

agricultural exports was endorsed all round, but how was this to be done? Without a discussion of the obstacles to larger exports, commodity-wise and region-wise, all that emerged was an enumeration of all the many things which *could* be done, e.g. production and export

subsidies, restriction of internal consumption, market research, etc.

If the discussion on agricultural exports was largely barren because of the failure to move on from the general to the particular, it was not that the participants were not conscious of this failing — according to

the rapporteur "the need for detailed individual or specific commodity studies (covering supply conditions, investment and profit aspects, development and programming aspects, etc) was referred to by all *members*". This, of course, disarms the critic.

## Labour in Development and Defence

S D Punekar

POR his presidential address to the Labour Economics Conference, Dr Radha Kamal Mukherjee has chosen the theme "The Role of Labour in Democratic Socialism". In his address, he advocated a national minimum wage on proper assessment of the needs of a worker's family, distribution of the essential necessities of life at controlled prices, adaptation of the wage and income structure to new egalitarian values, proper understanding of the multi-dimensional concept of bonus, formation of voluntary wage councils, full opportunities of collective bargaining for trade unions, phased programme of worker participation in management and institutional planning for industrial socialism. Dr Mukherjee has definite and often controversial view of his own on all these points. He wants to lay down by law a general national minimum wage, based on the assessment of the essential requirements of the industrial worker's family belonging to the lowest paid group. He finds the present norms inadequate for the purpose and suggests a dietetic norm of 3,000 calories per day, 45 yards of clothing per annum, and 100 sq ft of living space per capita for a family of 3.4 adults or 4 persons with the ration expenses constituting no more than 50 per cent of the wage to leave enough to meet other items of the household budget. Dr Mukherjee is for delinking wage policy from price fluctuations. "The present policy of holding money-wages down in a period of rising prices is incompatible with democratic socialism". He views the concept of bonus as "multi-dimensional and forward-oriented". Its moral and sociological dimension lies in mitigating or abolishing the present gap between the low level of wages actually paid and the fair or living wages. Its economic dimension is embodied in task, performance and

production bonuses, as an incentive for more production. The third dimension rests on the recognition of industrial socialism or co-partnership in the industry as an economic ideal. "The concept of bonus is linked with that of living wage at the floor and with voluntary or compulsory profit-sharing at the ceiling".

### Collective Bargaining and Voluntary Arbitration

According to Dr Mukherjee, the three pillars of industrial socialism are:

- (a) an integrated fair wage and bonus policy, no longer left to the whims and caprices of the Industrial Courts or adjudicators, but springing from voluntary Wage Councils at different levels;
- (b) voluntary collective bargaining; and
- (c) worker participation in management, passing over into profit-sharing.

He pleads for the interlaced development of three types of labour institutions and practices linked with one another:

- (a) well-established trade unionism, with associated collective bargaining;
- (b) workers' education; and
- (c) co-determination and worker participation in management.

Dr Mukherjee is an advocate of institutional planning:

"The Planning Commission must now adopt a policy of decontrol and reduction or abolition of State intervention in the labour field and the development and co-ordination of voluntary agreement, starting from the works committees at the bottom to joint management councils at the top. There should be minimum resort to tribunals and courts and maximum utilisation of the principles of collective bargaining, voluntary

arbitration, co-determination and workers participation in management.....All these require institutional planning on new lines..... Only through a thorough institutional re-orientation towards industrial socialism can the Indian working-class be the principal beneficiary of the new industry and wage and income structure and the major instrument of the operation and the progress of the

The Conference had three subjects for discussion: (a) Productivity in Export Industries; (b) Share of Wages in National Income; and (c) Role of Labour in National Defence. The first was taken up jointly with the Indian Economic Conference. In the discussion on the second the various aspects of wages vis-a-vis national income were brought out, e.g. the principles for determining the share, wages-prices spiral, need-based minimum, wage policy in economic development, wage incentives, classical wage-theories (particularly the subsistence and wage-fund theories), levels and trends of the share of wages and salaries in the total national income, share of wages in agricultural income and regional wage differentials. An increase in wages to match the increase in the productivity of labour was recommended and it was suggested that a part of the increase in wages should be made in kind in the shape of fringe benefits or social security measures, because such payment would be non-inflationary.

The discussion on "Role of Labour in National Defence" dwelt broadly on the economic implications of emergency and how it could be utilised for implementation of rational policies in respect of employment, production, wages and industrial relations. Workers and their organisations being both res-

ponsive and responsible, it was held that a labour policy conducive to rapid economic development could be evolved and implemented.

#### An Academy of Arbitrators

An important achievement at this year's Conference was the establishment of the Indian Academy of Labour Arbitrators. Since 1957, there has been a change in the official approach to industrial relations — from state-intervention to labour-management co-operation, from legal to moral sanctions, from Courts to Codes. The Third Plan had assured that ways would be found for extending the application of voluntary arbitration in resolving differences between workers and employers. However, hardly any progress has been made in the implementation of this proposal, because of the failure to spell out how voluntary arbitration was to be worked out, indifference of management and labour, weak collective bargaining, pre-occupation of labour with litigation and strikes and dearth of impartial, competent arbitrators from the ranks of the public.

Labour Economists can prove to be impartial and competent arbitrators in labour disputes and may thus usefully serve industry, labour and the community. The annual meeting of the Indian Society of Labour Economics approved the proposal and established the Academy for this purpose. It also held a seminar on "Voluntary Labour Arbitration" during the conference in which the Ford Foundation Consultant and the U S Labour Attache related the American experience in this field while the Indian viewpoint was presented by Dr A P Aggarwal and Dr A V R Rao. Before voluntary arbitration can be developed adequately, the details will have to be properly worked out, for example, of the arbitration in grievance cases, as contrasted with that with a new contract; benefits and disadvantages of voluntary arbitration as contrasted with adjudication will have to be fully understood; relative merits judged of a single arbitrator vis a board of arbitrators. Payment of arbitrator's fee and expenses; procedure—framing of issues by submission agreement or pursuant to collective bargaining contract; bearing—attorneys or other representatives or none; witnesses or documen-

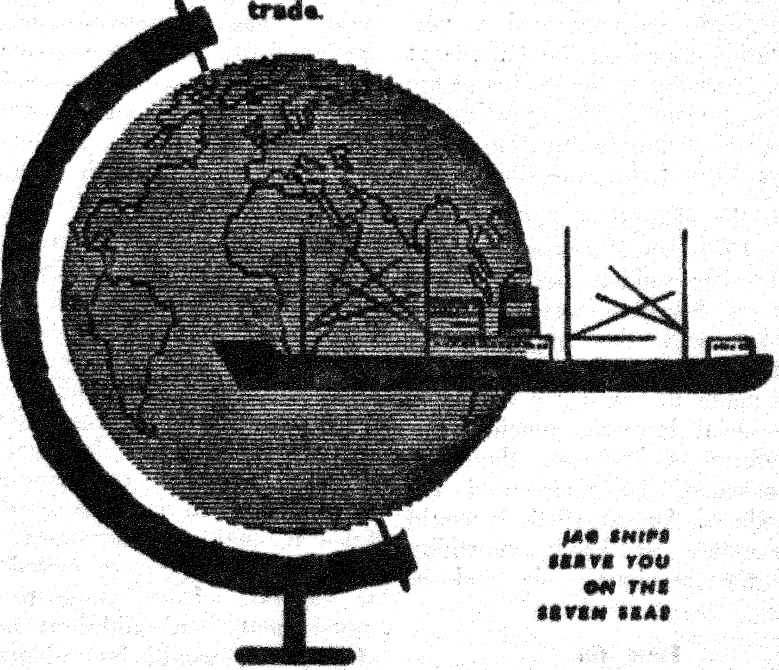
tary evidence; award;" etc — all these points will have to be settled. The Academy will have to prepare a Code of Ethics to establish and maintain high standards and competence and to draw a panel of arbitrators not only from the ranks of labour economists, but also from specialists in labour relations, labour lawyers, industrial engineers and industrial psychologists. To start with, the Conference appointed a six-man committee to prepare a full-fledged scheme, to draw up the constitution, to contact the Cen-

tral and State Governments, labour unions and management associations and to start seminars-cum-training courses in voluntary arbitration.

Dr V K R V Rao has been elected next year's President and the following subjects have been selected for discussion in the next session: (a) Wage-price Relationship (wage includes bonus); (b) Economics of Social Security; and (c) Role of Trade Unions in Mixed and Socialist Economies.

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