

TOWARDS HIGHER PRODUCTIVITY

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In the wake of Indo-Pak war of 1971 country's economy, quite naturally, stood shattered as the country itself lay severed and broken up: The deterioration of economy, actually, dates from October, 1968 when country-wide movement against President Ayub disturbed and involved all walks of life. The Yahya Regime which replaced Ayub was characterised by indecisions and uncertainties and this further affected the economy adversely. (In a way it goes to prove the resilience of the economy that inspite of all such vicissitudes it did not totally give in.)

Thus as one ponders over problems of productivity, one must view the matter in the light of events that took place in Pakistan between 1968-71. Another fundamental point to note is that any discussion of productivity in this country should actually take into account the basic fact that the economy is based on agriculture. However, in view of the author's long association with industry, the scope of this study would be limited to industry only, although most of points raised and the problems articulated in respect of the industrial sector apply with equal validity to the agricultural sector also. Again the direct personal knowledge of the author relates to the industry in the public sector, but the problems being faced in the field of production are the same whether it is public sector or private sector. The remedies suggested therefore would also hold true for both of these sectors.

Let us examine the basic elements of the productivity. One may state these, in brevity, as men, materials and machines. These three elements are really not as distinctive as they appear on first sight. After all it is human endeavour that produces materials and machines and therefore three elements merge into one i.e. human labour.

The role of machines in productivity is well known but in this present discussion since we are taking practical view of the situation as it obtains on the ground, this aspect, in abstract terms, can be ignored for the time being. What we really want to review and assess is whether the machines already installed and in use are being utilized to their fullest capacity. For a country like Pakistan which spends its hard earned foreign exchange or borrowed foreign funds expensively, it is indeed a pity that the machines are grossly under-utilised. The figures of under-utilization in almost all the industries were highlighted by Dr. Mubashir Hassan in his first budget speech. Although the situation presently is not as bad as it was at the time of the first budget, the position is still far from satisfactory.

In the earlier days of the post-war (1971 war) period, for the better part of 1972, industrial economy was entirely dislocated. One can easily imagine that the lack of demand put limitations on utilization of machines. Our manufacturers had to find substitute markets for products which were previously exported to East Pakistan in large volumes. However, now that the demand has picked up considerably one views with deep concern the under utilization of machines on account of entirely avoidable reasons as shall be explained in the following paragraphs. The reasons are attributable to labour more than anything else and shall be discussed at the time we take up the role for labour for higher productivity.

As regards materials the economy already suffers from a basic ailment, i.e. much of the industry relies on imported raw materials. The constraints of this dependence together with paucity of funds have made procurement both costly and unplanned. The extra-ordinary situation of international currency and commodities famine that followed the oil embargo by the Arabs, adversely effected the poor countries the most, Pakistan being one of the worst sufferers. Notwithstanding this the Monopoly hold of TCP and its method and manner of procurement are very much open to question. Perhaps they (i. e. TCP) are themselves operating under such great limitations that, inspite of having full knowledge of the international market, the limitations of funds, the tied sources, and poor timings of receipt of funds inhibit TCP from carrying out planned and scientific procurement for the country's industries. However, in an overall discussion of the problems of industry one cannot be apologetic even on valid grounds. Policies will, therefore, have to be revised and amended and implemented so that obvious short comings in material procurement are avoided.

Coming to the third element of productivity, namely, human labour, one

wonders however could we have been so naive as to ignore the fundamental truth of our existence. (Although we are endowed with abundant resources (at least—so it is said), it is not easy to exploit the natural resources and it takes, besides money, considerable period of time before processed materials are available to the industry). It is an inexcusable lapse on the part of our planners that for over 25 years we have ignored the fundamental fact, that manpower resources is our mass valuable asset. It is a great pity that even now our policies and our strategies for production and development do not make human labour the corner-stone of our Framework. Our foreign debts are mounting but instead of decreasing our dependence on foreign assistance (for our development) we are enlarging our reliance on foreign sources. We have to face the fact that if we carry on like this, our meagre foreign exchange earnings will not be adequate even to service our debts.

It is perhaps Gandhi who said that poor countries like India did not need Mass production, what they need is Production by Masses. And this is so, for very obvious reason. Mass production is possible only with sophisticated technology and expensive machines and capital equipment requiring huge capital outlay which a poor country does not possess and can ill afford. Thus if we choose mass production as the philosophic corner-stone of our development policies (which our Harvard advisors lamentably convinced us to adopt) we enter upon a vicious circle, making us totally dependent on borrowed money and borrowed technology. Thus after losing so many valuable years, we have to make the inevitable choice: We have to reorientate our policies, We have to acknowledge and accord our agrobased industries their due high priority. (Again, while correcting our basic framework along these desired lines, we should not repeat the mistakes and overmechanize our agriculture). We must devise ways and means whereby our human labour is fully utilized (assisted, of course, by the skill and the technology we happen to possess already). Having made the right and the only choice open to us, and having given due place to the human labour, our problems of productivity, in a way, are simplified. But they shall not be simple to solve. Higher productivity can be ensured only when labour is responsive to the national needs. Masses will be awakened only if they participate whole-heartedly in the great leap forward, which they shall do only if they are convinced that it would be for their common good. And this is where the great rub is! We have to redefine and restructure our socio-economic framework in order to achieve the desired

results. I am afraid that I may be getting into a philosophical debate but when one deals with human relations, it is but necessary to deal with human psychology, human aspirations, and human fears. Getting the best and the most out of men is the most difficult task.

The labour laws of 1969 (Industrial Relations Ordinance 1969) were the first real substantial attempt at grappling with the demands of the situation as it prevailed in our industry. Whereas these laws introduced a number of healthy trends, their sketchiness left many important matters unresolved. The subsequent amendments in these laws also lack direction. They do not touch the core of the problem. Only those who are actually associated with factory management can realize the problems of Industrial Labour and the confusion that prevails on account of ambiguity of form and substance in the labour laws. Even the Lord Almighty did not devise the Universe without the fear of punishment. But we are presently attempting to run our Industry on 'awards' only!

It must be realised that it would be suicidal for us to suffer all the consequences of wrong and mistaken policies that Western Capitalism adopted and carried out throughout and after the Industrial Revolution. We must learn from their mistakes and avoid the pit-falls encountered by them. There is no need for us to grudgingly take gradual steps to arrive at the inevitable conclusions of the History. For the West it was perhaps necessary to go through a process of evolution. They had no precedent to go by. In contrast to this, as I stated earlier, we are at an advantage and we should, therefore, have no hesitation to take the only right direction that is before us,

Industrial Labour, more than any other section of our society, has been awakened by promises made in the manifestos of the political parties. This has resulted in an "explosion of expectations." Everywhere there is a sense of emancipation which is highly admirable but this feeling of having got free of constraints is also breeding extreme irresponsibility and indiscipline. We are degenerating into what may be termed as a "Grievance Society". If there did exist a treasure that could feed the deprivation of the decades we would have a fair chance of getting over this phase of transition to a welfare society. But unfortunately all the wealth of 22 families on whom we may bemoan all the miseries of our working classes, will not be sufficient to satisfy the hunger of the masses. The hard fact of life and the objective reality of the situation is that we just don't possess wealth

in a measure that, were it even equitably distributed, it could go round to each one of us according to our desires.

Our problem therefore is not entirely that of distribution of wealth but of generating it first.

Our problems of poverty and productivity (which is one and the same thing) are indeed very deep rooted. No superficial solutions will suffice. We have to make conscious efforts and conscious decisions to meet basic issues. The basic issues are: determining the role of each section of our society and defining the reward of labour to these same sections. A vital point to note here is that this presupposes co-existence. We have therefore to accept the necessity of moving on from state of revenge to state of collective co-operation. Policies based on annihilation of one or other section of society, therefore, will be self-defeating and counter-productive.

In my experience of state management of Industrial units (taken over by the Government under Economic Reforms Order 1972), I have always been conscious of the lack of impact of this revolutionary measure on labour-management relations. It would appear to be ironical that in view of clear Government policies, its own management is viewed by labour in no different light than the previous management. There is no denying the fact that tremendous monetary benefits have been awarded to the working class since 1972 (it is pity that most of this got neutralised by inflation which indisputably was not engineered by those who awarded these benefits!). One may have rightly expected that the working classes would feel uplifted and inspired, but a closer analysis will show that lack of upsurge in productivity proportional to the monetary rises is not an un-expected reaction. It is not a case of ungratefulness. It is merely a testimony to, and manifestation of an eternal truth: Man does not live by bread alone!

It is now abundantly clear that labour management relations or labour productivity cannot be improved through conventional means: higher wages, better benefits and bonuses, meagre social security measures, 20% share in management (of an ambiguous character), small participation in profit, etc.

There is a world-wide trend even in the capitalist world for labour to have greater participation in the management sphere. Countries like Sweden and Germany are enlarging the scope of this participation to the extent of representing them on the board of directors. We are entering an era of Industrial Democracy.

I suggest that instead of taking hesitant steps and half measures, we should boldly take decisions that are in accord with historical trends. We should introduce complete Industrial Democracy in the running of our industries because only then can we achieve the higher productivity without which our political Democracy shall be of no avail to us.

There will be many concepts of Industrial Democracy, but none will ever serve the purpose if Discipline is not made the corner-stone. Even a highly developed and well organised society like Great Britain is crumbling because of way-wardness of their working classes and irresponsible behaviour all around. Rights and responsibilities go hand in hand. Wherever their balance has been disturbed only confusion and chaos have followed. Let us therefore realise this fundamental Truth and build a socio-economic structure which is free from contradictions.

The exact format of Industrial Democracy shall be a matter of detail which cannot be taken up in a short paper like this. It was my intention here to highlight some basic issues, which I hope I haven't failed to do.