the cumulative effect of its passion, emotion, thought, speech and action throughout its life. Bharatiya culture looks upon life as an integrated whole. It has an integrated viewpoint. It admits that there is diversity and plurality in life, but always attempts to discover the unity in diversity. The diversity in life is merely an expression of the internal unity. The unity in seed finds expression in various forms - the roots, the trunk, the branches, the leaves, the flowers and the fruits of the tree. Unity in diversity and the expression of unity in various forms have remained the central thought of Bharatiya culture or "Integral Humanism." If this truth is whole-heartedly accepted then there will not exist any cause for conflict among various powers. Conflict is not a sign of culture or nature. "Integral

Humanism is the name given to the sum total of various features of Bharatiya culture- abiding, dynamic, synthesizing and sublime", Pandit Deendayal Upadhyay propounded. This is the idea, which determines the direction of BMS.

It would be wrong to presume that labour problems are related to one section of population only. Such an exclusive view would be very unrealistic. Deterioration of working and living conditions of labour cannot be a sectional problem of labour alone; it is a malady adversely affecting the health of the entire social organism. Labour has always been regarded as the very foundation of the Bharatiya social structure. It is an integral and vital part of society. The character of its problems, therefore, is not sectional but national. To protect and promote its interests is, therefore, the natural responsibility of the entire nation. BMS is pledged to fulfil this fundamental national duty towards labour.

Marxists and socialists of every variety conduct their trade unions as instruments of intensifying class conflict with the ultimate goal of establishment of socialism. BMS is a votary of nationalism and integralism. Therefore, it rejects the class conflict theory. The class conflict, carried to its logical length, would result in disintegration of the nation. All the nationals are only so many limbs of the same body. Their interests cannot, therefore, be mutually conflicting. BMS is opposed to class struggle based on hatred and hostility, but it has always struggled against the evil forces of inequality, injustice and exploitation

With a view to achieving national prosperity and eradicating poverty, BMS is pledged to "maximum production and equitable distribution". Capitalism over-emphasises the importance of production. Socialism over-emphasises the aspect of distribution. But BMS lays equal stress on both. Maximum production is the national duty of labour, but at the same time equitable distribution of the fruits of production ' the legitimate right of workers. BMS has, therefore introduced in the labour field a new slogan based on patriotism: "We will work in the interest of the nation and will demand full wages".

• **Non-Political Trade Unionism**

Politicisation of labour movement and affiliation of Central Trade Union Organisation with one or other political parties led to division of trade union movement in India. Affiliation to political parties results in inter-union rivalries. INTUC has links with Congress. It supported the policies of congress government. Even when it disagreed with government's action it indulges in nothing more than a mere verbal protest. "... By virtue of the common source of inspiration and common leadership, the INTUC has the tradition of working almost as a wing of the congress party with unassailable commitment to the party's policies and programmes. Since inception many leaders of the INTUC have been contesting the parliament and assembly elections. Several of them have been given berths in the council of ministers at the central and state levels....".

AITUC adopts the policies and ideologies of communist party of India (CPI). CITU has affiliation with Communist Party of India-Marxist (CPI-M). HMS follows the principles and policies of the Socialist Party.⁴ UTUC has close relationship with the Revolutionary Socialist Party and other splinter parties of the left.⁵

Non-political unionism has been held out as the only solution to the problems that beset trade unions. One of the most ardent advocates of this line was Shri V. V. Giri, the veteran trade unionist and former President of India. "It is time that workers realize that party politics are completely out of place in trade unions, that they should not play the role of pawns in the game of party politics, and that their organisations are concerned first and last with their interest and welfare. Trade union leaders and party leaders should also take active steps to ensure that workers are weaned away from disruptive party leanings, so that genuine trade unionism may grow in the country".

The BMS has kept itself away from power-hungry politics from its inception. Trade union can ensure that powerful influence of workers on management and government policy only when the principle of non-political trade unionism is followed. Of course every worker is conscious of his rights and duties as a citizen and is free individually to join or not to join, and work or not to work, for a political party of his choice. But as union members collectively the workers must keep out of politics.

BMS is pledged to eradicate economic inequality and exploitation; but it is not 'Leftist'. It rejects the class conflict concept of Marx; but it is not 'Rightist'. It is purely nationalist and has accepted the principle of

genuine trade unionism i.e. an organisation for the workers, by the workers and of the workers within the framework of national interest. In the XII World Trade Union Congress of World Federation of Trade Unions (WFTU) of Communist Countries, held in Moscow, in 1990, it was admitted by almost all delegates that the trade unions of labour must keep themselves away from the power and political parties. This again is an international recognition of the basic concept of BMS on non-political trade unionism.

- **Motto of BMS**

The BMS has coined the following three sparkling phrases to depict in brief its distinctive approach to the Trade Union Movement:

**NATIONALISE THE LABOUR
LABOURISE THE INDUSTRY
AND
INDUSTRIALISE THE NATION**

- **Distinct characteristics.**

1. Nationalistic outlook.
2. Constructive Approach.
3. Idealism, not expediency.
4. Adherence to Constitution and democratic trade unionism.
5. Perfectly non-political character.
6. Admission to all Bharatiya workers irrespective of their caste, creed, community, or sex.
7. Conviction that class concept is a myth.
8. Realise that labour interests are identical with national interests.
9. Determination to steer clear of both, capitalism as well as communism.
10. Equidistant to all power centres.

Since 1955 the BMS has introduced many slogans befitting its ideology to the labour movement like:

- **Bharat Mata Ki Jai**

"BHARAT MATA KI JAY" was a slogan quite alien to the Indian Labour Field. Workers were taken by surprise when BMS first introduced this slogan and thus tried to bridge the gulf between the sectional and national viewpoints. Being essentially patriotic, workers were not slow to adopt this slogan.

- **Workers, unite the world.**

In 1955, the widely current slogan was: WORKERS OF THE WORLD? UNITE - In reality this was a slogan of all round disruption. We rejected it and replaced it with our own slogan: "WORKERS UNITE THE WORLD".

- **Nationalise the Labour, Labourise the Industry, Industrialise the Nation.**

BMS also propagates the concept of labourisation based on the theory of the workers being co-owners of the Industry on the basis of a fair evaluation of the labour capital deployed. Hence the slogan "**Nationalise the Labour, Labourise the Industry and Industrialise the Nation**". BMS also demands, the constitution of a national commission on the problems of ownership of industry, which should suggest the pattern of ownership for each industry taking into consideration the particular characteristics of that industry and the total requirement of the national economy.

- Desh ke hith me karenge kam, kam ka lenge pura daam. (We will work in the interest of the country and will take full remuneration for the work.)
- Tyag, Tapasya aur Balidan (Sacrifice, penance, and martyrdom) that are the main hallmarks of the BMS Karyakarta (Workers).

- **Patterns of Ownership**

On the practical plane, BMS was the first to highlight the fact that neither nationalisation was the only alternative to private capitalism, nor was a panacea for all industrial maladies. There were various other patterns of industrial ownership such as, municipalisation, co-operativisation, democratisation, joint industry, joint sector, self-employment, etc. etc. It urged for the constitution of National commission on the pattern of industrial ownership. The pattern of ownership should be determined in the light of peculiar characteristics of each industry, and the total requirement of national economy. It firmly rejected both the extremes of "all nationalisation" and "no nationalisation"

Pleading for the organisation of autonomous Financial Institution to channelise small saving of poor people into industrial investments for the benefit of the specific industries, the BMS has said that the industrial structure in the future would continue to be complex, with various patterns of ownership, existing side by side/ but greater stress will have to be laid on setting up industries which will be:

Financed	by	Commoners
Owned	by	Workers
Supervised	by	Institutions
Decentralised	by	Technologists
Served	by	Experts
Coordinated	by	Planners
Disciplined	by	Parliament
Assisted	by	State
Utilised	by	Consumer
	&	
Governed	by	Dharma

- **Industrial Family**

It was emphasized by B.M.S. that National goal cannot be achieved if there exists any feeling of enmity. The B.M.S. therefore, deprecated the theory of class conflict and emphasized that all the constituents should act and work in unison. This can be achieved by developing the concept of "family" in the industry.

- **Symbol of BMS**

The BMS symbol characteristically Bharatiya, while its industrial wheel symbolises industrialisation, "BALI" agriculture and general prosperity and human fist workers unity, the real stress is on the opposable human thumb. No implement weapon or means of production could have been evolved, had man not been blessed with the opposable thumb. In this sense, human thumb is the real origin of all machinery, hammer, sickle, plough, charkha or spantik. NO HUMAN LIMB HAS SO FAR FOUND ANY PLACE IN THE SYMBOL OF OTHER TRADE UNION CENTERS.

- **National Labour Day**

In our country VISHWAKARMA DAY is being observed as National Labour Day from time immemorial. The Bharatiya Mazdoor Sangh boldly introduced this day, happily enough it has received wide acceptability from the workers, though some of the so-called radical labour leaders are still hesitant on the point.

- **Viswakarma Sector**

BMS was the first trade union centre to recognize the special importance of 'self-employment sector'. Self-employment is the best status for men in society. Economic life without alienation is the life of ownership of one's own economic activity in agriculture, industry, trade and services. This is self-employment as a concept in economics.²⁰ Goldsmiths, blacksmiths, potters, tailors, engravers, barbers and washer men are self-employed. BMS rightly calls this self-employment sector as the Viswakarma sector. The western economics did not recognize this sector of self-employment which was neither a 'private sector' nor a 'public sector' but the 'people's sector'. Later on the Household Industries Act was passed by the erstwhile communist Soviet Union. Communist China and Hungary also had made legal provisions for the self-employment sector, recognizing its importance.

BMS urges a separate department under the Ministry of Labour and Employment to assist the self-employed persons. Self-employed people cannot be exploited nor can they exploit others. There is neither class war nor take-over of the state. It is a peaceful transformation.²¹ Self-employment sector should get more encouragement than at present.

- **Functional Representation in the Elected Bodies**

BMS calls for the introduction of functional representation in the Lok Sabha and State Assemblies. The territorial representation should be reduced numerically, each member being required to represent a larger electorate. In industrial sector, workers of each major industry and minor industries or their trade groups should be given representation in the Lok Sabha and the State Assemblies. The organised labour should be given representation on Local-Self Government bodies and university senates.

There should be de-limitation of industrial constituencies on the national, the state and the local level for the above purpose. On the national level, the number of representatives to be elected by the workers of every industry should be directly proportionate to the extent of its contribution to the national income, BMS envisages.

- **Guidelines of the Future Socio-Economic Order**

BMS is striving not only for the solution of immediate problems but also for the gradual evolution of the guidelines of the future socio-economic order. The memorandum on Labour Policy' submitted to the National Labour Commission on 22nd October, 1968. The National Charter of Demands of Indian Labour - An Order of Duties and Disciplines" submitted to Shri V. V. Giri President of India on 17th November, 1969 and "the National Charter of Directives of Bharatiya Workers" submitted to Dr. Shankar Daval Sharma, President of India on 20th April, 1993 are the documents of the collective thinking and the collective wisdom of BMS. These are also the guidelines to the architects of Indian Labour Policy for the 21st Century.

While opposing the New Economic Policy (NEP) and New Industrial Policy (NIP) BMS has suggested some positive alternatives. It has vigorously condemned the abject surrender to the conditionalities of the International Monetary Fund and World Bank <is that would amount to giving up our sovereignty. BMS considers the present moment as an opportunity to build up Swadeshi Model of Economy. D.B. Thengdi's "Third way" offers the general guidelines of the new socio-economic order. The ideal national paradigm of value-systems, institutional arrangement and parameters are given in the formulation of BMS.

LABOURISATION

- **Conceptual Framework**

The credit for introducing the "LABOURISATION" goes to BMS only. It stressed that all categories of "employer" and under the various industrial ownership, the labour of workers must be evaluated in terms of shares and workers raised to the status of shareholders contributing labour as the share. As a standard bearer of Bharatiya culture the BMS proclaimed that surplus value of labour is managed and deployed by employers

(accountable to themselves) under capitalistic order: by state (accountable to party) under communistic order and by workers (accountable to the nation) under Bharatiya order.

The BMS declared THE ONWARD MARCH OF LABOUR along the following lines:

From

The Master-Servant relationship

Through

A Better Deal
 Joint Consultation
 Joint Management
 Auto-Management
 Participation in ownership

To

Worker's Ownership.

• **ESOP (Employee Share Ownership Plan)**

Workers' share ownership plan constitutes the major form of financial participation. It is technically called as Employee Share/ Stock Ownership Plan (ESOP). The scheme gives the opportunity to employees to own shares in their own company. The concept of ESOP was originally developed in 1967 by Louis Kelso, San Francisco lawyer and investment banker, and author of books titled 'The Capitalist Manifesto' and 'How to Turn Eighty Million Workers into Capitalists on Borrowed Money'. His objective was to turn workers into shareholders. Kelso argued that conventional capitalism is a closed loop financial system the rich get richer and the poor get poorer. People, he said, get rich not through wages and salaries but by owning shares in companies. With ESOP workers are able to get a share in this gain.

• **Modus Operandi of ESOP**

When an employer adopts the ESOP, workers form a trust to buy and hold their shares. This trust then borrows money from a bank to buy some or all of the company's shares at fair market value. The trust hands over the money to the employer in return for shares. For his part, the employer guarantees the repayment of the borrowed money, and settles it over a period of time by making contributions to the Trust.

Why should any employer do this? In the USA the most important reason is that he gets major tax concessions. Contributions to the trust to pay off the loan are considered by law to be deferred wages. They can be deducted from the company's income, exactly as wages are, before computing tax. Further changes in the law in 1984 have made ESOPs even more attractive. Half the interest earned by banks from loans advanced to buy shares is free of tax. Companies can deduct as an expense dividends paid on shares held by ESOPs, yet another advantage to the employer is that ESOP protects his company from takeover by business rivals. Since shares are not owned directly by workers but indirectly through the trust, they cannot be sold freely in the stock market.

Because ESOPs are so attractive to employers, workers and banks, the movement has received an enormous boost in the USA. About 10,000 companies have adopted the plan since 1974. On an average, workers hold about 20 percent of the shares in ESOP firms. And there are at least a thousand firms where they hold majority shares.

The ESOP shares are not individual property, which workers can freely sell. The decision to own the shares is also not an individual decision. The shares are owned by the trust. Loans to buy shares are taken by the trust. And it is through the trust that the employer makes payments to clear the loan. ESOP shares are thus owned by all workers. Individual workers can sell their rights when they leave or retire, but the trust usually buys them back.

- **Arguments in favour of Labourisation**

In the first place, it is often considered to be a means of improving motivation and productivity. It leads to greater commitment, lower absenteeism and labour turnover, greater investment in firm-specific human capital and reduced intra-firm conflict. In contrast to individual incentives, financial participation is also likely to enhance teamwork and a cooperative spirit, thereby facilitating improvements in work organisation.

- **Labourisation: Global Experiences**

Workers' financial participation in enterprise results is hardly a new idea. However, it has only recently captured the attention of economists and policy makers, not only in industrialised countries but also in economies in transition, particularly in Central and Eastern Europe. Moreover, although financial participation has been widely discussed at the policy level, little is known about the application of financial participation schemes in practice.

A clear distinction is made between the experiences of the industrialised countries and those in Central and Eastern Europe. While companies in the industrialised countries are actively promoting financial participation schemes as an efficient and flexible payment system, which can improve motivation and productivity, in Central Eastern Europe financial participation is mainly linked to the privatisation process.

- **The Importance of the Legislative Framework**

Some countries have addressed the issues of financial participation in a more comprehensive manner than others. In France and the United Kingdom, the law envisages a variety of financial participation schemes, with different tax incentives, which have recently been extended. This support has attributed to the growth in the number of financial participation agreements in the two countries. In the USA a notable slow down in productivity growth after 1973 generated increased interest in worker participation. A number of tax incentives were, therefore, introduced mainly for deferred profit sharing and ESOPs

Financial participation in Eastern European countries is closely linked to their privatisation processes, as illustrated by recent legislative developments and government statements in favour of share ownership schemes. In all these countries, the first stage of privatisation is the transformation of state enterprises into joint stock companies, in which workers' share ownership plays a central role. Hungary is a typical example, which has implemented various forms of workers' share ownership. Government encouragement has promoted the rapid development of ESOPs in the privatisation process.

These schemes are more decentralised in Japan, where financial participation seems to be part of an overall management policy and is not, therefore, promoted by legislation or other public measures. It is implemented by the social partners, viz., employers, employees, unions and the management at the plant level and is often developed along with participation in decision-making, work sharing and internal labour mobility.

- **The Japanese Experience**

The development of workers' financial participation depends on a series of social, cultural and historical factors. This is confirmed by the Japanese experience, which is characterised by a notable development of ESOPs. In the absence of direct formal government support, this appears to be principally due to cultural, industrial relations and other institutional factors. ESOPs have been introduced by more than 90 percent of the firms listed on Japanese stock markets and by 60 percent of all corporations. The average stock held by each employee through an ESOP was estimated at US \$ 14,000 in 1988.⁸ In addition to ESOPs, cash based profit sharing bonuses account for an amount equivalent to about 25 percent of total pay, making Japan the country in which financial participation is most advanced. 97 percent of firms with 30 or more employees pay bonuses to their regular staff twice a year. In addition, more than 90 percent of Japanese firms operate a deferred profit sharing scheme.⁹ The success of ESOPs and other forms of financial participation in Japan can be understood on the basis of a number of factors. Unique features of the Japanese Industrial Relations System are:

- a) The Lifetime Employment System;
- b) The Seniority Wage System,

- c) The Enterprise Union; and
- d) The Bonus System

The first three characteristics are called the Three Sacred Emblems⁷ of Japanese labour policy

Lifetime employment is a unique feature of the working of large Japanese firms. It accounts for the exceptionally dynamic functioning of a large section of Japanese industry. The system presupposes that it is the employees that ultimately make the firm productive, creative and respectable. To Japanese management, guarantee of lifetime employment to its staff is a sacred obligation. Lifetime employment means employment till the employee attains the age of retirement which is normally 55 years but it is now being extended to 58 or W years. Top level executives have, however, no mandatory retirement age.

Lifetime employment is not a legal or contractual obligation. And it is open to the employee to leave the firm, which, however, is rare. There is no legal restriction on the right of the employer to discharge or dismiss an employee, which is rarely resorted to. Mainly large firms adopt this system and about 30-35 percent of the total labour force is covered by this system. But these employees may be described as Japan's standing industrial army-the backbone of her economy. Under this system, employment has emotional and moral implications. Not only the employee but his family also develops an attachment for the firm and the employee tries to serve the company to the best of his abilities. The tangible advantages of the system are now well recognised. Lifetime employment involves lifetime training as well which facilitates innovation and which strengthens the urge for excellence in work. Lifetime employment is described as one of the corner stones of the industrial relations system in Japan.

Japanese firms like Sony are introducing lifetime employment in their factories even in the USA with great success. For instance, the rate of absenteeism in the Sony factory in America is only 0.1 percent. American workers in Japanese factories in the USA take interest in their work and make valuable suggestions for improving productivity and quality. Japanese management is equally effective in a totally different American Culture.

The second salient feature of Japanese industrial relations system is the seniority wage system. The system guarantees that wages and other benefits increase steadily from the time of appointment. This is generally restricted to lifetime employees.

The enterprise union system of Japan is found to be very useful in strengthening the individual worker's ties to his firm. In Japan every enterprise would have its own independent union. It ensures better mutual understanding between union official and management.

The Japanese firms pay their employees bonuses twice in a year. The payment is based on the financial achievements of the firm and not linked with the productivity of the workers. The system has three great advantages:

- (a) The workers become aware of the vital importance of the successful functioning of their firm.
- (b) The Japanese workers tend to live within their monthly regular earnings and the bonuses are mostly saved. This is one of the main reasons why Japanese households save on an average 17 percent to 19 percent of their annual income,
- (c) The bonuses represent a form of deferred payment, which enables the firm to generate additional working capital.

Apart from the congenial and harmonious industrial relations climate, there has been indirect public support for workers' financial participation in Japan, as a means of preventing foreign takeovers of Japanese firms

- **Attitudes of the Social Partners towards Workers' Financial Participation Attitude of Employers' Associations**

Employers' associations have usually supported enterprise level schemes introduced on a voluntary basis, with the design of the scheme being left to the discretion of the enterprise. They oppose any binding arrangement. Employers usually consider financial participation as an important element of human resource management for

the purposes of improving employee motivation and commitment. They have argued for the introduction of tax incentives.

- **Enhancing Productivity**

There is an impressive wide-ranging body of evidence for a positive association between workers' financial participation and productivity gains in the industrialised countries. In their survey of empirical results, Weitzman and Kruse, in the most comprehensive book on this issue, edited by Blinder find a degree of consensus, which is most unusual in empirical research. The authors, from their survey of a wide variety of case studies and attitudinal surveys conclude that profit sharing schemes have a positive and significant effect on productivity. Studies on European countries, recently surveyed in the Pepper report, also concur in pointing to a positive association between financial participation and productivity. This report led the Commission of the European Communities to propose its recommendation on financial participation.

In Belgium, France, the United Kingdom and the United States of America it is found that financial participation schemes tend to have been introduced and grown particularly in large profitable export oriented enterprises. In Japan it is found that the probability of a firm introducing financial participation schemes is higher in companies in which human resources are a more important factor in their success. The results of a survey carried out among 140 Belgian enterprises also emphasise the positive effects of financial participation on workers' motivation. In Italy, a survey carried out on a sample of 179 enterprises suggests that enterprises with financial participation experienced a substantial (12 percent) increase in production following the introduction of these schemes. Surveys undertaken in the United Kingdom show that financial participation has made employees more profit conscious and increased their sense of commitment to the company. According to a survey undertaken in the former Czechoslovakia, the impact of financial participation differs according to the type of enterprise and category of worker. Workers' share ownership appears to have a much greater effect on motivation in small firms. Workers in small units can observe and evaluate the effects of their efforts on the profits of their company. Technicians and other skilled employees show greater interest in financial participation schemes and are more prepared to work for lower wages for a certain period in order to contribute to the future prosperity of their firm.

- **Workers' Participation in Decision making, a Catalyst**

A greater level of concern by workers for the success of their enterprise, as a direct result of their financial participation, can have the effect of reducing conflict in the work place, increasing the identification of workers with the enterprise and lengthening their time horizon. This can be strengthened by measures to facilitate workers' participation in decision-making. Several examples of the companies from industrialised countries suggest that worker' financial participation schemes succeed more often when they are combined with some kind of workers' participation in management. Combination of financial participation and increased employee responsibility has contributed to Japanese economic miracle.

The global experiences of Labourisation suggest that the different forms and paths taken by financial participation depend largely on national systems of industrial relations and the attitudes and bargaining powers of the social partners.

- **Few Commendable Examples of Labourisation Abroad**

- **The Mondragon Cooperatives**

The Mondragon Cooperatives in Spain are famous throughout the world as the most successful worker owned firms. The Mondragon has over a hundred cooperatives with 20,000 members, producing refrigerators, washing machines, computerised machine tools, electronic components and automobile parts. The uniqueness of Mondragon lies in its ability to combine democratic control with business efficiency. It ensures continuous employment to its members. 45 percent of the profit is credited to the capital accounts of individual employees, which can be claimed only on retirement. One of the secrets of Mondragon's success is that no firm is allowed to grow too big. When the size of the individual firm is kept small, there is greater scope for interaction and effective participation by ordinary workers.

➤ **Omak Wood Products**

Omak Wood Products, Washington is a successful employee owned company under ESOP. The employees have borrowed \$ 50 million to pay for the buy out of business and to provide for working capital. They decided to set aside 10 percent of their wages until the debt is repaid. The company is performing well.

➤ **National Steel Corporation**

The National Steel Corporation (NSC) of the USA was a sick unit. While buying shares in NSC the workers entered into an agreement with the company, which provided for the workers' participation in management. The representatives of the workers and management of NSC meet monthly once regularly, to share information in the decision making process. As a result, NSC, once a losing company has become a producer of cheap and best quality steel products and prompt supplier in the market. Thus, the employees have saved their own fortune and also the fortune of the factory.

➤ **Tower Colliery**

There was large scale closing down of coalmines owned by government in England and thousands of miners were retrenched. In the course of privatisation process, Tower Colliery, a prominent coal mine in England was taken over by its retrenched workers. 239 workers contributed \$ 8000 each out of their retrenchment compensation and successfully bid reworking the mine again. The amount contributed by the workers was the lion's share of the total amount needed. The mine is functioning remarkably well. The colliery has signed a \$70 million contract to supply coal for another five years.

➤ **Precision Tool Production Ltd.**

Videoton, the largest Hungarian electronic telecommunications State enterprise employing nearly 20,000 employees, was divided into 21 companies in the privatisation process. Precision Tool Production Ltd. is one among them. Its employees have contributed nearly 85 percent of the capital, from their savings and loans. After the transformation of the company, the employees spent their evenings or weekends working in the factory to meet the demand. Within one year, the employees not only paid back their loans but also were able to purchase the land and buildings and machinery, which were still owned by the state enterprise.

➤ **International Freight Transport Company**

An international freight transport company of Hungary, formed under privatisation process, struggled to survive. So, the employees decided to start a new company. They contributed 50 percent of the initial capital and the remaining amount was contributed by the parent company. The employees participating in this plan were particularly motivated to preserve their jobs and improve the performance of the company. Their expectations and hard work were crowned with success; they were able to broaden their market share in spite of tough competition and general recession. Within one year, its employees owned 90 percent of the shares.

➤ **Chyne Agricultural Cooperative**

This agricultural cooperative in Czech Republic has successfully been transformed into a joint stock company with 49 percent of its assets offered to employees in the form of shares. This made it possible to preserve the participatory principles of the cooperatives and motivate the workers.

➤ **Agrokombinat Slusovice**

In the privatisation process, the cooperative Agrokombinat Slusovice was transformed into a series of small and medium sized firms with workers' share ownership and profit sharing. It led to improved efficiency and diversification of the bio technological and microelectronic production to meet the challenge of international competition. As a result, the firm has managed to attract most of the highly qualified workers.

➤ **Silesian Factory Kable**

Silesian Factory Kable is a Polish firm. Its decision to sell the shares to the employees at a 50 percent discount was quite successful, with 76 percent of the workers taking advantage of this opportunity. According to the management, this has improved the social climate within the firm as well as industrial relations in general, despite a slump in the Polish electrochemical industry, which used to absorb Kable's production.

As a conclusion to this section, illustrative data are provided on the scope and nature of financial participation in three Japanese companies in different sectors.

➤ **Hitachi (Electronics)**

The company introduced an ESOP in November 1974. In August 1985, 34.8 percent of employees were participating in the plan. The average stake of participants is JPY 1.2 million. In 1984, the company paid the average employee JPY 0.517 million (2.65 months' regular pay) as a summer bonus, and another JPY 0.548 (2.72 months' regular pay) as a year-end bonus.

➤ **Hoya (Precision Engineering)**

The company introduced an ESOP in October 1970. In March 1985, 47 percent of employees were participating in the plan. The average stake of participants is JPY 2.55 million. In 1974, the company (currently one of the top manufacturers of optical instruments in the world) introduced a profit sharing plan with the explicit objective of increasing productivity. Around 40-45 percent of the annual bonus is linked to profits. The bonus represents 6-7 months' regular pay and is clearly above the industry average both in terms of cash and months of regular pay. Unions support the plan, and there is a very thorough Joint Consultation Committee, which meets once a month and has many ad hoc sub committees. Quarterly profit reports are provided to the Joint Consultation Committee.

➤ **Mitsui Bank**

The company introduced an ESOP in August 1969. In 1985, 67.6 percent of all employees were participating in the plan. The average stake of participants is JPY 2.36 million. In 1984 the bank paid the average employee JPY 0.915 million (3.25 months' regular pay) as a summer bonus, and JPY 0.973 million (3.40 months' regular pay) as a year-end bonus.

• **Labourisation in India**

Worker owned firms are not as common in India as in Europe. There have been several cases, in India, of workers of sick companies forming cooperatives to save their jobs. Many of these cooperatives have an impressive record of performance. Kamani Tubes in Bombay, New Central Jute Mills in West Bengal and Jaipur Metals and Electricals in Rajasthan have all been working successfully. While there are also some cases of failure, the general experience is positive. With the right leadership and financial support, workers have shown that they can take over sinking firms and make them profitable.

Indian achievements regarding employee ownership are small compared to developments on many European countries referred earlier. A feature of worker ownership in India is the indifference, and sometimes, even hostility, of the trade unions. When the firm runs into problems, the natural response of trade unionists is to demand nationalisation. While this was an effective strategy some years ago, the government now appears unwilling to take over sick firms. The government has no clear policy on worker ownership. The CTUOs except BMS have no faith in it. The indifference of unions and the government is mainly responsible for the present condition in India.

• **Labourisation in India - Cases of Success**

➤ **Kamani Tubes**

Kamani Tubes is a worker owned company located in Bombay. Before that, the Kamani, a well-known business family owned it. This company, that makes brass rods and tubes for use in refrigeration and sugar production was established in 1959. It was a leading firm till the middle of

1970s, controlling 60 percent of the market. By 1985, the trouble started due to misunderstanding among the members of Kamani family and financial difficulties. Kamani family abandoned the factory, as the quantum of loss was uncontrollable.

When the owners abandoned, the independent union consisting 600 workers approached banks, financial institutions and the state government to help revival. None of them responded positively. The union then formed a cooperative to take over the firm. Claiming that workers could raise the share capital from their provident fund, wage arrears and loans, the union filed a civil petition in the Supreme Court. The court asked the Board for Industrial and Financial Reconstruction (BIFR) to examine the union's proposal. The BIFR gave a favourable report, but by now the Kamanis had returned to claim the company. In spite of the legal hurdles they created, the Supreme Court upheld the workers' action. By the end of 1988 the shares were transferred to the cooperative. In addition to workers' contribution, the state government sanctioned a sizeable grant.

Since revival, the company has made good progress. Production, wages and profit have gone up. The worker owned company pays annually around Rs.3 crore as excise duty. ^ Thus reviving the company has been beneficial to the government too.

➤ **Cooperative of Slag-Pickers**

The Tata Iron and Steel Company in Jamshedpur dumps its slag in low-lying areas to level the land and reclaim it for use. The slag contains bits of iron, which can be collected and sold as scrap. At one time, the job was given to contractors who employed slag pickers at miserable wages.

In 1979, the State Government formed a cooperative of slag-pickers, with the sub-divisional officer as the chairman. The cooperative was given the monopoly to pick slag. In the very first year the cooperative achieved a turnover of Rs.3 crore. This staggering amount was beyond anybody's expectations. Wages have gone up substantially. The cooperative has taken up lot of welfare work with its own funds. It continues to run smoothly.

➤ **Cooperatives of Iron Ore Miners**

The Open Cast Iron Ore mines of Dalli - Rajhera in Madhya Pradesh also have successful cooperatives. These mines supply iron ore to the Bhilai Steel Plant. About 7500 workers organised in seven cooperatives are engaged in this task. Most of the workers have moved from the nearby Bailadilla mines, which have been running out of ore. The government has encouraged the formation of cooperatives to rehabilitate these displaced workers. The cooperatives have been running successfully in spite of competition from contractors who also operate in this area. It has generated handsome surpluses for distribution among members and funding welfare facilities. The best free primary school in the town is run by this cooperative.

Although the cooperatives have shown that they can operate successfully, there is not enough support for them from the trade unions. A trade union well known for its militancy has organised the contract labourers in this area. The members of the cooperative are also members of this union. Instead of encouraging the formation of more cooperatives, the union has been demanding that the Bhilai Steel Plant should take over all the mines in the area, including those managed by workers.

• **Labourisation of New Central Jute Mill: An Outstanding Experiment of BMS**

New Central Jute Mill (NCJM) is a large unit having a work force of 8000 at present. There are 12 unions in the mill but surprisingly all these unions got together to labourise the sick company. The initiative was taken by BMS. The company has been running well despite there being a slump in the jute industry. It has modernised its ^machinery and has diversified its products. It is concentrating on the manufacture of enhanced quality products, which have a good market abroad. The success of this venture shows that workers' initiatives can overcome the problems faced by traditional industries. While other jute mills are languishing, NCJM has improved its production and the quality of its products.³⁴ NCJM stands as a model worker owned company and glorifies the achievements of BMS.

The NCJM was incorporated in 1915. It is a large jute mill situated at Budge-Budge in South Choubeez Parganas District of West Bengal having 810 Hessian and 452 sacking looms besides 26 other looms and 189 spinning frames. In 1955 two other jute mills viz., Albion Jute mill and Lothian Jute mill were amalgamated with the NCJM. In 1974-75 the company set up its own Machinery Manufacturing Division inside its own premises. The company employed about 9735 persons in Jute Division and 342 persons in Machinery Manufacturing Division on permanent basis besides temporary workers. The total number would be about 13,000.

In September 1982, the company approached Industrial Reconstruction Bank of India (IRBI) for financial assistance for its modernisation - cum - renovation scheme at a cost of Rs. 244 lakh. It was agreed that promoters would contribute Rs. 49 lakh and different financial institutions such as IRBI, INDUSTRIAL DEVELOPMENT BANK of India (IDBI), Industrial Finance Corporation of India (IFCI), and Industrial Credit and Investment Corporation of India (ICICI) would share remaining Rs. 195 lakh. The IRBI disbursed a sum of Rs. 64 lakh against its commitment of Rs. 95 lakh against first mortgage debentures and personal guarantee of Shri A. K. Jain (Promoter) but other financial institutions cancelled their share on one or another plea.

Gradually promoters became indifferent in investing further money in the company and as a result due to fund constraint and for some other reasons the company started becoming sick and as such it had to face lock out for four times during 1982-87. Repeated lockouts, reluctant promoter to inject money and continued losses of the company made such a sombre situation that almost all concerns of the mills became hopeless. The suffering of workers increased and most of them faced starvation.

The workers approached the left front communist led State government several times and requested to nationalise the mill. The government remained a passive onlooker. There are 12 unions of workers and 2 unions of Head office staff. All the unions, except BMS, belonging to different political parties tried their best for re-opening of the mills through their political leaders but the Government at the centre and the State government of West Bengal expressed their inability to do anything. The promoters, management and government had no solution.

PRODUCTIVITY

Productivity consciousness has acquired worldwide momentum. Higher productivity is necessary for the survival of any nation. It stands for proper utilisation of available resources to achieve the best results with minimum cost. Improvement in productivity is the only answer to the problems in the industrial sphere and it is the only path to national prosperity. In India it assumes special significance owing to the resource gap. In order to overcome the hurdle of shortfall in resources, stepping up of productivity is a must.

During the last 40 years productivity measurement has emerged as a distinct and separate branch of study in management. A number of studies employing highly sophisticated mathematical and statistical techniques and tools of analysis have been conducted to measure productivity. Specialised agencies of the United Nations (UN) like the International Labour Organisation (ILO), affiliated agencies of regional organisation like European Association of National Productivity Centres (EANPC) of the Organisation for Economic Cooperation and Development (OECD) have been published comprehensive, detailed and elaborate manuals explaining the concepts, methodologies, data requirements etc. for the measurement of plant level and overall measurement of productivity of various factors and inputs. Regional, national and local productivity organisations / associations / agencies / councils were organised and established to stimulate productivity consciousness. In India the National Productivity Council (NPC) was established in 1958. The Asian Productivity Organisation (APO) with headquarters in Tokyo was established in 1961 and all countries who are members of APO established national and local productivity councils-centres / bureaus in their respective countries.

• Concepts of Productivity

Frederick W. Taylor in his "Task Study" said, "Human work Can be made infinitely more productive not by 'working harder' but by 'working smarter'.

➤ Productivity means the economic yield from:

- Each factor of production (land, labour, capital and organisation) Each input (raw materials, fuels, time and knowledge)
- An overall yield of the joint factors and resources enumerated above in combination.

Productivity denotes the efficiency with which the various inputs are converted into goods and services. However, it is a multi-faceted concept; no single definition can fully describe it. Technically, it signifies the ratio between the input and output. Productivity is said to be high when more output is derived from the same input, or the same output is obtained from a less input.

It is well understood as the ratio of output to input with respect to given resources.

When more is produced with the same expenditure of resources it may be termed as effectiveness; when the same amount is produced at less cost it may be termed as efficiency. The word productivity is broad enough to cover both.

It should be recognised that the long-term productivity improvements can be achieved by the human factor through positive and innovative attitudes. In this sense productivity is an attitude of mind' which is intolerant of waste of every kind and in any form.

Productivity does not refer merely to work systems but to the development of right attitudes and a strong concern for efficiency.

Efficiency, maximum output, economy, quality, elimination of waste and satisfaction of human beings through increased employment, income and better standard of living are some of the objectives of productivity movement in our country or for that purpose in any other country.

There are several concepts of productivity. Two of them are of relevance here, labour productivity and total factor productivity. Labour productivity is the ratio of the output produced by a firm, industry or nation to the number of worker-hours employed in producing this output.

Total factor productivity is the ratio of the output to the total input needed for its production, including not only worker-hours and capital, but also any other input that might be involved. This might be the investment made in human beings to raise the quality of labour or that made to improve productive knowledge through research and development, or by the introduction of organisational, managerial and social innovations.

Total factor productivity is clearly a more accurate indicator of the economic efficiency of a firm, industry or nation than labour productivity. However, mainly because of the difficulties involved in quantifying various intangible inputs to total factor productivity, labour productivity is far more widely used. It is important to bear in mind that labour productivity, is affected not only by capital input, but also by other factors, which affect the efficient use of both capital and hours of work. These other factors consist not only of investment for education, training, research and development, but also of non quantifiable factors such as the labour relations climate and worker and management attitudes towards productive efficiency and competitiveness.

• **Productivity and Production**

The term productivity must not be confused with production. Productivity is a ratio while production relates to a volume. Increased production does not necessarily mean increase in productivity. If the input of resources goes up in direct proportion to the increase in output, the productivity will remain the same. And if input increases by a greater percentage than output, higher production will be achieved at the expense of a reduction in productivity.

• **International Perspective**

Table 51 shows labour productivity in select Asian countries in 1990. The per capita GDP of Japan was the highest with US \$ 28,875. Industrial harmony has played a decisive role in the miraculous economic development of Japan. A nation which was almost totally devastated in the last world war and which is almost devoid of important natural resources, with exception of water, is now dominating the world economy. The extent of Japan's prosperity will be clear from the following facts. The world's ten largest banks are now all Japanese banks. Japan is now financing nearly one third of the USA government's budget deficit. India's per

capita GDP was US \$ 848 with an annual growth rate of 2.87 percent, which is lower than all other Asian countries except Bangladesh. It is a matter of serious concern. Though India is the third largest in the category of technically qualified persons in the world with Indians commanding premium in most countries the world over, it is not so in terms of the products they make or the services they render.¹⁷ Being at one time, the second most industrialised nation in Asia, India has now been relegated to the bottom of top ten.

- **Labour Productivity in Indian Economy**

Labour productivity in agriculture has gone up from Rs. 2,305 in 1950-51 to only Rs.3,157 in 1989-90. Labour productivity in agriculture was the lowest while the mining, manufacturing and service sector seem to have registered significantly higher growth rate.

India has a paradox of having cheap labour with high labour cost due to low productivity levels. This offsets other cost effective measures. Some of the reasons for low productivity are: lower skill levels, obsolete technology, loss of man days on account of industrial unrest and absence of proper work culture.

- **Productivity Movement in India**

About the progress of productivity movement in India, BMS has two pertinent observations to make. Firstly it is its serious contention that the managements in both public and private sector have not yet taken up the productivity movement seriously. The top executives and senior officers have not yet given their whole hearted backing to ideas on productivity and the businessmen and politicians who own or control the industrial activity have almost no grounding in the subject. India has the third largest scientific community in the world. In spite of huge expenditure on Research and Development (R&D) in India, its impact on economic growth is negligible. It has not contributed either to an improvement in quality of product or reduction in cost and prices.

Secondly too much emphasis is given for labour productivity ignoring productivity of land and capital. The productivity of labour is a function that may be useful in distribution of wealth. But under the Indian conditions, the productivity of land and capital is most urgent since it can influence the growth of national income at maximum speed. Of these two again the productivity of capital is very crucial, since capital is very scarce in India.

- **Viewpoint of BMS on adoption of technologies/ automation / Computerisation**

The BMS again, was the first labour organisation, which brought home to the workers mind the fact that the problem of technology was of vital concern to them as well as to the country. It opposed the revival of the bullock-cart economy as well as wholesale transplantation of western technology.

BMS stands for the selective use of technologies/ automation / Computerisation. For instance, in all such spheres of defence activities, where computerisation makes a difference between victory or defeat and heavy loss, it is justified. Similarly computers will make land a more consistent and bountiful producer, by designing irrigation systems, speeding up crop forecasting, controlling the rotation, scheduling of planting and helping weather forecasting. BMS urges that such a selective and prudent use of computers will increase the national income and output and allow economy to give higher real wages to workers.

The World Bank's latest report evaluates India as one of the poor countries. More than 30 percent of Indian population remain below poverty line and number of unemployed in the country is swelling to perhaps unfathomable level. The applicants on live registers of Employment Exchanges were 36.29 million in January 1994. The number has gone up to 36.73 million in January 1995. Over 40 percent of the educated are unemployed in India. To the extent to which the employment opportunities are curtailed owing to the process of avoidable computerisation, the burden of supporting the army of unemployed increases. When we think in terms of the frustration of the unemployed younger generation of India, the price to pay for computerisation appears to be very heavy.

BMS emphasises that India has to adopt a technology which can provide employment to all those who are willing to be employed. Every country has to adopt such technique of production, as it would permit it to make

the maximum use of its abundant factors and economise the use of scarce ones. India has an abundant supply of labour; hence it has to go in for labour intensive and low capital investment techniques wherever possible without loss of efficiency. The developed western countries with an acute shortage of labour and also high cost of labour can afford to go in for computerisation even in non-essential sectors, but India cannot.

• **Recommendations of BMS in introducing productivity Schemes**

In introducing all schemes relating to productivity, such as, system of payment by results, individual and group incentive schemes, norms of staffing and workload, changes in organisation and methods, rationalisation, mechanisation etc., the following considerations should be respected:

- i) All such schemes should be introduced as a result of agreement with concerned unions.
- ii) Each such scheme must provide for a minimum of a fallback wage, which has no relation to productivity.
- iii) Complete safeguards must be provided for protection against fatigue and undue speed up.
- iv) The management must carry out a continuous appraisal of factors affecting productivity, such as methods and work-study, continuous supply of good material, quality of tools, machine-breakdowns, layout, quality control, physical, perceptual and mental loads, environmental factors, such as, lighting, ventilation, temperature, noise, cleanliness etc. and share these studies with labour and make all revisions only on the basis of joint studies and agreement.
- v) All measurements of work should be done jointly and must provide for factors like needs of safety, rest and relaxation, interruptions, delays, etc. The same should apply to valuation of physical product where such valuation forms the basis of incentive payments.

Indices of land productivity, capital productivity and labour productivity should be separately compiled and used respectively for planning, rate of economic growth and distribution of income.

The gains of productivity should be distributed between shareholders, workers, consumers and plough-back effect. The NPC has evolved a formula to allocate the gains of productivity between the shareholders and others. Shri V. M. Dandekar, Former Director, Gokhale School of Economics and Politics, Pune has amended the NPC formula to the effect that the plough back of 30 percent should be given to workers in the form of shares and make them co-owners. The two formulae stand as under:

Head of Allocation of Productivity Gains	NPC Formula	Dandekar's Formula
Reduction in price	20%	20%
To Labour	30%	30%
Plough back	30%	--
Plough back (shares to workers)	-	30%
To Shareholders	20%	20%

Both the formulae require further technical working such as mode of determining the gains of productivity and basis of allocation of gains to different categories. Labourisation in the form of employee share ownership will give a strong incentive to the workers to increase productivity.

• **Role of Trade Unions in the Productivity Improvement**

The trade unions should not look upon their role as one of permanent opposition to management. Ultimately, the interests of workers e.g., wages, welfare facilities and security of employment depend upon the prosperity of the nation and the firm. That which hampers productivity ultimately harms the workers themselves. Therefore, a strong trade union should presuppose an efficient and affluent firm. The trade unions should attach great importance to harmony, efficiency and order. The unions should be aware of the fact that ultimately the prosperity of India depends upon her productivity and her competitive position in the world

market. Therefore, the unions should accept the need for smart work, higher productivity, pride in skill and high quality of goods.

The BMS has not ruled out employing the weapon of strike for securing the legitimate rights of the employees. However, in line with its basic concept of industrial family, it has always believed that this weapon should be used as the very last resort. BMS never encourages participation in any politically inspired strike. BMS also views that the trade unions will have to be specially careful that no agitation is ever planned which will result in work slow tactics, because it spoils the habits of discipline in a firm and ultimately it causes damage to productivity.

• **Work Culture of BMS Workers**

Work culture it is, when the crude work of subhuman level is refined in performance and ennobled in purpose. The 'how' and 'what for' of work determine the work culture of people. Thus the two aspects of work culture are efficiency in action and nobility of purpose. The crudeness on one hand and crookedness along with self-centeredness on the other hand will have to be overcome to be cultured at work. The former can be eliminated through training and practice and the latter through love and service. Then work is worship.

The concept of Rights Vs Duties requires to be analysed from Indian context. While the westerners clamour for rights, Indian culture insists that when all the sections of society perform their duties perfectly they also get their rights. For e.g. a mother does her duty towards her children, that is the right of the children. The children on their part pay their respects and help their mother. Their duty ensures (the rights of the mother. When a teacher discharges his duties properly, students get their rights fulfilled. Similarly, when the students behave, as they should the teachers get their rights fulfilled. An employer's duty protects the rights of the employees. The duty of the employees protects the rights of the employer. Thus concept of duties and rights is complementary to each other. Social unrest, exploitation and anarchy set in when people demand their rights and do not discharge their responsibilities. The concept of work culture in India must be viewed from this angle. If every one carries out the duties assigned to him in the most perfect manner, the society will be prosperous and peaceful.

• **Improving Work Culture**

BMS observes that "all patriotic forces wherever they be, in the Government, in bureaucracy, in top and middle management, supervisors, staff and workmen should bring about a responsible change in their work style which should be the broader objective of achieving excellence in production, quality, productivity, elimination of all sorts of wastes, bottlenecks in procedures and maintaining strict fiscal discipline and cordial relations. In any case, the workers should, if the situation demands, exhibit exemplary presence of mind and become model to other sections in improving the work culture in the interest of the industry and the nation". The BMS cadre and rank and file have risen to the new challenges in this regard.

In India, the relationship of labour and their union has degenerated into that of a patient and his physician. The workers would contact the union only as and when relief in any dispute was required. The longer the dispute continues, the longer would be the relationship. But the worker would forget the union as soon as his problem was over. The situation has come to such a pass that the period of protecting the workmen or winning new rights for them is over. It is exactly now the attention of the workers has to be drawn to the other side of the coin, not just to the rights but also to the responsibilities.

They have to be made aware not only about the interest of their union or family, but also of the society, industry and nation. With the winds of change, while the industry faces global competition from the giant multinationals, the difficult duty of awakening the workmen to the needs of productivity and quality must be discharged by the trade unions.

The trade unions should serve the national interest by following the precepts of 'Indiscipline be damned' and 'no clemency for inefficiency'. The labour has a right to be happy after his tears are wiped; but he should not become selfish or unruly. Even though it appears to be bitter at first the truth has to be told to the workers that not only their own good, but also the interest of the industry and the nation has to be given a prior