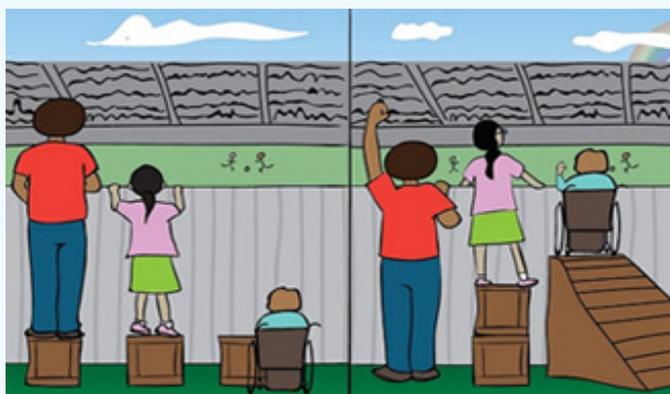


Workers connect...

Do we still need Reservation in Education and Employment?

Chhatrapati Sahu Maharaj, the king of the princely state of Kolhapur (1894-1922), greatly influenced by Jyotiba and Savitribai Phule, introduced 50% reservation in 1902 in employment for castes other than the 4 privileged communities of Brahmins, Shenvis (also Brahmins), Prabhu (Kayasths) and the Parsis in his state. One Ganpat Abhyankar, a brahmin from Sangli, appeared before him and opposed this reservation. The story goes, that Sahu Maharaj, took Abhyankar to his stable. The horses in his stable were each feeding from a container tied to their mouth. Sahu Maharaj ordered his men to pour the food on a mat and untie the horses. The stronger ones pushed forward and plunged for the food. The weaker, unwell, younger ones were pushed away and they waited for the stronger ones to finish. The stronger ones did not even eat properly as they kept struggling with the others to keep their space. At this point Shahu Maharaj asked Abhyankar, "What should I do with the weaker ones? Should I shoot them?" He explained to Abhyankar, "I knew this would happen and so I had tied each one's share to their mouth so that they do not have to fight for their rightful share. This is called Reservation." Abhyankar supposedly withdrew his complaint and went back but there are many such Abhyankars today who continue to raise the same claim and there are fewer Sahu Maharajas who have the will to defend the principle.



While the world is gripped in football fever, let us see this image with new glasses. Different people have different abilities, both physical

and mental. In the left panel, each person is given the same benefit of a stool to watch the match. This is equality. But this fails to take into account the different abilities of the three different persons. The panel on the right takes into account the need of each person and provides accordingly. This is equity.

Determination of mental ability that supposedly defines merit, is far more complicated than this for obvious reasons. How do we measure mental ability? How do we determine privileges that are not economic? How do we measure discrimination that is ingrained in our language, in our food habits, in our everyday life? These are questions which are not very difficult to answer if we have the will to do so, but these become a challenge when we want to create barriers to accepting that there are historically given privileges that few people enjoy and also ensure that others have no access to these. These few people are our parliamentarians who make laws, our bureaucrats who implement them, our judges who defend them, and even our teachers who want to erase this discrimination against the largest section of our population from our minds. The discriminated many build our economy, they create what we call our society but they do not define it. To give them power to define our society and our economy, we need to ensure equity. The ramp to ensure equity in society is Reservation.

Understanding Merit

We often hear reservation in jobs creates inefficiencies. To go back to another Sahu Maharaj story, he once gave appointment in the court to a person from the Mang or Matang caste. The Mangs were classified as a criminal tribe by the British. All other employees from the privileged castes tried their best to drive him away but he held his ground. After a few days, an upper caste judge wrote a confidential report against him to the king about his inefficiency and recommended a 15 day deduction in his wage. Sahu Maharaj apparently placed the responsibility of making

this 'inefficient' worker 'efficient' in the next 15 days on this judge, failing which he declared, 15 days of wage will be deducted from the pay of the judge. Within 15 days, lo and behold! the Mang worker had been declared 'efficient' by the same judge.

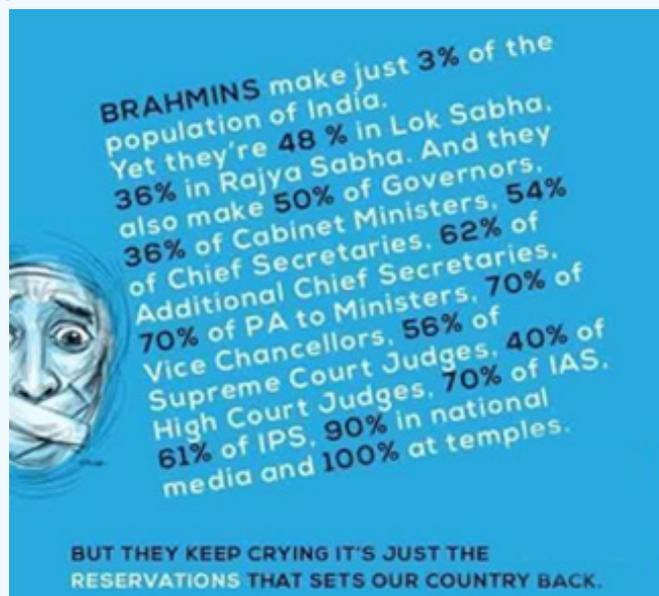
Would we want to be treated by a Doctor who has got into medical school by reservation? Would we want our children to be taught by a teacher who has got the job by reservation? Would this not affect our health, the future of our next generation? And finally, what about our children who have done so well and yet do not get admission in the best colleges as seats get reserved for the undeserving SCs and STs? Have we not all heard this being said in our own homes, in the streets, in public places, shamelessly? To answer these questions simply, reservation is always at the point of entry. To make a student into a good doctor or a good teacher or a good anything is the responsibility of the institution where they enter. If a student turns out to be a bad doctor, or a bad teacher or an inefficient worker like the Mang worker in Sahuji's court, it is the responsibility of the institution and therefore its failure. The problem that we face today is the lack of accountability of the system but we blame it on the policy of reservation. We have bad doctors and bad teachers and bad workers of all castes but we still blame reservation for it.

Is Reservation Enough?

Reservation, as per the constitution, is for backward castes – the Scheduled Castes (SCs), the Scheduled Tribes (STs) and the Other Backward Castes (OBCs) – who constitute 16.6%, 8.6% and 41.1% (2011 census) respectively. This together adds up to 66.3% of the population while reserved seats in government and public sector employment for SCs, STs and OBCs is 15%, 7.5% and 27% respectively, all together adding up to 49.5% of total positions, less than 50% as per a Supreme Court order. The implementation of the Mandal Commission recommendation of 1980 for OBC quota in 1990 by the National Front government with V P Singh as Prime Minister led to violent anti-reservation protests led by upper castes across the country. For the first time we saw upper caste men self-immolating themselves in public to create a political environment that was inflammatory. The birth right of all

upper castes, especially the Brahmins, over all public services was being challenged and the government for the first time since 1950 was serious about ensuring equity.

The Mandal Commission recommendations were implemented despite the lawlessness, despite the threat to tear apart the country. The government showed its power and its will but that we soon realised is not enough. The upper caste social elite knew how to scuttle this too. 15 years later, in 2015, according to a RTI response, only 12% of employees in central government ministries were OBCs. This gets worse as we climb up the ladder. In 2012, it was found that there were no SC employees in the top 149 government jobs and that over 40% of SCs employed in government were consigned to menial jobs (Group D). The rationale given for this is again that of merit or lack of it. However, with lack of accountability attached to the institution, in this case the government itself, discrimination is rampant both at entry and in promotions. There is no mechanism in place to break upper caste domination and its promotion of its own.



Further, as we move increasingly towards 'less government, more governance', the number of jobs in government are declining drastically every day. The Sixth Pay Commission recommended to do away with Group D jobs where the largest number of SCs found employment. This was professed as a move to reskill those in the Group D jobs such that they move to Group C but what it attempted in reality is to eliminate the entry level Group D jobs forever barring access even to the lowest end quality jobs for the SCs. Large number

of services in public employment has already been contractualised so the total number of jobs available in government and public sector, where reservation is implemented, is also dwindling.

If reservation is Inefficient, why are the Gujjars, Patels and Marathas demanding it?

Have you ever wondered what is common between the Patels in Gujarat, the Jats in Haryana, the Marathas in Maharashtra and the Kapus in Andhra Pradesh who are demanding reservation in government jobs and educational institutions? They are all largely landowning peasant cultivators in each of these areas. In the last 70 years, the Marathas, the Jats, the Patels and the Kapus had all been very content to be considered middle castes, linked to land or business. The aspiration to move up the caste hierarchy was evident till the agrarian crisis hit the countryside. They had all at the time of the Mandal agitations opposed reservation bitterly. With agrarian economy in crisis and becoming unsustainable to support families, people from these landed communities began migrating to cities in search of jobs. The inability of successive governments to create jobs in urban centres has created large scale unemployment and underemployment. This continuing migration is also depressing wages and conditions of work in the jobs that are available. These irregular jobs without security, at low wages, without social security are not jobs that a landowning middle caste community left their homes to take. Hence the demand for being included in the OBC category to access public sector and government jobs.

How do we move Forward?

In 2014, India's labour force size was 49.6 crores of which only 3.55% was employed by government. The remaining jobs are all in the private sector. Thus the ambit of reservation, is only restricted to 3.55% (1.76 crore) of the working population and if reservation is applied in its entirety, only 87 lakh jobs which is only 1.75% of all jobs would be reserved. So reservation can obviously not be the decisive policy that ensures that we do not get jobs.

What we clearly need is more jobs, jobs that are decent, jobs that are regulated, jobs that are able to take care of us and our families and jobs that ensure that the caste hierarchy

is not perpetuated. The problem that we are faced with will not get resolved if we expand reservation to more middle castes. The problem will not get resolved if we do away with reservation for the SCs, STs and OBCs in public services. In fact to ensure equity we need to expand reservation to include jobs in the private sector which employs many more people than the government does.

Radical as it may seem, private sector reservation is not very uncommon. Affirmative action was introduced as a result of the strong civil rights movement of the African Americans from the 1950s in the USA, culminating in the Civil Rights Act, 1964. Subsequently reservation for coloured persons was extended to private parties under government contracts and even to the private sector. South Africa with its history of struggle against apartheid has its affirmative action enshrined in its Employment Equity Act in order to redress racial and gender imbalances in the workplace. However, even after 17 years since it was implemented in 1998, according to a report of South Africa's Commission for Employment Equity, more than 73% of the top private sector jobs are claimed by whites of which 60.9% are claimed by white men. The report argues that this is because most private sector companies "lack the commitment" to transform the workplace just as in government jobs in our country. Thus commitment and accountability is key to the implementation of affirmative action.

Policy News

Teachers get 10 days to comment on draft law to replace UGC with a new regulator

28 June 2018: On 27 June, the Ministry of Human Resource Development announced that it will repeal the University Grants Commission Act, 1956 and issued the draft law, the Higher Education Commission of India (Repeal of University Grants Commission) Act, 2018.

India has nearly 850 universities and over 40,000 colleges. The draft law envisages major changes to the existing regulatory and financing regime. Most crucially, the proposed regulator will not disburse funds to public institutions. Currently, the government's funding for public higher education is routed through the UGC, an autonomous body under the HRD ministry led by academics. In the new

regime, the grant functions would be done directly by the ministry. This direct control of the Ministry and its power to even order closure in academic institutions will influence purpose and focus of education and curtail the autonomy of institutions. The purpose of UGC was to prevent such interference. Teachers and policy experts have until July 7 to review and comment on this proposal.

Cabinet approves revised guidelines on time bound closure of sick or loss making CPSUs

6 June 2018: The Union Cabinet approved revised guidelines on time-bound closure of sick and loss making central public sector enterprises and disposal of their movable and immovable assets.

The guidelines accord first priority to utilisation of land of central public sector enterprises (CPSEs) under closure for affordable housing as per the relevant guidelines of the Ministry of Housing and Urban Affairs. According to the guidelines the employees of these enterprises will be offered voluntary retirement at 2007 notional pay scale.

The Commerce and Industry Ministry sets up expert group to study SEZ Policy

6 June 2018: The Ministry of Commerce and Industry constituted an expert group chaired by Baba Kalyani, the Chairman of Bharat Forge, to study the Special Economic Zones (SEZ) Policy of India. The group is required to submit its recommendations within three months. This Group will: (i) evaluate India's SEZ policy; (ii) suggest measures to cater to the needs of exporters in the present economic scenario; and (iii) make the SEZ policy compatible with the World Trade Organisation.

The US on 14 March challenged India's export subsidy regime in the WTO including the special economic zones. Both sides engaged in consultations but failed to resolve the matter bilaterally. The WTO has set up a dispute panel to give its verdict on the matter. The present effort of the Commerce Ministry is in response to this pressure.

Legal News

Supreme Court allows quota in promotion of SC/ST employees

5 June 2018: The Supreme Court allowed the

Centre to provide reservation in promotion for SC/ST employees as per law until the issue has been adjudicated by its Constitution Bench.

The Central Government told the bench that it was bound to provide promotion to its employees, and that promotions have virtually come to a standstill since the orders of the high courts of Delhi, Bombay and Punjab and Haryana and the apex court had also passed different orders on appeals filed against those judgements.

The Centre's challenge is to the Delhi High Court order of 23 August 2017 quashing government's order extending reservation in promotion to SC/ST employees beyond five years from 16 November 1992.

Punjab and Haryana HC sets aside regularisation orders of the Haryana Government

4 June 2018: Punjab and Haryana High Court last week set aside four orders by which the government of former Chief Minister Bhupinder Singh Hooda had regularised the services of contract and ad hoc staff before the state election.

Both the HCs based their orders on the Supreme Court's famous Umadevi verdict of 2006, which laid down the framework for dealing with irregular appointments by the state that ruled that daily wage/ temporary/ contractual employees had no inherent right to be absorbed in service. However, the court gave a one-time relaxation to governments to frame a policy for regularisation of "duly qualified persons in duly sanctioned vacant posts (who)... have continued to work for 10 years or more", and directed that this "process must be set in motion within six months from this date" (10 April 2006).

The striking down of the four regularisation orders will impact at least 4,654 individuals as per lists compiled by the state government. The court has given the government six months to act on the order. The state is likely to appeal in the Supreme Court; it also has the option to pass an ordinance making these ad hoc/ contract staff permanent employees.

Haryana framed its one-time policy on 29 July 2011, for Group B, C and D employees but again issued four more policies in June-July 2014,

citing “humanitarian grounds”.

Collective Bargaining

West Bengal: First Domestic Workers' Union Registered in the state

17 June 2018: Paschimbanga Griha Paricharika Samiti (PGPS) received its trade union registration certificate from the State government. This is the first domestic workers' union to be registered in the state. PGPS had applied for registration in 2014.

On 16 June, the International Domestic Workers' Day, more than 2,000 domestic workers hit the streets of Kolkata to celebrate recognition of Paschim Banga Griha Paricharika Samity (PGPS) as a trade union by the West Bengal government.

Mumbai: Permanent jobs for 2,700 Mumbai sanitation workers

20 June 2018: In a major victory for Kachra Vahatuk Shramik Sangh and its 2,700 contract safai members in the BrihanMumbai Municipal Corporation (BMC), Chief Minister Devendra Fadnavis directed the civic body to implement the Supreme Court order of granting permanency to these workers within three months.

BMC first dragged its feet in implementing the order, then when pushed, regularized 1600 of the workers. Of these 1600, 1409 mostly illiterate dalit workers, have been denied permanency by the BMC due to the difference in spelling of their names in the Supreme Court order and their IDs. This discrepancy is due to the fact that none of the workers can spell their name in English and hence in both cases some person else had spelt their names.

Discrimination

ILO: Unpaid Care Work obstacle to Women's Employment

28 June 2018: Unpaid care work is one of the main obstacles preventing women from moving to better jobs, according to the ILO report 'Care work and Care jobs for the future of Decent work'. Care work mainly involves looking after children and elderly persons, the report said, adding that in 2015, 1.1 billion people were in need of care (992 million children under the age of 15, and 110 million older persons). Worldwide by 2030, this number is expected

to reach 2.3 billion, driven by an additional 200 million older persons and children.

The report says that women spend 4.1 times more time in Asia and the Pacific in unpaid care work than men. It says that on an average in India women spend 4 hour 57 minutes per day on unpaid care work as against 31 minutes by men.

For India, the Report suggests an increase in expenditure on education, health and social work from 6% of GDP or \$116.66 billion in 2015 to 9% or \$571.4 billion by 2030 in high road scenario to create jobs.

The report also says that unpaid care work is the main barrier preventing women from getting into, remaining and progressing in the labour force.

Workplace Safety Watch

Sanitation

Dalsukh Chabaria (35), hired by an Ahmedabad Municipal Corporation contractor to remove night soil from a sewer near Riyaz Hotel in Jamalpur, Ahmedabad, died of suffocation on 12 June on entering a manhole, without safety gear. The family of the worker refused to accept the body, till the names of the municipal commissioner Mukesh Kumar and deputy municipal commissioner Rakesh Shankar were included in the FIR as accused persons.

Construction

N Gurunadh, a painter, died after slipping off the wall which he was painting on the 17th floor of Meenakshi Trendent Towers in Raidurgam, Hyderabad on 25 June. A case was booked under Indian Penal Code the employers, for not making safety provisions.

On 24 June, a migrant worker Ujjwal Das died and 2 others, Sangram Nayak and Rajesh Ishqu, were critically injured, when they got stuck inside a tunnel while on duty. The workers were employed by the Japan International Cooperation Agency's (JICA) tunnel project of the Odisha Water Supply and Sewerage Board at Mahidas Bazaar in Cuttack, Orrisa. The body of Das was hidden by the contractor and was recovered later by the police in a search operation. The contractor has been arrested.

On 23 June, Satish (42) died when a wall collapsed in an under-construction building in

the posh Greater Kailash area in New Delhi. 5 other workers Narayan (48), Durga Majhi (38), Kapil (27), Ram Swaroop (50) and Ravi Mishra (35) sustained injuries. There were no safety provisions at the construction site, neither were the workers provided personal protection equipments.

On 21 June, 3 construction workers Pandurang Basappa Chavan (35), Bhagwan Gaikwad (29) and Amar Rathod (28) died after the cable of a crane snapped and the cage fell from the fifth floor. Workers were employed at Radhe Regal Residency at Moshi, Pune.

Aswath Mandal (32), a migrant construction worker from West Bengal died on 25 June 2018, four days after he fell from the first floor of an under-construction residential building on Magadi Road in Bangalore.

On 8 June 2018, 3 construction workers, Rameshsinh Patel (35), Bhema Patel (45), and Rupa Shabur Patel (55) died while Abhesinh Patel (36), survived severe injuries when a wall collapsed on them at a construction site in Tragad, Ahmedabad. All three workers were migrants from Dahod. Sabarmati police has booked Praveen Patel, the builder of Spandan Associates, Dhaval Bhatt, an engineer, and a labour contractor, Anil Thakor, for negligence under section 304(a), 338 and 114 of the IPC.

Migrant construction worker, R Kannan (18), from Orissa died and 14 others were seriously injured on 8 June, when the roof of an under construction private school, Maharishi Vidya Mandir Higher Secondary School, collapsed in Pollachi, Tamil Nadu. Others injured were also migrant workers from West Bengal and Madhya Pradesh. The owner of the school Alageshwari, her husband Ravichandran, partner Ganesh kumar, site engineer R. Sivamani and concrete company manager S. Sumankumar were booked under three sections of the IPC including 304 A (causing death by negligence).

Manufacturing

On 19 June, Naveen Singh (35) died when the blade of the standing machine broke and fell on his head, while he was working on the shopfloor at the Presstress Steel LLP factory in Bazpur, Udham Singh Nagar in Uttarakhand. Presstress is a leading manufacturer of galvanized steel wires etc. Naveen was employed as a helper in the factory for 4 years.

On 6 June 2018, migrant worker, Amreek (27), from Uttar Pradesh, died stuck in the service lift of a plastic utensil manufacturing unit, in B-block of sector 4 of Bawana Industrial Area, Delhi. Police has registered a case against the employer for death due to negligence under IPC.

Health and Safety

Employer not guilty for employee suicide due to excess workload: Supreme Court

27 June 2018: In a major ruling, the Supreme Court has said that if any employee takes the extreme step of ending their life due to heavy workload at the office, his superior cannot be held accused of abetting the suicide. Rejecting an argument put forth by Bombay High Court's Aurangabad bench that the accused boss or senior officer should be held accused as the situation that he creates for his junior, even if not deliberate, could lead to a situation in which that person takes that extreme step, the apex court said that the superior cannot be adjudged a criminal if he assigns a load of work to an employee.

The issue came to fore when a Maharashtra government employee in the Department of Education named Kishor Parashar killed himself in August 2017.

In April 2015, Matsuri Takahashi, a promising graduate of Japan's top university, landed a job at Dentsu, one of Japan's most prestigious advertising agencies. Takahashi clocked 105 hours of overtime in October 2015 and fell into depression the following month. In January 2016, she jumped to her death, leaving behind a trail of public grievances on social media about her relentless working hours and boss's verbal abuse. In October 2016, Japan's labour ministry ruled the 24-year-old's death as "karoshi", literally "death by overwork" and raided her employer, Dentsu Inc, to see if overwork abuses were pervasive in the company.

Japan officially recognizes two types of karoshi: death from cardiovascular illness linked to overwork, and suicide following work-related mental stress.

Two days after the Indian Supreme Court passed this judgement, Japan's parliament passed a work reform bill on 29 June that limits overtime

to 100 hours a month, and to 720 hours a year. Large companies must comply with the new rule from April 2019 or face penalties while smaller companies will get an additional year to comply.

Differently abled women employees of Haryana government to be provided monthly child care allowance

6 June 2018: The Haryana government announced that its physically differently abled women employees will be provided a monthly child care allowance of Rs. 1,500 along with a conveyance allowance at the rate of 10 per cent of the basic pay and dearness allowance subject to a minimum of Rs. 2,500 and a maximum of Rs 7,200 per month.

News from around the world

US: Supreme Court deals a big financial blow to Public Workers Union

27 June 2018: The Supreme Court dealt a huge blow to organized workers on 27 June, ruling that non-union members no longer have to pay their “fair share” for union representation in collective bargaining negotiations in the Janus vs AFSCME case. This will impact public sector employees in 22 states. In a 5-4 decision the court overturned a previous decision that had protected the right of public sector unions to collect administrative fees from non-members, ruling it was inconsistent with the first amendment right to free speech. The Supreme Court ruled that such fees are unconstitutional and force people to support ideas they may not believe.

Without this protection, unions may not only lose fees from non-members but also lose members who would want to free ride on the union’s work and not pay for it.

Argentina: Workers paralyse Argentina in third general strike

26 June 2018: A 24-hour general strike has largely paralysed economic activity in Argentina, with unions demanding salary rises and protesting against the government’s \$50bn funding deal with the IMF. The strike on 25 June called by the country’s largest trade union confederation CGT, disrupted bus, train and taxi services. Work stoppages by airline employees led to nearly 600 flights being cancelled. The strike also hit food sales, petrol

stations, schools, banks and ports.

Switzerland: Construction workers protest against change in the retirement age

23 June 2018: Over 18,000 construction workers held a demonstration in Zurich in a coordinated action against proposals to scrap the current retirement age of 60 for the industry. The protest was called by the trade unions, Unia and Syna, in response to the impending expiry of the current national working contract for the building sector.

The Swiss Builders’ Association, representing employers, had announced in May, that there were not enough funds to finance early retirement and that workers would either have to work until age 62 or accept a 30% drop in pension. But the unions have not accepted this and have suggested that instead the employers and the workers contribute more to the pension fund.

UK: Big companies must publish worker to boss pay gap

10 June 2018: UK-listed companies with more than 250 employees will be legally required to publish the gap between the salary of their chief executive and what they pay their average UK worker, under the proposed new government rules.

The government’s new “Industrial Strategy”, which is subject to parliamentary approval, will come into effect from 1 January 2019, meaning companies will have to start reporting from 2020.

Brazil: Electricity workers protest privatization

11 June 2018: Workers at Brazil’s state-run electric company Eletrobras launched a 72-hour strike starting on 11 June to protest against the proposed privatization. Eletrobrás management insists that the electric utility is bankrupt and that the best solution is to place it in private hands.

Striking Eletrobrás workers were joined at a rally at corporate headquarters by employees from other Eletrobrás divisions; Furnas, Electronuclear, and Cepel. The workers also demand the signing of a new employment contract and the resignation of Eletrobras CEO Wilson Ferreira Júnior.

The company asked federal labour court to declare the strike to be illegal due to its political demands, but the court authorized the action on the condition that at least 75% of the employees continue to work normally during the stoppage. If that condition is not met, the union federation will have to pay a fine of 100,000 reais (US\$26,000) per day.

Bangladesh: Barapukuria coal miners end indefinite strike

2 June 2018: Over 1,000 workers and staff from Barapukuria Coal Mine in Parbatipur, District Dinajpur, returned to work on 2 June after a successful negotiation meeting between the management, Ministry of Power, Energy and Mineral Resources. The workers had walked out on 13 May demanding payment of wages pending for last 9 months, regularisation of the outsourced workers, introduction of gratuity and bonus and a 6 hour work-shift for underground mine workers. The workers strike was supported by resident of nearby villages who lodged a six-point demand along with the workers.

Corporate Watch

Gig Economy: Workers win Employment Rights cases against Pimlico Plumbers, Hermes and Deliveroo

30 June 2018: Heating engineer, Gary Smith, from Kent, won his claim against Pimlico Plumbers at the UK Supreme Court, establishing that he was a worker and not self-employed. Pimlico Plumbers, which lost at every stage of the dispute, had appealed to the highest court, arguing that those it sent out to repair leaking pipes and malfunctioning dishwashers were self-employed and not “workers”. Smith worked for Pimlico Plumbers as a plumber and heating engineer for six years until 2011, when he suffered a heart attack. He claimed his subsequent request for a three-day week was rejected, the Pimlico Plumbers van he rented was taken away, and he was dismissed.

A group of 65 Hermes couriers have won their fight to be treated as workers instead of independent contractors at an employment tribunal in Leeds which ruled that the couriers were entitled to receive the minimum wage and holiday pay, and to reclaim unlawful deductions from their wages, because they had incorrectly been classified as self-employed. This ruling

will affect 14,500 Hermes couriers who are engaged under the same contract as the 65 couriers who took the case to the tribunal. But it is likely that Hermes will appeal for review of this ruling.

In another victory, a group of 50 Deliveroo couriers will share a six-figure payout from the takeaway delivery firm in a settlement of an employment rights claim. The riders had argued that they had been unlawfully denied rights, including the legal minimum wage and paid holiday, after being labelled self-employed contractors. However, this settlement comes without establishing that these workers are not ‘self-employed’. The company was likely to lose at the employment tribunal and hence settled with the workers before the final ruling.

OurStory



100 years ago:
Nationalisation of all basic industries in Russia

Immediately after the Russian Revolution in 1917, the young government was not prepared to take over the industries but wanted to establish workers’ control. The factory committees were recognised as the organ of workers’ control in each individual enterprise. The employers obviously resisted workers’ control and it was met with further lockouts and sabotages. Industrial output had declined and was a fraction of what it had been in 1913 and workers were living in miserable conditions. By April 1918, 46 percent of industrial workers were unemployed. Every basic necessity from food to fuel to clothing was in short supply. In fact, between November 1917 and June 1918, many factories and mills began to be run under “workers’ self-management”.

Finally, on 28 June 1918, by an order of the Soviet Council of People’s Commissars, all mining, engineering, textile, electrical, wood, tobacco, glass, ceramics, leather, rubber, cement and transport industries worth over half a million roubles was nationalized. The immediate goal of the decree was to stop the collapse of industry and sabotage by its owners.

This decree was the first in a series of nationalizations in 1918 that laid the initial foundations for a socialist economy.