

PRODUCTIVITY AND INDUSTRIAL RELATIONS

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**Extracts from the Speech of
P. Ramamurti in Seminar Organised by
National Productivity Council
Bangalore**

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This booklet forms part of the Speech delivered by P. Ramamurti General Secretary CITU in a Seminar on "Multiplicity of Trade Unions and Its effects on Industrial Relations and Productivity" at Bangalore on June 15, 1972. President V. V. Giri inaugurated the Seminar which was also addressed among others by G. Ramanujam, General Secretary INTUC.

PRODUCTIVITY AND INDUSTRIAL RELATIONS

Chairman & Friends,

I will now deal with the question of Multiplicity of Trade Unions and its effects on Industrial Relations and Productivity. It is now taken for granted that multiplicity of trade unions does affect Industrial Relations and also productivity to a certain extent. But one cannot say that this is the only reason that affects production. Its effect on productivity is marginal. I would not assert that even if all the unions were united productivity would increase.

There is a fundamental conflict of interest between two classes engaged in industry viz. the working class and the capitalist class. In this country and all over the world, the capitalist is interested in making as much profit as possible and for this purpose the lesser the wage he pays to the worker, the lesser the amenities he provides to the worker, the greater is the profit he makes. On the other hand the worker is interested in getting better wages and better amenities of life. Therefore, in the very system of society we are having in India there is this fundamental conflict of interest. Unless this conflict is completely eliminated, there cannot be co-operation in the real sense about which Sri Ramanujam was speaking yesterday. It is unimaginable that there could be co-operation between two unequal people whose interests are diametrically opposed to each other.

Taking the question of multiplicity of trade unions in this country, I would like to ask you to understand why it is there in this country, when it took place and why it took place so that we could find a remedy even within the framework of the present social order.

When our President, Shri V. V. Giri, delivered his inaugural address yesterday, he was talking of those pre-independence days—one organisation for an industry etc.—and he cited the examples of the All India Trade Union Congress as the only central organisation for the trade unions and the All India Railwaymen's Federation as the only central organisation for all the railway unions. He

said that in those days there were no rival unions. Certainly there were ideological differences among those working in the trade unions. Our President, Mr. V. V. Giri, was not a Communist by any means while I was a confirmed Communist. Nevertheless, we got on together in the same unions, in the same All India Railwaymen's Federation and in the same All India Trade Union Congress.

When Independence was achieved in 1947, you know the conditions that prevailed then—inflationary spiral, terrific rise in prices and the continuous fall in the real wages of the workers. This generated a tremendous resistance of the working class all over the country and the strike wave was rising.

The Ruling Party, after Independence, had embarked upon a path of building capitalism in this newly independent country and it found that if the trade union movement continued to be united, it would be impossible for them to contain these strikes and to carry out their policies of building capitalism at the expense of the working class. This saw the birth of the Indian National Trade Union Congress under official auspices and the unity of the trade union movement was broken. Once that break took place, multiplicity of trade unions became the order of the day.

Therefore, the fundamental cause that gave rise to this multiplicity in the trade union movement was that the party which came to power in the wake of Independence found the unity of the working class standing in the way of carrying out its policies and wanted to have a trade union movement which could be nurtured under its patronage and at its behest. It wanted to create division in the working class so that the power of the working class could be weakened. Later, we have the Hind Mazdoor Sabha and other organisations.

Nonetheless, what happened? In spite of the division in the trade union movement, they were not able to prevent its rise. Industrial unrest in this country has been growing from day-to-day. That unrest is not due to the existence nor due to the activities of certain leaders of the trade union movement. It is due to the social and economic conflicts that are inherent in this society. It is basically due to certain policies—political and economic policies pursued by the Government of India. These policies have

led to spiralling of inflation, the amassing of enormous amounts of black money and affiliation and growth of a massive parallel black-money economy. This parallel black-money economy has grown so powerful that the Finance Ministry confesses its inability to effectively erase it.

As a result, you are not in a position to control prices or fight corruption. You might appoint a Vigilance Commission but you should have another Vigilance Commission to watch over the first Vigilance Commission and so on *ad nauseum*. This is the condition that is prevailing in the country and resulting in the mounting of the strike wave and worsening of industrial relations.

The managements were happy when this split took place. Now it is recoiling upon them for chaos prevails in our industrial relations.

They showered patronage on unrepresentative unions with official blessings, entered into agreements with them—agreements that were favourable to the managements and detrimental to the interests of the workers and thought that they could peacefully continue their exploitation.

But historical process cannot be held for ever, though it might get setbacks. This historical process upset the calculations of the employers and the Government. The workers who were in those recognised but unrepresentative unions as well as those in other unions began to realise that many of these agreements were against their interest and had been entered into over their heads. They united together, repudiated such agreements and began to resist them unanimously. The managements found that these agreements, entered into with the so-called recognised unions, could not be implemented in the face of this new consciousness among the mass of workers because the writ of these so-called recognised unions does not run among the masses of the workers. To their dismay, the employers found that chaos prevailed in industrial relations. At one time they were happy that multiplicity of trade unions existed. Today, they are reaping the fruits of their own deeds. They are now throwing up their hands and shouting that they are interested in finding a solution to this problem. I am glad that this problem has asserted itself even before the employers.

I am not one of those who think that this question is insoluble,

even within the framework of the existing socio-economic structure. I do not hide that I am a Communist. I believe in the teaching of Marx that trade unions are the schools of Communism for the working class. Through their own experience and struggles they learn that their interests are inextricably bound to the interests of the whole society. They learn that they cannot have stable advance of their conditions without advancing the conditions of whole of society. The organised worker learns by experience that whole of society cannot advance unless the present socio-economic structure is changed and it can only be done by a total and complete social revolution.

In that sense, trade unions are schools of Communism for the workers. That is my ideology. That ideology also teaches me that class struggle is a fundamental weapon of transforming society. The history of human civilization has always been the history of class struggle. This struggle between the capitalist class and the working class will go on, no doubt passing through various vicissitudes. Whatever solution you might suggest, this struggle will go on until this dichotomy between the interests of the producers and the owners of the means of production lasts. This will cease only when we have a society where this dichotomy does not exist. That is my firm conviction.

I am interested in the problem of the unity of trade unions from this ideological basis. Multiplicity of trade unions weakens the striking power of the working class and their power to bargain with the employers. What is to be done? That is the question.

It is said by interested parties that the interest of the working class and the employers are the same and there is only conflict between workers and workers which is responsible for the present state of bad industrial relations. I have already debunked this theory.

On the other hand, the objective reality is that the interest of the working class vis-a-vis the employer class are the same. Simply because some workers owe allegiance to the Congress Party, some to the Congress (O) or the C. P. I or to C. P. I (M), the D. M. K or the Socialist Party, such different political allegiance of the workers do not or cannot lead to a conflict of the basic economic interest of the working class. They are common. Their interest is common

and their opponent is common. The duty of trade unionists is to see that the bargaining power of the working class is enormously strengthened and their striking power also grows by leaps and bounds so that it becomes irresistible. The organisation to which I belong is extremely interested in the problem of bringing about the unity in the trade union movement because of its firm ideological position and conviction.

I wish that the suggestions made by our President yesterday on this question of bringing about unity reflected the views of the ruling party and the Government. Unfortunately, they do not. The President spoke here yesterday not as a representative of the Government of India. He spoke here in his capacity as a trade unionist of long standing and he gave his views.

I am the only representative of a central trade union organisation here to agree with his proposal.

After all, what is a trade union? It is an instrument for carrying on the class struggle, for the purpose of collective bargaining. As I had pointed out earlier, class struggle becomes inevitable in the interest of the workers when their interests and that of the employers are in conflict.

It is often stated that the employers are interested in serving society. It is a hypocritical statement. They are interested in only serving themselves. If the employers were interested in serving society, why should we have a parallel black-money economy in this country? I would request you to show me a single honest employer in this country today. Conditions have developed to such an extent in this country that the honest employer and industrialist cannot survive.

The English proverb is "Honesty Is The Best Policy". Mark the word "Policy". The Britishers did not say that "Honesty Is the Best Virtue". That proverb is a typical product of the period of early competitive capitalism when the more honest a capitalist was, the more custom he got. Therefore, it paid him more to be honest and it enabled him to earn more profit. During this period of rising industrial capitalism they inculcated certain values like honesty in these countries.

Those conditions do not exist in our country. Unfortunately after independence, the political party in power is trying to build

capitalism on the lines of those Western countries ; but conditions are different in our country today from those that existed in those countries during the period of rising capitalism. We are, therefore, handicapped. Those Western countries were able to build up their capitalist industrial society on the basis of accumulation of capital which came out of the loot of the empire from the sale of negroes to America and from other sources like open loot and piracy on the high seas. Pirates on the high seas like Walter Raleigh were honoured and knighted because they brought capital to their countries. On this basis they were able to develop their industries. Later on, when they could not sell their goods—goods produced in industries within the country the empire was there for their market whose interests they could thwart and smother. This same colonial empire also served them as sources of cheap raw material. On the basis of this tremendous exploitation of the peoples of the colonial empire for two centuries, these giants were able to develop.

But we have not got an empire to exploit as the Britishers had ! We cannot take to piracy on the high seas ! Even if we wanted to do that, we are incapable of doing it ! Therefore, capital formation within our country can be done only from inside the country. It can be done on a massive scale only on the basis of a different system of society, where a handful of people may not accumulate wealth at the expense of the overwhelming majority of the people of our country.

In this connection, we have to see China which was far less developed than India when both attained Independence. China has been able to develop tremendously during the last 23 years without any foreign aid, depending upon its own internal resources, depending upon its own scientists, technicians, workers and peasants. It was able to split the atom, make the atom bomb and the hydrogen bomb. This country has become a world power. How is it that India has not developed ? This is the question which we have to address ourselves ! We might be the enemies of China today, but that enmity, I hope, would be resolved soon. Our Government is siezed of that problem. But we have got to learn from these people and see why it is that a country like China which was far less advanced than we, whose industrial base was

far weaker than ours, and which had to undergo the ravages of a war on its own soil for 20 years, was able to get ahead of us and why is it that we are unable to advance ?

These are questions which have to be addressed and then only solution can be found.

But today what is the position in our country ? According to the National Labour Commission, productivity in this country per worker has increased by 63 per cent in the 12-year period ending 1964. But in the same period his real wages has decreased by 2 per cent. Under these conditions how can you enthuse the workers to increase production ? I am not dilating on this because that is beyond the ambit of this discussion. I am just posing this problem for your consideration.

I am interested in the question of eradicating or at least reducing the multiplicity of trade unions for that is good from the point of view of the working class itself. When the interest of the working class is not the same vis-a-vis the employer irrespective of his political affiliation and faith, is it not possible for the trade unions to unite ? It was necessary for the employing class, it was necessary to the Government to split the trade union movement to serve their class interest. At that time our working class fell a victim to that manouvre. Should this state of affairs continue, I am firmly of opinion that despite political and ideological differences that might and do exist among the workers, it can unite as it did unite before 1947. The trade union movement can be united today also.

Our suggestion has always been that all the trade unions in a particular industry or unit should unite together and form a single union and conduct elections on the basis of proportional representation, so that nobody feels that his point of view cannot be put forward for discussion. A consensus has to be evolved regarding the issues that crop up and if this consensus cannot be evolved then the question ultimately comes to the General Body whose views must prevail, which is the normal democratic process. On the basis of this democratic process, all the existing trade unions could amalgamate and form a single union. This is a proposition which can be easily carried out if ulterior motives—motives other than those of serving the interests of the working

class are not there among the leaders of the trade union movement.

Our President, Mr. Giri, put forward this suggestion in the inaugural address yesterday. I will be extremely happy if Mr. Giri, from his position as the President of India, is able to bring to bear his influence and persuade Smt. Indira Gandhi, the Prime Minister, who is the accepted leader of the Congress Party, to make the Congress Party accept his position. We all know the INTUC is an Organisation that is controlled by the Congress Party. So, if Mr. Giri is able to persuade the Prime Minister, then I think the INTUC will have to accept the decision. Our Organisation, the CITU, needs no persuasion because we are committed to this proposition. I am sure, under those conditions, other organisations will also fall in line.

But I know they are not interested in this—rather they are interested the other way. My experience has shown from certain tripartite conferences, where we were also represented, that when we take up a position, the other trade union organisations also have to agree and they dare not disagree. Therefore, the attempt has been made to see that this division continues. Many people are extremely happy at the coming together of the INTUC, AITUC and HMS and the formation of what they call the National Council of Trade Unions. I will be happy if these three organisations merge together. I do not see any ideological difference among them. The only thing that prevents them merging together can be a conflict of personalities. But the fact is that this so-called coming together was done at the behest of the Government of India and a deliberate attempt has been made to isolate the CITU and other organisations whose thinking runs similar to those of the CITU. They hope thereby that the division in the working class can be utilised to the advantage of the interests they serve. Next question—now, if trade union unity is not possible on the basis of such an amalgamation, what is the other alternative? Shri Giri said that as a preliminary step we can have a Negotiating Committee for the purpose of negotiating common problems affecting all the workers like wages, bonus etc. For that purpose, he suggested that the membership of all trade unions may be scrutinised and a common list prepared and that elections should take place for the

constitution of a Negotiating Committee on the basis of proportional representation. I am prepared to agree to that.

But Mr. Ramanujam stated yesterday that this could lead to rivalries inside the Negotiating Committee. My answer to that is we have been negotiating successfully in Madras on a number of issues jointly. We have been having Joint Committees of all trade unions. Recently, for example, in the Textile industry, we formed a joint Action Committee with representatives of all trade unions and this Action Committee was able to negotiate a very good agreement. The points of view of the minority should also be discussed. Mr. Ramanujam says that when agreements are made by a 'recognised' union, other unions denounce the agreement to bring about strikes. I can only sympathise with Mr. Ramanujam for his plight. If he is not able to deliver the goods, because the majority of the workers are not with him, even though he claims to be their representative on the basis of the patronage of the employer in the form of 'recognition', what can I do about it ?

It is not easy to bring a strike. The workers know by experience that by a minority of workers striking, the strike will not succeed. He understands that unless the majority of the workers participate in the strike, it will not succeed.

It is precisely to avoid this situation and the predicament to which Mr. Ramanujam referred yesterday, the suggestion that Mr. Giri made yesterday is of great relevance. To deliver the goods, there must be an organisation which is able to carry out the decision of the majority of workers. The majority character of the union has to be determined by ballot. This is a solution that I also made on behalf of my organisation and still continue to make.

My friend, Mr. Ramanujam, shies away from this proposition and for that purpose he says that an organisation that promises greater benefits to the workers will be able to sway the workers and get their votes.

This, I suggest, is a slander on the working class. The worker knows his trade union leaders from their day-to-day activities. It is not like the General Elections. Unlike the Ministers of the States and the Centre, whose day-to-day activities are concealed in files to which the common people have no access and who do not come into direct contact with the electorate daily, trade union leaders

come into direct contact with the workers in their day-to-day activities. Under these conditions, is it not a slander to say that the workers who have such direct contacts and see the activities of their leaders will not be able to judge their leaders and will be swayed by promises ?

I go even further. Suppose there are four unions and in a ballot, one union gets 50%, another 25%, the third 16% and the last gets less than 10%, then for the purpose of negotiating on common questions, affecting all the workers, representation should be given on the Negotiating Committee to all those unions that get more than 10%, even though they may not be recognised unions. They could sit together, discuss among themselves, come before the management and negotiate. On this basis it will be possible to deliver the goods.

This is not an experiment I am suggesting. We have done it satisfactorily. Negotiations took place lasting many months in the Steel industry. All the representatives of the unions, including INTUC were there. I am happy to say that the CITU played a leading role and ultimately they were able to come to a unanimous agreement. That is why I say this problem can be solved.

Unfortunately, as I said earlier, Mr. Giri is not speaking for the Government of India. I only wish, as I said earlier, that he is able to convert Smt. Indira Gandhi. I have placed my points before her. We have placed our view points before the Tripartite Conference. But unfortunately the Ruling Party does not agree to our views. Let the President try his best.

So far as productivity is concerned, productivity has been increased in many industries. Can anyone say that in the Textile industry productivity has not increased in the last 35 years ? The worker who was looking after two looms twentyfive years ago, today looks after 12, 18, 24 and even 36 looms. Productivity per worker has increased. But the growth of production in the Textile industry in our country has not only not increased but it is actually declining.

Many mills have closed down and tens of thousands of workers have been thrown out of employment. So increased productivity in the Textile industry has led to increased unemployment. How do you expect to enthuse the worker under these conditions ?

How were these conditions brought about? Last year, the Finance Minister in his Budget speech said that due to the 'green revolution', there has been a continuous increase in Agricultural production for the three years before and predicted that our industries will leap forward. I contested this thing. But the same Finance Minister, Mr. Y. B. Chavan, in this year's Budget speech had to admit that his forecast did not come true. He stated that inspite of the fact that production of foodgrains had reached 108 million tonnes, the rate of growth in industrial production had actually slumped to 1.5. He was puzzled that in spite of the fact that during the last two years, there has been an increase of 10% in national income, despite the fact that there has been an increase in the average per capita income, industrial activity had not picked up. Why is it so? All these statistical methods of averages are very misleading. For instance, Mr. Birla might be earning Rs. 10 lakh per year and a worker in the Hindusthan Air Craft might be earning Rs. 5000/- per year. The average earning between the two is Rs. 5,02,500/-. From this, can you deduce that the worker will be able to spend this amount?

In spite of the fact that the total national income and per capita average income has increased, why is it that industrial goods do not find a market in this country? For this, you should know into whose hands the total increase in national income has gone. Has it gone into the hands of the workers, agricultural labourers, peasants and middle-class people or has it gone into the hands of the richer sections? Naturally, there is a recession resulting in a surplus of goods. When you find no markets for the produce, more and more workers are retrenched thereby more people remain unemployed in this country. This is again a question which we cannot discuss in detail today.

Productivity is a socio-economic problem which is connected not only with the multiplicity of trade unions.

In spite of increase in productivity, how is it there is a parallel black money economy in this country which turns every man however honest he may be to become dishonest. Today "dishonesty is the best policy" in our country because that alone pays.

We find that the top people in industry, in Government offices

etc. are corrupt and enjoying life and the common people naturally feel why they should work more for providing comforts and luxuries to the top people. He also begins to think of way to somehow get rich. Unless these basic social problems are tackled, I do not think we can do any good to our economy.

Again, we have developed our economy on the basis of collaboration agreements and on the basis of foreign aid. We have long back warned against these collaboration agreements and dependence on foreign aid. We were scoffed at but in the current year's Budget speech, Mr. Chavan has stated that the aid giving countries, unfortunately, compel us to purchase goods out of aid funds in their countries irrespective of cost and other considerations. The collaboration agreements have been made in such a way that the cost of machinery to be bought has been inflated by 50 to 75%. It has been accepted in a report published by the Undertakings Committee of Parliament. The price of spare parts and components and industrial raw materials that we are buying out of aid funds have also been inflated. The result is that the cost of production in our country is rising to an extent which has no reference to the real value of the capital invested and to the real value of the goods purchased for production. Therefore, we are not able to compete in the world market. And then what do we do to reduce the cost? You cannot touch the foreigner's loot. You cannot touch the big capitalists' profits. You naturally, therefore, attack the working class. If this happens, naturally there will be resistance. I am posing these problems although they do not fall strictly within the scope of the subject because a solution to the problem cannot be isolated from these fundamental questions facing the country.

Despite all these basic questions still remaining unresolved I am for bringing about unity among the workers and trade unions. Unity of the working class is an article of faith for all Marxists.

If the parties controlling the other unions do not agree to such a simple and democratic solution and stand in the way of the unity of the trade union movement and the working class, naturally, those who are interested in bringing about such unity will have to evolve in their day-to-day activities such tactics as would bring about such unity despite the resistance in the leadership.

Building the unity of the workers irrespective of their trade union affiliations from below over the heads of their leaders on the basis of the most burning demands of the workers is our tactics.

In Coimbatore, as a result of the multiplicity of trade unions, the textile mill owners were able to employ as much as 40% of the complement of workers as casual workers. They were paid a daily wage. They were getting from Rs. 2 to Rs. 3 per day. This was a burning question. By conducting a campaign among all the workers and by fraternising with the workers of all the unions, we were able to bring about a situation where the workers belonging to other unions forced their leaders to join us in our joint agitation and struggle. The result was that an agreement was made that every single worker must be paid his occupational wage.

We will continue to work on these lines. We know we will succeed because we know that ultimately the working class will determine its fate and not a few leaders or the Ruling class. It is true that a majority of the workers are not yet aware of this but we will continue to do the job of awakening and experience will awaken them. We know also that once the working class is roused that body in the trade union movement standing in the way of unity will be thrown out of the movement by the working class. This is our approach to the problem of unity and we know that whatever might be the vicissitudes that we may have to go through, this policy will pay us good dividends and ultimately we will succeed.

Thank you.

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