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INTERDEPARTMENTAL PROJECT
ON STRUCTURAL ADJUSTMENT

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The experience of consultation during structural adjustment in India (1990-92)

International Labour Office Geneva

Interdepartmental Project on Structural Adjustment

The aim of the Interdepartmental Project on Structural Adjustment is to strengthen ILO policy advice in relation to structural adjustment policies in order to make those policies more consistent with ILO principles and objectives.

The project investigates various options to give a different focus to adjustment policies, emphasising major objectives as equitable growth, improved human resource development and social acceptability and it tries to establish how various ILO policies and policy instruments can contribute to such a different focus of adjustment policies.

The range of policy instruments encompasses labour market regulation, social security, wages policies, training policies, industrial relations as well as the employment and income effects of monetary, fiscal and price policies. Greater involvement of the ILO in the area of structural adjustment needs therefore to reflect the inter-disciplinary nature of the adjustment problem by combining activities from different departments in the ILO.

During the 1992-93 biennium, the project concentrates on developing policies for the following five main areas:

— the role of the public and private institutions in structural adjustment;
— the role of fiscal policy in generating employment and favouring equitable growth in a process of adjustment;
— the role and function of compensatory programmes and social safety nets during adjustment;
— public sector adjustment, including issues pertaining to privatisation;
— the role and function of the social partners in the adjustment process.

Further information can be obtained from the Project Manager (Rolph van der Hoeven) or the Project Officer (Andrés Marinakis).

The experience of consultation during structural adjustment in India (1990-92)

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1. Introduction [1]

The experience of structural adjustment in India has put to test a variety of assumptions about the scope for consultation at national level with important insights for economic and political reforms in other countries. Since the programme of structural adjustment is far from over, the scope of this paper is limited to tracing the context of structural adjustment, identifying the issues that emerged, reviewing the experience, to date, of consultation among social partners at the national level, analysing the emerging pattern of tripartite consultation, discussing the role of employers' organizations and workers' organizations and visualizing the new dimensions and new hopes arising from new institutions.

India, a developing country with a well-developed federal democratic polity, has now embarked on a structural adjustment programme under a policy-based lending regime of the World Bank. Economic and political reforms in India are universally believed to be difficult to pursue without the genuine participation and support, or at least acquiescence, of people affected by it - people who have a voice to vote in or vote out a government, people intolerant of inflation levels hitherto associated with structural adjustment programmes, people who have repeatedly demonstrated their capacity to mobilize pressure groups based on affinities of language, caste, region, religion and ethnic origins in a multi-party situation, people with access to a strong and independent judiciary and a free press for the establishment and protection of a variety of constitutional rights. Institutions for countervailing power thrive to safeguard the balance of power through negotiated arrangements where societal sanction is paramount. Poverty, illiteracy and unemployment levels, in combination, add to the complexity of self-government in managing economic transition.

Employees and workers are part of the elite power structure of Indian society and together represent a formidable combination of interests. The presence of a large public sector also places government in the position of the perceived employer for a large number of employees working in central and state public enterprises.

Employers in the formal sector have about 25 per cent union density. Through the development of labour institutions, there are right of representation and the privilege of being consulted at enterprise level, industry level and national level. As a founder member of the ILO, India has nurtured the tripartite framework providing representation to government, employers and workers for consultation on industrial and labour matters. Agreement among social partners in the tripartite framework is not the same as a nationwide political consensus and this distinction is important to make because the majority of the population, and even the labour force, lives and works outside this framework. However, the process of consultation among social partners in the tripartite framework influences and is influenced by a range of supplementary consultative processes. The role of employers' organizations and workers' organizations in relating to each other, to the government and to actors outside the tripartite

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[1] This country paper has been prepared as part of a project to review and evaluate the experience with national level consultations in the context of structural adjustment. The project is being carried out by the Labour Law and Labour Relations Branch of the ILO, under the supervision of Edward Yemin, Alfred Pankert and Anne Trebilcock. The author is Professor of Personnel Management and Industrial Relations, Indian Institute of Management, Calcutta and Visiting Professor, Department of Applied Economics, K. U. Leuven, Belgium.

framework, enables focus on the complexities of structural adjustment and the potential for consultation.

2. India's Structural Adjustment Programme: The Context

India traditionally relied on an inward-looking interventionist approach to economic management to meet the challenge of development since its independence. While such an approach provided relative insulation to the economy from the oil price shocks in 1973 and 1979, growth was disappointing, and stagnation in the manufacturing sector and exports became a source of serious concern in the early 1980s. With a view to increase economic efficiency and improve prospects for economic growth, the government announced its intention to liberalize the Indian Economy in 1982, and by 1984 a measure of trade liberalization was introduced with promise of more to come. Regulations on industrial investment, expansion and diversification were relaxed and price controls removed from industries such as cement, aluminium and paper. The regulatory controls on large and foreign companies were eased. Industry-specific deregulation schemes were introduced for industries like electronics, computers, leather, gems and jewellery. The private sector was allowed to enter industries traditionally reserved for the public sector. The spark for intensifying impulses of growth and competition came mainly at government initiative, and while it was publicly hailed by industrialists, private fears slowed down the process of liberalization in many areas. Thus, quantitative restrictions and high tariffs remained and export promotion relied mainly on a flexible exchange rate policy.

Compared with the 1970s, the performance of the Indian economy looked up in the 1980s. Real per capita income in the 1980s increased by 40 per cent and manufacturing growth accelerated to over seven per cent per annum. There was increase in technology diffusion, buoyancy in capital markets and a general mood of optimism. The expansionary macroeconomic policy was financed by increased domestic and external borrowing. This, in the wake of ineffectiveness of piecemeal, ad hoc, selective and hesitant liberalization resulted in a balance of payments crunch, aggravated by the increased oil import bill and loss of foreign remittances caused by the Gulf Crisis. By the end of 1990, the country's foreign exchange reserves fell to just a fortnight's imports, and discussions with the World Bank and IMF on policy based lending were initiated in January 1991. The period 1989-91 was also marked by political instability with three minority governments in quick succession. The inter-party rivalries overheated the political situation with issues like employment reservations for backward castes/classes, the Ayodhya Ram Janmabhoomi-Babri Masjid (temple vs. mosque) conflict, and the Bofors scandal. The governments in power and the government servants comprising the bureaucracy became hesitant to implement policy decisions during this period without the support of a sustainable degree of commitment behind them. This drift added to the crisis.

In June 1991, it was decided to adopt a comprehensive and fundamental structural adjustment programme with World Bank-IMF support, which meant funds with conditionalities. This decision was taken within days of the third minority government assuming office on June 21, 1991. It became a subject of controversy and debate between those who viewed the World Bank-IMF supported structural adjustment programme as a necessary and logical link for the acceleration of economic reforms, and others, critical of the absence of any consultation before the country was committed to such a package who prophesied that the harm from its negative consequences would exceed its promised benefits. The xenophobic national sentiment was partly assuaged when the government, in a demonstration that the country's sovereignty was safeguarded, announced and adopted a series of reform measures (instead of these being presented as conditionalities by the World Bank). In July 1991, the rupee was devalued twice, quantitative trade restrictions on imports of intermediate and capital goods were reduced, tariffs were brought down, state monopoly on exports and imports was ended, and a statement on industrial policy[2] was presented along with the Union Budget aimed at reducing the fiscal deficit by two and a half percentage points.[3]

The commitment to economic restructuring in June 1991 became the basis for the World Bank's first policy-based lending to India in support of a series of reforms. The World Bank finalised its report and recommendation on the structural adjustment loan of US $ 250 million and a credit of SDR 183.8 million on November 12, 1991. This report detailed the direction of reforms and envisaged re-orientation of fiscal, monetary, trade, and industrial policies and formed the basis of the arrangement crystallised for implementing the structural adjustment programme.[4]

3. India's Structural Adjustment Programme: The Issues

The Structural Adjustment Loan/Credit for macroeconomic stabilisation and structural reform was aimed at achieving its objectives through:

a) government expenditure cuts;
b) tight monetary policy and strengthening of capital markets;
c) removal of distortion-inducing controls on private sector activity;
d) greater reliance on foreign capital and technology;
e) an effective "exit policy" for closure or restructuring of money-losing firms in private and public sector.[5]

The agenda for stabilization and structural adjustment carried a risk of substantial transitional costs as the economy adjusted to the fiscal compression, trade liberalization, financial sector reforms and new industrial policies. It was also recognised that the programme faced the risk of successful opposition from groups that may perceive that they were being asked to bear a disproportionate share of the costs of adjustment. With the government committed to intensifying competition, employers and employees were faced with

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[2] Commitment to reforms was associated with the approval of the second tranche of SDR 166.2 million on July 22, 1991. The third drawing of SDR 468.9 million on September 12, 1991 was made after major aspects of policy initiatives were implemented. The Contingency Compensatory Financing Facility of the IMF had been invoked at the end of 1990 with a first tranche drawing of SDR 716.9 million at the time.

[3] The original draft of the new industrial policy is said to have contained the "exit policy" for sick and unviable units, but the government backed out at the last minute and deleted the provisions, apprehending that the package of reforms might be jeopardised at the outset if there was a reaction.

[4] The government did not table the arrangement in Parliament until after excerpts of Confidential Report P-5678 appeared in a national daily in the third week of February 1992. Opposition parties, enraged at being informed through a press "leakage", accused the government of suppressing information from the national Parliament and charged the government with leaking its policies and budget proposals to the World Bank before the Parliament had sanctioned them, an act that was interpreted by some as compromising national sovereignty.

[5] As early as September 1990, a World Bank report on India had recommended the development of an "exit" policy for losing firms and cited restrictions on retrenchment and closure as a potent disincentive for employment growth.

new potential conflicts with consumers. The government wanted to ensure that twenty five conditions stipulated by the World Bank were fulfilled by May 1992 before the release of the second tranche. These conditions included, *inter alia*, "satisfactory evidence" that:

— amendments to the Sick Industrial Companies Act,[6] 1985 have been prepared and submitted to Parliament to institute more appropriate criteria for sickness, strengthen the Board for Industrial and Financial Reconstruction (BIFR), improve its functioning and streamline and facilitate procedures under BIFR;

— the objectives, scope, structure, operations, sources and methods of funding, criteria and mechanisms for providing support to workers, nature and amounts of such support and other details of the National Renewal Fund have been specified;

— based on the review and recommendations of the inter-ministerial Working Group, a satisfactory policy has been formulated to facilitate adjustment by industrial firms taking into account the need for adequate safeguards for workers, programs for re-deployment and retraining and appropriate compensation where necessary;

— in the case of units that are patently unviable, the government has formed a satisfactory action programme to initiate restructuring and closure procedures;

— the government has taken actions to ensure that except for central public enterprises already determined to be potentially unviable by the government (see previous item), all public enterprises that are sick according to the criteria specified in the Sick Industrial Companies Act henceforth will automatically be referred to the Board for Industrial and Financial Reconstruction (BIFR) for assessment of their prospects and subsequent winding up or rehabilitation, and all such sick central public enterprises have been referred to BIFR;

— the detailed program for disinvestment of 20 per cent of equity in selected public enterprises to yield Rs.25 billion has been finalised and approved by the government and implementation of the programme has been completed by the end of 1991/92;

and

— building on the 20 per cent disinvestment, an action programme to progressively increase the private equity share in profitable central public enterprises to 49 per cent within three years has been promulgated by the government, along with a list of the companies concerned and a timetable for implementation.

While all twenty-five conditions indirectly affected employees and employers in one way or another, these seven conditions (the basis of the "exit policy") meant changing the existing framework of reference on a range of industrial and labour matters with a direct impact upon the social partners in the context of consultation at national, industrial and enterprise level. Since this became part of the government's agenda, on which commitments had been made to receive the structural adjustment loan/credit, the government initiated steps for their fulfilment. Workers' organizations and employers' organizations reviewed their short-term and long-term objectives in mid-1991 to assure their constituents of their capacity to respond and influence outcomes. Representation at national level requires recapitulation before we

[6] The Sick Industrial Companies Act defined the criteria for reference in cases of sickness. The scope of this legislation excluded public sector undertakings.

explore the role of organizations representing workers and employers in the process of structural adjustment activated in these circumstances.

4. Employers' Organizations and Workers' Organizations in India

4.1 Employers' Organizations

Regional Associations (such as Bombay Millowners association) and Industrial Associations (such as Indian Jute Mills Association) predate the emergence of the tripartite framework in India. The establishment of national level chambers of commerce and later, employers' associations specifically for matters concerning industrial labour, were a response to the need and scope for representation on legislative bodies, national tripartite platforms and international conferences. The All India Organization of Employers (AIOE) and the Employers' Federation of India (EFI) have existed since 1933. AIOE remained linked with the Federation of Indian Chambers of Commerce and Industry (FICCI) while EFI remained the main representational avenue for multi-national firms. The All India Manufacturers Organization (AIMO), established in 1941 and sponsored by comparatively small sized establishments to look after their interests, is also an important national employers' organization. Associations at all-India level exist for important industries like jute, cotton textiles, engineering, sugar, chemicals, cement, paper and tyres, which are, in turn, affiliated with national federations. Thus representation of employers' interests is a complex matter where national representation is consolidated on the basis of decentralized regional and industrial activities within the three major national organizations (AIOE, EFI and AIMO). In 1956, AIOE and EFI together created the Council of Indian Employers (CIE), which is a member of the International Organization of Employers at Brussels. With the establishment of the Standing Conference of Public Enterprises (SCOPE), the CIE included SCOPE's representation within its constituents, though AIMO has remained outside its ambit. CIE (comprising EFI, AIOE and SCOPE representation), together with AIMO, constitutes the national representation on behalf of employers and this arrangement is recognised by the government.

4.2 Workers' Organizations

Workers' organizations in India at the national level date back to 1920 with the formation of the All India Trade Union Congress (AITUC) soon after the ILO was founded in 1919. The growth of workers' organizations (especially after the Trade Union Act, 1926) was characterised by splintering of unions at national and sub-national level, leading to growth in the number of unions at the cost of membership size. Workers' organizations developed industrially and politically. From enterprise level, federated industrial unions at national level developed in textiles, plantations, ports, docks, banks, insurance, transport, cement, engineering, iron and steel, sugar, coal, oil refining, railways, post and telegraphs and defence establishments. Political unions include the Indian National Trade Union Congress (INTUC) identified with the Congress Party, the Hind Mazdoor Sabha (HMS) with the socialists comprising the various fragments of the splintered Janata Dal, the Bharatiya Mazdoor Sangh (BMS) with the Bharatiya Janata Party (BJP), the AITUC with the Communist Party of India (CPI) and the Centre for Indian Trade Unions (CITU) with the Communist Party of India (Marxist). The United Trade Unions Congress-Lenin Sarani (UTUC-LS) and the National Labour Organization (NLO) are two other national level workers' organizations.

As in the case of employers' organizations, many national federations of workers' organizations are also affiliated with political national unions. Further, the competition between the International Confederation of Free Trade Unions (ICFTU) and the World Federation of Trade Unions (WFTU), as part of the larger global processes for and against communism, added an international dimension to the political linkages of national workers' organizations with political parties. INTUC and HMS are affiliates of ICFTU while AITUC and CITU are affiliates of WFTU.

National representation on behalf of workers comprises INTUC, BMS, HMS, UTUC(LS), AITUC, CITU and NLO, and the relative weight assigned to each of these constituents is supposed to be based on verified membership, provided that a minimum verified membership of 500,000 and presence in at least 4 states is regarded a prerequisite for continuance of recognition to represent workers at national level. Since results of membership verification beyond 1980 have not been announced, changes in the recognised representation of workers at national level between 1980 and 1992 were made by the central government in consultation with workers' organizations involving "horse trading".

5. Structural Adjustment and the National Tripartite Framework

Tripartite consultations among representatives of workers, employers and government at national level started in India in 1942 with the institution of the Indian Labour Conference (ILC) and its Standing Labour Committee (SLC) which was to pave the way for recommendations at the ILC. The pattern of representation was based on ILO norms and the stated objectives of ILC and SLC were to:

a) promote uniformity in labour legislation;
b) lay down procedures for settlement of industrial disputes;
c) discuss all matters of all-India importance between employers and employees.

There was much enthusiasm in the initial years (with the ILC being convened annually or biannually) and various important industrial labour matters were discussed and recommendations made. However, the range and diversity of regional and industrial practices could not be reconciled with uniform national policies, systems or norms on many important aspects (such as wages, union recognition, determination of union majority, wage-price linkage, etc.), and disillusionment replaced the hope with which ILC and SLC had been instituted.

When the economic liberalization process began in 1982, the ILC had not been convened for ten years. In the 1980s it was convened only once, in 1985. The ILC of 1985 recommended the formation of tripartite industrial committees and based on this, six tripartite industrial committees were constituted: Chemicals (30.5.85), Transport (23.12.85), Jute (15.1.86), Textiles (3.4.86), Electricity Generation (1.12.87) and Engineering (13.12.87). None of these committees really functioned and the next ILC was not convened until April 1990. The 1980s witnessed a dramatic decline in union power and with the changed power dynamics, neither the government nor employers appeared eager for national consultations on industrial or labour matters with their "social partners", the workers.

This situation changed in 1990 for several reasons:

(1) The Janata minority government led by Prime Minister V.P. Singh made a political plank of employment reservations for backward classes, workers' participation in management and a promise to guarantee the right to work as a fundamental constitutional right.

(2) The National Seminar on Workers' Participation in January 1990 revived the dormant tripartite activity and the Bill on Workers' Participation proposed by government became a controversial issue for all the actors in the tripartite framework.

(3) Employers eager to accelerate restructuring of industry at enterprise level under the liberalized regime made a plea at national level for creation of exit routes for unviable units.

(4) The ILC convened in April 1990 enabled workers' representatives formally to table the nineteen years' backlog of agenda, including issues such as national wage policy, co-determination of performance and policy in public enterprises, revival of dormant committees (such as committees on industrial sickness, conventions, minimum wages), objections to the calculation of the consumer price index for cost of living adjustments, etc.

An important outcome of the 1990 ILC was the formation of a bipartite committee (headed by Ramanujam, an INTUC union leader), comprising employers and workers, to propose changes in labour laws. It was also decided to update verification of membership of unions with December 31, 1989 as the date of reckoning. These developments led to a flurry of activity. The latter made it obligatory for unions to establish the support base claimed, while the former provided the ingredients of debate. The Ramanujam Committee submitted its report towards the end of 1990 while the membership verification was not completed even in July 1992.

The gains by workers and workers' organizations in 1990 were just as short-lived as the V.P. Singh government. The second minority government under Prime Minister Chandrashekhar assumed office in November 1990 and remained busy staving off political threats for as long as it lasted. It was only after the general elections of 1991 that the residual agenda at the national level surfaced again after the third minority government under Prime Minister Narasimha Rao committed the country to the World Bank - IMF funded structural adjustment programme in July 1991.

Seven of the twenty-five conditionalities mentioned in the preceding section of this paper involved formulation and implementation of what the World Bank called the "exit policy". The expression "exit policy" gained currency in the second half of 1991, though the signals from the government were confusing and contradictory. Two sets of messages emanated in the media: one, that the government was preparing an "exit policy" for sick units and for surplus labour; another, that no one will be adversely affected (read "suffer a loss of job") as a consequence of structural adjustment. Both messages were disbelieved. There was speculation whether a minority government would be prepared to face the wrath of organized labour. At the same time, experience of the 1980s had established the capacity of employers to force the pace of industrial restructuring in private enterprises and there was reason to apprehend that fiscal compression and resource crunch might reduce or eliminate budgetary support for sick public enterprises. The first message was picked up by employers and employers' organizations and there was intense lobbying for relaxing the employment security provisions through legislative amendments. Employers demanded the privilege to terminate up to 5 per cent of employees every year at their absolute discretion. The second message spread anxiety among workers and workers' organizations and there were consultations among the different workers' organizations to decide on their strategy.

Meanwhile, the government through its Ministries of Finance, Commerce and Industry and the Planning Commission undertook a series of initiatives for policy reform. An Inter-Ministerial Working Group on Industrial Restructuring was set up in the Planning Commission. The status of sick public sector enterprises was reviewed on the basis of data analysed in the Ministry of Industry. The Ministry of Commerce announced closure of some of its offices. The Ministry of Labour remained peripheral to the drama between July and October 1991. There was also no minister holding the labour portfolio during this time.

Workers' organizations made a bid to bury their differences and oppose the government on the "exit policy" issue. Possibilities of mergers between workers' organizations were also vigorously discussed to unite the union movement.[7] A call for a nationwide strike on 29 November 1991 by the "left" parties became the rallying point for workers' organizations. The potential of a united workers' movement assumed disturbing proportions for a government struggling to pursue implementation of World Bank conditionalities on exit policy.

These developments led to the revival of the tripartite framework at government initiative. The workers' organizations represented in the Standing Labour Committee were invited to a meeting with P.A. Sangma, Minister of State for Coal (a former labour minister, given additional charge of the labour portfolio in 1992) on 17 November 1991. This was the first national level consultation with workers' organizations by the Narasimha Rao government after assuming office and its timing suggests that it was aimed at defusing the potential escalation of conflict over "exit policy" in the context of the nationwide strike call. The government promised regular dialogue and consultation from this point onwards. In exchange for this promise, the government wanted unions to call off their proposed agitation. As a result, the government-backed union, INTUC, did not join the strike. The nationwide strike was a partial success, and near total in the states of West Bengal, Kerala and Bihar. The "left" parties emerged even more estranged with the government and threatened further organized action against the government's policies, particularly the much maligned "exit policy", the contours of which remained the subject of speculation. A new national level tripartite consultative institution called the Special Tripartite Committee was constituted amid mounting apprehension that tripartite consultations would slow down structural adjustment, and even fears that the workers' organizations, sans INTUC, might boycott the consultation process to confront the government.

[7] The HMS (affiliated to ICFTU) and the AITUC (affiliated to WFTU) reached an advanced stage of merger negotiations by mid-1992 for what could become the historic event (where the twain between "right" and "left" finally meet) towards dissolving the competing strands in India's trade union movement. The proposal to form a confederation of all trade unions was first made by the late B.T. Ranadive, who called for changing basic policies rather than making demands solely for monetary gains for the employed. However, the nature of leadership entrenchment among different unions makes it difficult to be unduly optimistic.

6. Tripartite Consultation for Structural Adjustment in India: New Dimensions, New Hopes

The promise of resumption of tripartite consultations increased the activities of workers' organizations and employers' organizations.

Employers' organizations held regional and sectoral consultations with their constituents. These consultations took the form of weekend meetings, short symposia and the circulation of working papers. Organizations such as the Confederation of Indian Industry (CII), the Indian Chamber of Commerce (ICC), FICCI, EFI and the regional management associations (constituents of the All India Management Association) organized workshops to mobilize opinion for legislative amendments to facilitate "industrial restructuring", a term that increasingly replaced the controversial expression "exit policy". Representations were also made by employers' organizations to the Ministries of Labour, Industry and Commerce to highlight the special difficulties of specific industries, like textiles, jute, chemicals, electronics, engineering and automobiles.

Workers' organizations attacked the new economic policy as unsound and, with the exception of INTUC, developed an unprecedented cohesion around the personality of Jyoti Basu (Chief Minister of West Bengal) who rapidly emerged as the national symbol of opposition to the new economic policies of the government. This move by workers' organizations was potentially explosive politically and exposed the vulnerability of the minority government at the centre in supporting structural adjustment policies for industrial restructuring including exit of unviable units and their employees.

The Special Tripartite Committee constituted by the Government in consultation with workers' organizations and employers' organizations was first convened on December 21, 1991. The Department of Public Enterprises in the Ministry of Industry developed performance criteria and produced the list of sick and chronically sick public sector undertakings. In each case the cost of revival and the cost of closure was also estimated. The performance status of central public sector enterprises documented in a monograph and circulated in November 1991 was discussed. The government announced 98 public sector units as sick, of which 58 were identified as chronically sick. The Special Tripartite Committee (STC) resolved to go into the performance of all these units, case by case. Workers' representatives demanded that the results of the STC's efforts be awaited before the BIFR take any decision. Employers' representatives and government representatives made sympathetic noises but distanced themselves from this suggestion. The STC unanimously recommended revival and reconstitution of the tripartite industrial committees at national level in respect of those industries where the number of sick units is large such as road transport corporations, state electricity boards, engineering, textiles, jute, etc.

The success of the first meeting of the STC was marred by the absence of any representation from the Centre for Indian Trade Unions (CITU), the national union linked with the CPI(M), the political party headed by Jyoti Basu. This produced an impasse. At one level, the government had revived national tripartite consultations and yet it was not easy to take these initiatives concretely forward without fear of resistance and opposition. The structural adjustment programme needed to garner more support or there needed to be some modicum of national consensus on issues critical to industrial restructuring.

An ILO initiative emerged to promote consensus on the social dimensions of structural adjustment through a workshop in Delhi in December 1991. This provided another tripartite forum outside the framework of the STC and attracted much attention in the media. However, since the STC had already been constituted, and its first meeting had not yet taken place, the problem areas in national tripartite consultations were yet to be identified. The workshop increased public awareness about the risks and consequences of structural adjustment. However, it turned out to be a one-event initiative with little long-term impact on the process of national consultation.

The contest for decibel level between the "voice of the government" and the "voice of the opposition" over new economic and social policies continued unabated throughout December 1991. The real problem was that the structural adjustment programme had come to be identified with the personality of the Finance Minister, Manmohan Singh as its chief exponent and the opposition remained symbolised with Jyoti Basu, Chief Minister of West Bengal. The Eastern Region of India in general and West Bengal in particular were also likely to be the most affected by the process of structural adjustment, and Calcutta emerged as the logical venue to strive for national consensus. In this, the Indian Institute of Management Calcutta, the oldest national institute for management in India, took the lead. Soon after the STC outcome became known on 21 December 1991, IIM Calcutta announced that it would convene a tripartite national seminar on "Restructuring Indian Economy" on 17 and 18 January 1992, along with the Observer Foundation (a non-profit research and publishing organization). Manmohan Singh and Jyoti Basu were invited to be on the same platform. This seminar, telecast live on the local network, acted as a turning point, with the structural adjustment programme being openly debated between its chief exponent and opponent on a public platform for the first time. While ideological differences remained, several questions raised by Jyoti Basu were answered by Manmohan Singh to Jyoti Basu's satisfaction as evident from the change in the tone of his criticism of government policies after this encounter. The seminar was structured to enable the tripartite dimension to be supplemented by facilitation efforts by academics and policy makers. This paved the way for discussion on issues raised with the help of position papers presented on structural adjustment, public enterprise reform and exit policy. The concept paper on the National Renewal Fund (NRF) prepared by the Ministry of Industry had its emphasis on meeting redundancy costs in public enterprises. The paper drew criticism from all sides and was rejected by unions, which wanted the NRF to focus on employment creation.

The hope generated by the tripartite national seminar at Calcutta led to several developments. Workers' organizations organized a meeting in Calcutta soon after the seminar to formulate their opinion before the second meeting of the STC. There was a growing body of opinion among workers' organizations that workers should demand a controlling interest and the right to manage turnarounds in enterprises where employers or the government were unable or unwilling to save workers' jobs threatened by industrial sickness or closure. Workers' organizations considered demanding this at the second STC meeting. Employers' organizations intensified their lobbying for the right to close business, retrench and lay-off employees without government permission. The government notified an amendment to the Sick Industrial Companies Act to expand the scope of the BIFR to include references in respect of public enterprises, and agreed to revise its concept paper on the National Renewal Fund. The Calcutta initiative also brought about closer linkages between economic ministries and the national tripartite forum, the STC.

The second STC meeting, convened on 20 January 1992, was attended by the Finance Minister. The suggestion by workers' representative from BMS that workers' cooperatives be established for workers' ownership of enterprises with a write-off of past liabilities by the government was welcomed by the Finance Minister on behalf of the government. Workers' representatives rejected the concept paper on the National Renewal Fund on the grounds that it related only to retrenchment compensation and did not adequately reflect the views expressed by workers and employers. The government announced the formation of national level tripartite industrial committees for textiles, jute, chemicals, electricity generation, road transport and engineering industries. The STC classified public enterprises into four types:

1) viable units likely to fall sick;
2) sick units salvageable with timely and appropriate action;
3) chronically sick units requiring radical treatment;
4) sick units without cash losses where writing off past liabilities would make them profitable.

The STC decided that the industrial committees constituted would examine the case of each unit with an emphasis to revive rather than close it. Employers' representatives expressed that some retrenchment was inevitable though this might be mitigated with increased demand for products, availability of power and revised working arrangements.

Unions altered their opinion on workers' takeover of units after the STC meeting and began to refer to it as an "off the cuff" remark not feasible for implementation. This volte-face came with CITU questioning whether workers' organizations were ready for such responsibilities, particularly from the experience of workers' cooperatives in West Bengal and the reluctance of the CPI(M) government to accept such proposals for state funding assistance.

The apex national business federations, FICCI and ASSOCHAM were quick to demand "uniform application of exit policy" (read "share in the NRF for the private sector") and unemployment benefit legislation for displaced workers or displacement insurance. Social workers also joined the fray and demanded priority allocation out of the NRF to provide a safety net to the unorganized workers in vulnerable forms of employment and the unemployed. Economists too, were unanimous for a change, recommending strengthening of minimum needs programmes and the supply side at their pre-budget consultative meeting with the Finance Minister on 22 January 1992.

It became increasingly apparent that the traditional tripartite structure was an insufficient consultative framework to shape policies or strive for national consensus because the majority of the population was not represented within this framework. Suggestions for extending the framework with the creation of new institutions were made to the government. Concurrent with the functioning of the Special Tripartite Committee and the tripartite industrial committees at national level, the government constituted a special sub-committee of the parliamentary consultative committee for the Ministry of Labour to increase the ambit of multi-party consultation for wider representation. The concept of the National Renewal Fund (NRF) also went through a lot of change from the time it was first announced in the budget speech for the year 1991-92. Its size and scope became the subject matter of considerable discussion since claimants ranged from redeployable, trainable surplus labour to the never-employed and unemployable. Outstanding unresolved issues such as NRF, the impact of new industrial policy on the problems of labour, the report of the Ramanujam Committee on industrial relations system and structure, and the need to reinforce minimum needs guarantees pointed to the need for consultation with state governments to build consensus. The government convened a conference of Labour Ministers of all the States of the Indian Union on 6 February 1992 as the appropriate consultative forum to constitutionally reconcile the differences in the political ideology and the statutes of different states, without which national consensus appeared elusive, and national industrial and labour policy unsustainable in a federal polity. Many State Labour Ministers conducted tripartite consultations at State level before representing their governments at this meeting. The system and structure for dialogue among social partners at the national level, industrial level, regional level and enterprise level came up for discussion at the Labour Ministers' meeting.

The Andhra Pradesh Government lamented that the Industrial Workers (Representation, Participation in Management and Relief) Bill and the Monitoring of Industries Bill passed by the State Legislature had been awaiting Presidential assent since 1989. The Government of Andhra Pradesh also reported that it had empowered the Labour Commissioner to register workers' cooperatives under the Cooperative Societies Act, 1964 to facilitate transfer of management of sick industries to workers' cooperatives and had also provided short term government loans in such cases. The West Bengal Government opposed the National Renewal Fund and urged the Central Government to take adequate steps for the revival of sick central public sector enterprises. In this it was supported by the governments of Uttar Pradesh and Orissa, and opposed by the Governments of Rajasthan, Jammu and Kashmir, and Tamil Nadu. The State of Tamil Nadu favoured state level rehabilitation funds in addition, whereas Pondicherry and Haryana reserved their comments pending clarifications sought. Other states like Assam, Tripura, Maharashtra, Bihar, Gujarat, Goa, Punjab, Kerala and Karnataka did not express any opinion on the National Renewal Fund, which could be taken as either silent support or unvoiced hesitation.

The recommendations of the national level bipartite committee of employers and workers were widely welcomed at the February 1992 apex centre-state consultation. Some suggestions and modifications were also proposed. The focus of each Labour Minister's presentation at this forum was another way to capture the influence of workers' organizations and employers' organizations in the respective States on the government. The presentations may be summarized as follows:

Andhra Pradesh:	Workers' participation; workers' cooperatives for sick industries; two-tier tripartite consultation with the Centre and States playing a role;
West Bengal:	Reform of tripartite structure; opposition to NRF; preservation of craft-based unions and political unionism;
Himachal Pradesh:	Encouragement to private investors in power and transport industries; amendments for uniformity of definition in national statutes;
Assam:	Amendments for uniformity of definition in national statutes, reform of tripartite structure; preservation of craft-based unions;
Uttar Pradesh:	Preservation of status quo on lay-off, retrenchment and closures, with liberalization of terminal benefits; time-bound self-escalating minimum wages;

Maharashtra:	Union representation and preservation of workers' representation in consultative structures through recognised unions only; preservation of status quo on industrial disputes legislation;
Tamil Nadu:	Productivity-linked wages; government support to industrial restructuring;
Bihar:	Preservation of craft-based unions; more discretionary powers for state government; opposition to reform of tripartite structure;
Gujarat:	Employment promotion; settlement of employee grievances;
Tripura:	Reform of tripartite structure; more discretionary power for state government;
Rajasthan:	Curb on "agitations"; preservation of status quo with speedier exits;
Goa:	Non-resident foreign investment to be encouraged; reform of tripartite structure;
Orissa:	Reform of tripartite structure; more discretionary powers for state government;
Pondicherry:	Tamil Nadu pattern to be encouraged; reform of tripartite structure;
Jammu & Kashmir:	Attracting investment for employment promotion in a disturbed situation;
Kerala:	Foreign investment and export orientation of industry to be encouraged; automatic revision of minimum wages;
Punjab:	Five-yearly revision of minimum wages with price index adjustment;
Karnataka:	More discretionary powers to state government; enforcement of labour laws;
Haryana:	Reform of tripartite structure; high minimum wages; preservation of status quo on labour laws.

An important outcome of this national level consultation was the setting up of a committee of five labour ministers to examine the areas of disagreement on the industrial relations system and structure with a view to arriving at a national consensus. The committee was constituted comprising the labour ministers of Andhra Pradesh, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal under the chairmanship of P.A. Sangma, Minister of State for Labour. The consultative forum also endorsed a national minimum wage of Rs.20 per day linked to the price index and favoured participation of workers in equity capital and management of sick industrial enterprises. The Prime Minister in his address promised that the consensus evolved would be placed before the national tripartite body, the ILC. He also urged the States to constitute State-level special tripartite committees to address the problems of restructuring in state public enterprises.

The Labour Ministers' Conference was an important event that enabled the Central government to proceed further with the on-going dialogue at national level with workers' organizations and employers' organizations. Workers' organizations and employers' organizations began submitting joint proposals for the revival of sick public sector enterprises from different parts of the country. These proposals were discussed at unit level, enterprise level and industry level before being submitted to government.

The problem of the 58 chronically sick central public enterprises posed a problem of unusual dimensions. Of these units, 28 were enterprises that had been nationalised after they turned sick in the private sector. Of 38 cases for which data was available, the cost of closure exceeded the cost of revival in 17 cases. The details of these are presented in Annex I. Since the "employer" responsibility rested with the government through its administrative ministries rather than with the enterprises, it was apparent that the government would have to take the major initiative through the Ministries of Industry and the concerned administrative ministries, with the support of the STC, the national tripartite industrial committees and the parliamentary sub-committee. The government referred 13 out of 58 chronically sick public enterprises to the BIFR and arranged for the parliamentary sub-committee to visit the chronically sick public enterprises. Meetings of the national level tripartite industrial committees were also convened for consultations with workers' organizations and employers' organizations, at the initiative of the central government.

The parliamentary sub-committee visited 11 out of the 58 chronically sick public enterprises. This guided tour included the most vulnerable of the chronically sick enterprises such as Scooters India, Cycle Corporation, Cochin Shipyard, British India Corporation, Tannery and Footwear Corporation of India, Heavy Engineering Corporation, Smith Stanistreet, Bharat Ophthalmic Glass, Indian Iron and Steel Company, Braithwaite, and Mining and Allied Machinery Limited (on the government priority "hit" list).

The first of the national level tripartite industrial committees met on 21 February 1992. The agenda notes and papers prepared by the Ministry of Textiles were provided to the representatives of employers, workers and government at the meeting. The State governments were also represented separately at the meeting bringing a new dimension to government participation in this consultative forum. The government proposed that the 49 unviable units in the public sector be grouped into 21 units and 9 subsidiary corporations of the National Textile Corporation (NTC) be rationalized to 5. The meeting was productive and representatives of workers and employers agreed to the restructuring proposed by the government. It was also decided to conduct a similar exercise for private sector mills. A time-bound action plan was adopted for 34 chronically sick mills with 2 months' time to workers and management of NTC to submit specific proposals for revival.

The industrial committee on the jute industry met on 3 April 1992 after the industry-wide 51-day jute strike ended. It was noted that 40 out of 73 mills were inoperative. The 6 NJMC mills with a surplus of 14,000 workers were uppermost on the government agenda. Workers' unpaid dues and funding for modernisation were the main issues from the workers' side while employers pressed for reduction of workforce and enforcement of the statutory order to use jute bags. There was agreement on uniformity of wages and manning norms. There was also consensus on drawing funds from the NRF to fund redundancies and modernisation.

The tripartite industrial committee on the chemical industry met on 21 April 1992 and discussed chemicals, pharmaceuticals and fertilisers. Uppermost on the government agenda was the fate of Indian Drugs and Pharmaceuticals Limited (IDPL) with accumulated losses of Rs.400 crores in the public sector and other similar public enterprises, Bengal Chemical Pharmaceutical Ltd, Bengal Immunity, Smith Stanistreet, etc. The approach evolved in the tripartite discussions on jute and textiles was extended to chemicals, namely that the Industrial Committee would make its views available to the BIFR and it was understood that the BIFR would wait for the Industrial Committee's proposals in specific cases before taking a final decision. A time-limit of three months was fixed for this. Such decisions in the tripartite national bodies for jute, textiles and chemicals meant that it was understood that the government would provide all the information it had on specific issues and cases within 15 days but it was really up to workers' organizations and employers' organizations to work out a joint proposal within a time-frame varying from industry to industry.

An important outcome of the national level tripartite consultations in April was the acknowledgement by workers' organizations and employers' organizations that the major reasons for non-performance in loss-making industries were price control, low capacity utilisation, obsolete technology, high wages and surplus labour. For the first time, an industry wide techno-economic revival plan was tabled by a workers' organization (CITU) in respect of fertiliser units.

The increased involvement of workers' organizations and employers' organizations made it possible for the government to undertake the process of structural adjustment in several areas at the same time. The resistance from workers and workers' organizations also subsided, which enabled the government to directly intervene with instrumentalities calculated to promote structural adjustment through its ministries. In the process, the concept of the National Renewal Fund got revised and gained wider support from workers and employers.

Visualized as a three part instrument, the NRF concept was developed to cover:

a) enterprises that did not need immediate restructuring and would not participate in the fund;
b) viable enterprises in need of modernisation and technological upgrading;
c) sick enterprises in the private and public sectors where closure or revival was likely to be associated with redundancies. A fourth part was subsequently added to cater to an Employment Generation Fund.

The outflow for (b) is visualized to take the form of loans and for (c) as grants with a view to avoid having the liability devolve on workers. The inflow in (a) would include supplementary finance to the budgetary provisions of the Government of India from state governments, financial institutions and industry. The NRF would be non-statutory and maintained with the General Insurance Corporation. Agreements between workers and employers facilitated by the tripartite framework with the involvement of workers' organizations and employers' organizations would precede disbursements. There is also a provision for government to authorise disbursements in pursuance of a statute. The scope of the disbursements has been limited to training for redeployment and for redundancy payments. The fund is based on the premise that while Rs.60 billion would be required for 450,000 surplus workers in public enterprises, a portion of these requirements would be funded from disposal of assets. Initially restricted to the 58 chronically sick public enterprises, where budgetary funds are being used for funding losses or where partial or total closures may take place or where reference to the BIFR necessitates restructuring, the NRF is to be opened to the private sector by March 1993.

The prospects for restructuring became linked to the pricing of public sector equity disinvested by the government. The government went ahead with divestment of 20 per cent equity in 31 public sector enterprises in bundles to mutual funds on a closed auction basis. Consultations with financial institutions, workers' organizations and employers' organizations started in May 1992 to develop new debt instruments that would generate streams of assured annuities for workers instead of lump-sum redundancy payments, with a progressive decline in the level of payment to reach zero in five to seven years. No agreement could be reached on this and formal consultation in the tripartite framework at national level is still going on.

Consultations among the various ministries of the Government of India gathered momentum when the Inter-Ministerial Working Group on Industrial Restructuring headed by J.L. Bajaj of the Planning Commission (and called the "Bajaj Committee") submitted its report. The report, the first comprehensive official document on industrial restructuring, recommended legislative amendments to remove the obstacles to restructuring.

Employers' organizations such as FICCI, AIMO and ASSOCHAM also formulated their own proposals for restructuring. The ASSOCHAM proposal visualized a tripartite fund with 1 per cent of the wage bill of industrial employees being contributed by employees and the Government, and 5 per cent by employers to fund redundancy payments. The FICCI proposal echoed the Bajaj Committee's views and visualized a sale of assets, including land and machinery, to fund redundancy payments. The FICCI proposal also demanded an end to the discretionary power of government on closures and retrenchments.

The growing despondency among workers and workers' organizations culminated in the second nationwide general strike called on 16 June 1992 amid growing apprehension that the government was again bypassing the national-level consultative structure to force the pace of reforms. The strike-call evoked a mixed response and was successful only in West Bengal and parts of Maharashtra, Kerala and Bihar. The banking industry observed the strike throughout India. The Central Government reacted by announcing meetings of the STC, the Standing Labour Committee (SLC), the State Labour Ministers and the ILC, setting the stage for the next round of consultations. The SLC meeting on 3 June 1992, limited to the participation of workers' organizations, discussed a wide range of issues and a time-table was drawn up to schedule five important meetings: the preliminary meeting of the Dearness Allowance Committee[8] (29.6.92), meeting of the Dearness Allowance Committee (7.7.92), another SLC meeting (25.7.92), Labour Ministers' Conference (8.8.92) and the Indian Labour Conference (29.8.92). Although the substantive assurances were mainly cosmetic and aimed at diluting the industrial action call for the nationwide general strike, the subsequent SLC meeting on 25 July 1992 pinpointed the need to develop a consensus on employment policy, new industrial policy and new labour laws. At the tripartite Dearness Allowance Committee meeting on 23 July 1992, trade unions criticised the H.N. Ray Committee's credentials and questioned the concept of bureaucratic determination of the dearness allowance without participation from the labour side. The tripartite Dearness Allowance Committee recommended an increase in cost-of-living adjustment to Rs.2.00 per point increase over 800 points, with effect from 1.1.89, although it was agreed that arrears would

[8] The Dearness Allowance Committee was established to examine the cost of living index related payments to employees so as to recommend measures for an appropriate incomes policy through prescriptions on rates of neutralization.

be credited to statutory separation funds. The recommendation is yet to be accepted by the government.

7. Barriers and Gateways to Consultation for Structural Adjustment in India

Consultations for India's structural adjustment involved:

1) consultations between Government of India and State Governments since matters like labour feature on the 'concurrent' list and are neither in the 'Union' list nor 'State' list;

2) consultations between the major political parties at the initiative of minority governments requiring parliamentary majority for approval of proposals;

3) consultations between the various ministries of the Government of India which have well-defined territorial preserves of work supported by civil service officials that constitute the bureaucracy internal to ministries;

4) consultations between interest groups through emergence as power groups in the form of organizations.

The absence of a unified well-established national consultation system with a stable structure and process is not surprising because there were four types of consultation process that took place simultaneously. The role of workers' organizations and employers' organizations is a special case of (4) above. However, these are not the only organizations that have stakes or found expression. For instance, consumer organizations, civil rights activists and social work organizations also sought and secured their place in the consultation process.

Workers' organizations and employers' organizations could never be sure of the support they would get for their interests and pursuits unless they also took steps to influence or participate in the range of consultation processes, outside the framework of employer-employee relations. At the same time, there was no formal apex body structured to cater to national-level consultation on economic and social policies with representation from the constituencies of employers and workers. Workers' organizations and employers' organizations represented in the consultations with the constitution of the Special Tripartite Committee remained limited to discussing industrial restructuring and exit policy for organized industry.

There were serious misgivings about the adequacy of such consultation based on industrial-level and enterprise-level restructuring experiences. Arrangements between employers and employees displayed insensitivity to consumer interests and, not infrequently, ironed out arrangements to mutual satisfaction at the cost of consumers. In this context, a proposal to establish a new institution extending the tripartite framework to include explicit representation for consumer interests, tabled at the pre-budget meeting of economists with the Finance Minister, is being examined. It is too early to assess whether the scope of such an institution would be national or industry-specific in character. The government is preparing to experiment with this idea in consultation with organizations of workers and employers in the coal industry. Since the portfolios of coal and labour are held by the same minister, there is considerable speculation whether this would be extended to other industries as well.

Representation of workers' organizations and employers' organizations in the national tripartite framework, the ILC and SLC were also reviewed to provide more effective representation. The revised representation is shown in Annex II.

8. Lessons from the Indian Experience

Some tentative lessons from the experience of consultation for structural adjustment in India may be drawn:

1. Workers' organizations have been limited by a highly-fragmented union movement that is unable to mobilize working class support for dialogue and effective consultation, partly because the organized workforce is a small proportion of employees and partly because there has been reluctance to offer alternative economic and social policies or strategies.

2. Employers' organizations are well organized to integrate their range of concerns on economic and social policy and create channels of representation outside the tripartite framework.

3. A difference between the *de jure* and *de facto* situation on industrial restructuring to the advantage of the employer, has led to the lack of incentives for private sector employers seriously to attempt shaping national policies.

4. The multi-tier bargaining structures in public enterprises have created a conflict of interests between units, enterprises, industries, regions and the national tripartite framework.

5. National level consultations have highlighted the limited power base of workers' organizations to oppose government policy or influence it significantly.

6. Consultations at enterprise level and industry level have remained divorced from consultation at national level. The STC and the Industrial Committees at national level have become vehicles for endorsement of government policy rather than avenues for a vertically-integrated reasoned discourse.

7. The Government has expressed a high degree of satisfaction over the outcome of consultations in being able to pursue structural adjustment; employers have faced no insurmountable difficulties though they continued to express dissatisfaction over the pace of restructuring; and workers have become reconciled to adversities partially compensated by safety nets.

8. No political initiative has been able to emerge to provide alternatives at national level because economic policy alternatives have been limited and there was a potential conflict between the interests of workers and the interests of the general population.

9. Conflicts that emerged between workers' organizations and their political affiliations have remained unsettled and have weakened the political base of trade union activity.

10. The tripartite framework, without an explicit consumer representation, has been questioned as inappropriate and inadequate . The role of ILO and the Ministry of Labour has remained peripheral to the initiatives of the government through its other ministries.

11. National level tripartite consultation did not contribute to any major alterations in the policy framework; instead it lent *de jure* approval to the initiatives of the government. The apprehension that consultation would impede structural adjustment was not borne out by experience.

12. The Government's consultation processes have defused escalating tension successfully and the dialogue with social partners has led to wider consensus about economic and social policy.

13. The effectiveness of national level consultations has been adversely affected because the representation of workers and workers' organizations was not well-established. Moreover, consultation within workers' organizations has failed to integrate the series of concerns at enterprise, industry and national levels.

14. The tripartite discussions at national level have encompassed within their scope matters pertaining to industry and enterprise level. The outcome of these discussions has become the frame of reference for workers at industry and enterprise levels.

9. Conclusions

The experience of consultation for structural adjustment in India has enabled the social partners to critically review their motives and their power base. There has been no serious dislocation to the structural adjustment programme as a result. The subject of national incomes policy, oft discussed, has remained "off-limits" to the policy implementation framework, though a national minimum wage has emerged. New institutions such as the Special Tripartite Committee and national level industrial committees have been constituted and other new institutions to supplement the concept of the Indian Labour Conference may yet emerge. The divisive union positions did not enable political disaffiliation in order to adopt a united workers' initiative. The political affiliations of workers' organizations did not change in the period examined, but the strength of the linkage perceptibly weakened. The national tripartite structures have proved less conflictual than the bipartite structures, but the difference in the scope between multi-tier structures has kept many unresolved areas of conflict out of the discussion at national level. Rural workers and informal sectors workers have remained unrepresented, and the report of the National Commission on Rural Labour was given a quiet burial. Government initiatives have proved important and have determined the scope as well as the direction and pace of adjustment. Calls by employers' organizations for a moratorium on strikes/agitations and lockouts were supported by the Government at the highest level, with the President and the Prime Minister making personal appeals. The mood of confrontation has changed to one of acceptance of the inevitability of structural adjustment.

The power position of the government and the employers was further consolidated in this period and a "social partnership" with workers was less evident. It remains to be seen whether the erosion in workers' power will be reversed in the future, though the prospects for this appear slim. Workers' organizations have realised the need to review their strategy and only the future will show whether workers are able to regain lost ground and revive the social partnership for the nation's structural adjustment or remain content with martyrhood in a cause that they believe to be neither of their making nor choosing.

The Indian experience demonstrates the sustainability of structural adjustment with consultation among social partners. It offers rich insights into the need and scope for new institutions and processes for reviving and possibly extending the tripartite framework for effective and sustainable social partnership.

Annex I

Profile of 58 sick public sector undertakings identified for possible closure

	Names of the companies	*Paid-up capital (Rs. Crore)*	*Accumulated losses (Rs. Crore)*	*Manpower*		*Cash loss (1990-91) (Rs. Crore)*	*Cost of revival (Rs. Crore)*	*Cost of closure (Rs. Crore)*
				Executives	*Workers*			
1.	IISCO	386.28	735.26	1478	33280	108.27	6520.00	N.A.
2.	Bharat Gold mines	37.76	76.65	441	9891	N.A.	234.32	129.50
3.	Fertiliser Corpn. of India	616.39	1385.00	3023	7497	152.00	103.74	250.00
4.	Hindustan Fertiliser Corpn.	669.00	1181.00	2871	7603	191.00	61.00	1364.00
5.	Bengal Chemicals & Pharmaceuticals	12.80	53.44	214	1454	417.00	94.48	83.00
6.	Bengal Immunity	15.74	32.79	174	1431	376.00	77.50	49.00
7.	Maharashtra Antibiotics & Pharmaceuticals	1.24	6.64	46	158	54.00	3.50	12.47
8.	Orissa Drugs & Chemicals	0.54	1.71	24	69	0.48	1.20	6.24
9.	Hindustan Fluorocarbons	11.86	23.39	71	170	3.84[1]	25.00	N.A.
10.	Indian Drugs & Pharmaceuticals (IDPL)	111.91	434.08	2609	9516	87.00	129.00	753.00
11.	Smith Stanistreet Pharmaceuticals Ltd.	5.93	18.85	189	800	487.00	25.00	22.00
12.	Southern Pesticides	3.38	7.91	45	172	0.05	3.70	8.90
13.	Bharat Process & Mechanical Engineers Ltd.	4.86	45.16	107	783	3.74	58.21	15.00
14.	Braithwaite & Company Ltd.	16.65	47.21	311	5113	4.76	117.17	63.00
15.	Burn Standard Company	39.86	75.84	1646	12714	0.01	291.80	128.00
16.	Mining & Allied Machinery Corpn.	36.53	96.59	761	5505	33.39	148.00	242.00
17.	Triveni Structurals	9.49	22.34	581	1418	6.01	84.00	99.07
18.	Weighbird India	0.26	8.25	52	380	1.35	20.59	7.80
19.	Bharat Brakes & Valves	3.88	16.22	202	564	1.74	31.23	11.00
20.	Bharat Pumps & Compressors	22.70	64.94	593	1347	N.A.	138.32	117.61
21.	Bieco Lawrie	1.97	47.62	118	936	17.40	64.78	74.44
22.	National Instruments	15.67	46.79	57	1148	3.30	78.00	44.00
23.	Richardson & Cruddas	16.80	54.98	445	2603	7.90	212.00	163.79

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	Names of the companies	*Paid-up capital (Rs. Crore)*	*Accumulated losses (Rs. Crore)*	*Manpower*		*Cash loss (1990-91) (Rs. Crore)*	*Cost of revival (Rs. Crore)*	*Cost of closure (Rs. Crore)*
				Executives	*Workers*			
24.	Vigyan Industries	0.45	7.63	17	265	0.35	3.00	3.00
25.	Cochin Shipyard	74.36	166.10	610	2096	1.00	122.00	266.00
26.	Cycle Corporation of India	11.87	122.00	136	2814	13.91	140.00	158.00
27.	Hindustan Shipyard	63.27	351.55	650	6131	18.00	301.00	800.00
28.	Hooghly Dock Port Engineers Ltd.	11.90	19.00	483	1524	4.00	42.00	N.A.
29.	National Bicycle Corporation	6.65	67.99	36	877	579.00	65.00	52.00
30.	Scooters India Ltd.	7.81	261.14	602	2438	19.10	N.A.	360.00
31.	Bharat Opthalmic Glass	6.67	66.44	39	542	1.86	140.00	19.00
32.	Birds Jute & Exports	0.39	3.56	N.A.	230	1.97	3.00	2.50
33.	Hooghly Printing Company	1.05	0.62	4	91	Nil	N.A.	1.21
34.	Mandya National Paper	17.54	55.56	169	906	5.18	60.25	N.A.
35.	Nagaland Pulp & Paper	48.37	108.60	242	949	19.85	182.77	122.00
36.	NJMC	52.00	434.16	N.A.	31107	65.18	235.00	300.00
37.	Rehabilitation Industries Ltd.	4.76	58.90	123	2516	12.20	171.00	52.00
38.	Tannery & Footwear Corporation	15.01	121.13	537	1426	7.37	136.20	150.22
39.	Tyre Corporation of India	50.68	70.21	945	2790	14.20[2]	184.00	233.00
40.	The British India Corporation	42.94	96.51	N.A.	6010	18.83	55.00	N.A.
41.	Cawnpore Textile	60.00	17.99	N.A.	2610	4.25	N.A.	16.00
42.	Elgin Mills Company Ltd.	1.09	137.68	N.A	8400	33.00	78.00	56.00
43.	NTC (AP, K, K, M)	51.53	152.42	1594	14176	8.46[2]	88.11	N.A.
44.	NTC (D, P, R)	28.43	91.81	1011	8811	1.51	78.81	N.A.
45.	NTC (G)	24.84	197.50	1809	18280	21.49	173.85	N.A.
46.	NTC (MP)	33.57	206.03	1377	16397	19.78[2]	132.46	N.A.

Profile of 58 sick public sector undertakings identified for possible closure

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				Executives	*Workers*			
47.	NTC (Mah. N)	56.14	236.38	1443	16809	14.36[2]	128.75	N.A.
48.	NTC (Mah. S)	44.73	192.55	1496	16827	16.81[2]	122.31	N.A.
49.	NTC (UP)	37.16	232.05	1674	16261	32.87[2]	122.40	N.A.
50.	Northeastern Handicrafts	1.32	2.69	23	122	11.18[2]	4.32	3.42
51.	NTC (WB, A, B, O)	44.84	325.65	1674	12915	37.29[2]	149.55	N.A.
52.	Delhi Transport Corporation	Nil	645.51	364	40797	83.00	772.00	N.A.
53.	Vayudoot	37.95	128.00	378	1434	1457.36	N.A.	N.A.
54.	HSCL	20.00	172.00	5936	14412	72.88	351.00	678.00
55.	Indian Road Construction	10.00	139.00	83	123	36.00	Nil	260.00
56.	Engineering Projects Ltd.	8.00	399.00	550	441	56.00	412.41	641.97
57.	Projects & Development Ltd.	35.00	67.00	1596	1698	17.00	37.00	142.00
58.	Artificial Limb Mfg. Corpn.	1.47	20.80	43	519	N.A.	N.A.	N.A.

Notes: [1] 1989-90 [2] (Net Loss) N.A. = Not Available

Source: Dept. of Public Enterprises, Government of India

Annex II

Composition of the national tripartite framework

A.	*Indian Labour Conference*	*Standing Labour Committee*
Government		
Central	20	4
States	32	27
Total	**52**	**31**
Employers		
CIE	24	8
AIMO	4	2
Total	**28**	**10**
Workers		
INTUC	9	3
BMS	5	2
HMS	3	1
UTUC (LS)	2	1
NLO	1	1
UTUC	1	0
IUCC	1	0
AITUC	3	1
CITU	3	1
TOTAL	**28**	**10**

Interdepartmental Project on Structural Adjustment

Occasional Papers

1. *Stabilisation, structural adjustment and social policies in Costa Rica: The role of compensatory programmes.* Report of an interdepartmental mission, 4-9 May 1992 (Geneva, October 1992).

   also published in Spanish:

   Stablización, ajuste estructural y políticas sociales en Costa Rica: El papel de los programas compensatorios, Informe de una misión interdepartamental, 4 al 9 de mayo de 1992 (Geneva, April 1993).

2. P. Egger: *Travaux publics et emploi pour les jeunes travailleurs dans une économie sous ajustement: L'expérience de l'AGETIP au Sénégal* (Geneva, November 1992).

3. A. Marinakis: *Public sector employment in developing countries: An overview of past and present trends* (Geneva, December 1992).

4. D. Tajgman: *Structural adjustment and international labour standards: A case study of Ghana* (Geneva, March 1993).

5. J. Gaude: *Système de compensation sociale et ajustement structurel: Etude de cas au Honduras* (Geneva, March 1993).

6. A. Marinakis: *Wage indexation, flexibility and inflation: Some Latin American experiences during the 1980s* (Geneva, April 1993).

7. R. Plant: *Labour standards and structural adjustment in Hungary* (Geneva, April 1993).

8. G. Pyatt: *Fiscal policies which support adjustment and balanced development* (Geneva, forthcoming, May 1993).

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