

# NATIONAL COMMISSION ON LABOUR

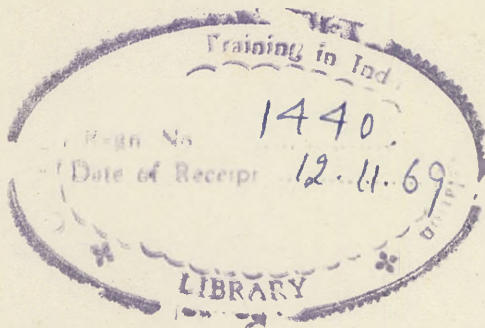
NATIONAL RESOURCE CENTRE OF LABOUR  
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## CONDITIONS OF WORK IN SELECTED SMALL SCALE UNITS

DECEMBER 1968

NATIONAL COMMISSION ON LABOUR



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\* Reports On Labour Conditions \*  
@ \* \* \* \* \*  
\* In Small Scale Industries. \*  
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TABLE OF CONTENTS.

| S.<br>No. | Name of the Industry  | Page No.      |
|-----------|---|---------------|
| 1.        | Sheet Metal Industry, Nellore, Andhra Pradesh                   | ... 1-4       |
| 2.        | Mica Dielectrics, Nellore, Andhra Pradesh                       | ... 5-8       |
| 3.        | Engineering Industry, Tinsukia, Assam                           | ... 9-18      |
| 4.        | Saw & Plywood Industry, Tinsukia, Assam                         | ... 19-26     |
| 5.        | Engineering Industry, Delhi                                     | ... 27-39     |
| 6.        | Woollen Industry, Karnal, Haryana                               | ... 40-57     |
| 7.        | Engineering Industry, Alwaye, Karala                            | ... 58-62     |
| 8.        | Saw Mill Industry, Alwaye, Kerala                               | ... 63-67     |
| 9.        | Fisheries in Kerala   | ... 68-73     |
| 10.       | Chemical Industry, Cochin Kerala                                | ... 74-76     |
| 11.       | Engineering Industry, Thana, Maharashtra                        | ... 77-90     |
| 12.       | Powerloom Industry, Thana, Maharashtra                          | ... 91-105    |
| 13.       | Ginning & Pressing Industry, Nagpur<br>& Amra oti, Maharashtra. | ... 106-123   |
| 14.       | Lac Industry, Gondia, Maharashtra.                              | ... 124-144   |
| 15.       | Sheet Metal Industry, Indore, Madhya<br>Pradesh.                | ... 145-154   |
| 16.       | Chemical Industry, Indore, Madhya Pradesh                       | ... 155-158   |
| 17.       | Engineering Products, Durg, Madhya<br>Pradesh                   | ... 159-161   |
| 18.       | Metallurgical Industries, Durg, Madhya<br>Pradesh               | ... 162-164   |
| 19.       | Foundry Engineering Industry, Coimbatore,<br>Madras             | ... 165-174   |
| 20.       | Footwear & Leather Goods, Madras                                | ... 175-187   |
| 21.       | Printing Press, South Kanara,<br>Mysore                         | ... 188-200   |
| 22.       | Tile Industry, South Kanara, Mysore                             | ... 201-224   |
| 23.       | (Machine Tools) Engineering, Batala,<br>Punjab                  | ... 225-233   |
| 24.       | (Cycle Parts) Engineering, Ludhiana,<br>Punjab                  | ... 234-243   |
| 25.       | Sports Goods Industry, Jullundur, Punjab                        | ... 244-257   |
| 26.       | Hosiery Industry, Ludhiana, Punjab                              | ... 258-268   |
| 27.       | Drawing Survey Instruments, Saharanpur,<br>U.P.                 | ... )         |
| 28.       | General Engineering Industry, Saharanpur,<br>U.P.               | ... ) 269-285 |
| 29.       | Engineering Industry, Burdwan, West Bengal                      | ... 286-299   |
| 30.       | Powerlooms Industry, Burdwan, West Bengal                       | ... 300-309   |
| 31.       | Engineering Industry, Howrah, West<br>Bengal                    | ... 310-317   |
| 32.       | Chemical Industry, Howrah, West Bengal                          | ... 318-325   |

## PREFACE

The National Commission on Labour is required to study and report in particular on "measures for improving conditions of rural labour and other categories of unorganised labour". Labour in small scale industry is but a part of this vast unorganised sector. As in the case of collecting material on rural labour, the Commission utilised the Officers of the Central Board of Workers' Education for undertaking studies in small scale units in cities/towns with which the officers were familiar. Each officer was required to report on two industries and industries themselves were selected in such a way that between them they could provide a synoptic picture of labour in small scale industries for the country as a whole.

As a basis for their study a copy of the detailed paper prepared by an officer of the Punjab Government was circulated to the officers. They were also given a list of main topics which they were expected to cover in the enquiry.

The reports received from Education Officers are put together without being edited in Commission's office. The language of the reports therefore is uneven and at places it may suffer from ambiguity, but between them the notes on different industries provide a picture of working conditions in small scale industry, on the basis of which the Commission will be able to make its recommendations.

*Ans + 0 = 12:68*

(B.N. Datar)

Member-Secretary.

The Commission wishes to put on record its appreciation for the contribution of the following Education Officers whose part time services were placed at its disposal by the Central Board for Workers' Education, Ministry of Labour, Employment and Rehabilitation, Govt. of India.

| <u>Name of the Education Officer</u> | <u>Name of the Centre to which attached</u> |
|--------------------------------------|---|
| 1. Mr. N.S. Narasu                   | Nellore ( Andhra Pradesh)                   |
| 2. Mr. N.C. Barkatokey               | Tinsukia (Assam)                            |
| 3. Mr. K.D. Bhatia                   | Delhi                                       |
| 4. Mr. P.B. Khalid                   | Alwaye (Kerala)                             |
| 5. Mr. M. Gopala Krishnan            | Alwaye (Kerala)                             |
| 6. Mr. R.M. Nirmal                   | Bombay (Maharashtra)                        |
| 7. Mr. M.W. Abhyankar                | Nagpur (Maharashtra)                        |
| 8. Mr. B.S. Jain                     | Indore (Madhya Pradesh)                     |
| 9. Mr. B. Jha                        | Bhillai (Madhya Pradesh)                    |
| 10. Mr. P.V. Narsimhachari           | Madras                                      |
| 11. Mr. B.B. Hegde                   | Mangalore (Mysore)                          |
| 12. Mr. K.S. Taak                    | Chandigarh (Punjab)                         |
| 13. Mr. J. Singh                     | Chandigarh (Punjab)                         |
| 14. Mr. H.P. Gupta                   | Saharanpur (Uttar Pradesh)                  |
| 15. Mr. M.M. Das                     | Asansol (West Bengal)                       |
| 16. Mr. S. De Sarkar                 | Calcutta (West Bengal)                      |

Sheet Metal Industry, Nellore, Andhra Pradesh.

The sheet metal industry in Nellore District is of recent origin i.e. for the last 4 to 5 years. Some units have commenced production only a year back. The factories in this industry, manufacture agricultural implements such as sickles, Ploughs, trowels, steel almirachs, cupboards and furniture. These are used by the consumers without any further processing. The sheets are supplied by the Department of Industries of the State Government. Quotas are issued and stocks are to be brought from the Govt. Central Stores which is 200 miles away from the location of this Industry.

2. I had the opportunity of visiting a unit run on cooperative basis. The other two, I have visited, are in the private sector. In the co-operative unit, the workers are from a particular community and the Craft is traditional. They are blacksmiths by caste. Labour is also recruited for filling up certain jobs but they have also to become members. There is difficulty in recruiting labour which must have considerable experience in this particular trade of making steel furniture. So labour is brought from neighbouring district and the workers are often given advances, free of interest. Yet, turn over is very much. Often, apprentices are taken in, but no wage is paid to them. After leaving the work they may become wage paid workers in the same establishment. But quite often, they join some other establishment. One another side, the industry is not able to absorb many skilled workers. There is apparent immobility.

The rate of absenteeism is not much. But, work is not available in all seasons. Work will be full when sheet metal is supplied by the Govt. At times material of required gauge is not available. This difficulty is more manifest in the co-operative unit because they cannot buy the raw material from other sources, according to rules.

3. In this industry, as stated above, outside labour is employed, but no housing is provided. There is no system of contract labour in this industry. At present not much labour is employed. There is good demand for products. The market for their products is local. Central taxes are not levied on these goods, except a sales tax imposed by the State Government (5%). As stated by the proprietors of the units, there are ample employment potentialities dependant upon supply of required

raw material in required quantities and gauges. They hoped that decontrol of steel may ameliorate the difficulty.

There is good competition from organised industry. These units of small scale industries do not have good marketing facilities, show room and salesman arrangements etc. Production being in small scale, the cost of production is high. It is generally believed that the cost of production can be brought down further if more facilities are available and that they can compete with organised industry more favourably.

The Cost of production can be analysed into various components. The difference between the cost and selling price is not much. It varies from 0.50 ps to 0.75 ps per kilogram material. This margin can improve when total production increases.

If better marketing facilities are provided the price can be kept up and the production also can be proportionately increased.

There are no subsidiary industries to utilise the resulting waste material.

Cooperative Societies complain that funds are not released in time by the Government. Procedural formalities are to be reduced.

As stated above, raw material must be supplied in time in the required specifications. Techniques are modern and do not need much change. There are no problems regarding marketing, taxation than stated above. As expressed by the management of the co-operative unit of industry, the unit being a co-operative has itself become a stumbling block. Regarding expeditious action in marketing etc. there is no freedom of action and often Govt. Departments impede wise decisions of the management by applying procedural formalities.

4. One does not find in the units of sheet metal industry, any provision of canteen, rest-places, lunch sheds, bath room facilities. Often the explanation given by the managements is that the industry is in its infancy. But, I feel that neither the worker nor the employer in the districts and rural areas has realised the necessities of such facilities.

Till now accidents involving payment of any compensation have not taken place. First aid facilities are available in the minimum scale. The hours of work are from 8. A.M. to 12 Noon and 2 P.M. to 6 P.M. in this industry. The workers go to their houses

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for taking their lunch. That is why 2 hours recess is given in this industry. This is also one of the reasons given by the employers for not providing canteen, lunch sheds and rest places. Drinking water facilities/are however provided. Weekly holidays i.e. Sunday is a paid holiday. No casual leave is provided. However the worker is given leave with pay, when he wants or on genuine cause such as fever etc.

5. The workers are not organised. Employment opportunities being quite meagre, there is insecurity of job in the minds of these workers. They have not realised the usefulness of a trade union organisation. The workers of the sheet metal industry have to depend upon the benevolence of the employers, in times of personal difficulties such as sickness, death, injury etc. in respect of themselves and their dependants.

6. Wages: The wages are varying from unit to unit. In one of the units, the following rates are available:

Turner Rs. 200 per month

Tin Maistry Rs. 120/- per month

Rs. 50/- to 60/- per month unskilled worker (General)

In another : The rates are :

1. Turner Rs.150/- P.M.

2. Tinker Rs.120/- P.M.

3. Polisher Rs.100/- P.M.

A general worker (unskilled) is paid Rs. 2/- per day in the peak season. Apprentices are paid generally Rs.20/- to 50/- per month in some units only. In the Co-opt. unit, piece rate system is prevailing which works to a daily wage rate of Rs.3 to 4/- for a turner, lower Rs.1-50 to Rs.2/-. Hammer-men Rs.3/- and smithy work Rs.4/- per day.

The piece rate is fixed according to the footage of the work done. One foot work is paid at the rate of Rs.9/-, special work is paid extra. These are lumpsum payments, that means no D.A. or other benefits are given besides the amount mentioned above. Overtime system is not in vogue. The wage period is a month. The wages are paid regularly after the wage period is over.

7. Industrial relations:- The state of industrial relations in this industry is one of paternalistic attitude. Though, some impact of unionism in the neighbouring industries is visible in the form of distress regarding their poor conditions,



the worker believes in the goodness of the employer and often supports the views of the employers about his problems. He believes that by proper approach to the employer (appealing to his benevolence, and good conscience) and not to govt. machinery, he can get some of his problems solved. There is no procedure for redressing grievance. The usual malpractice that is found in all the units is that there are no service records of the workers and this deprive them of statutory benefits at times of retrenchment and lay off. The workers do not think of consulting any body, lest they should lose their job. Direct negotiations between management and workers is the only way of solving problems despite weak bargaining power of workers.

8. Labour legislation: There is ignorance in general about provisions in various acts of labour legislation. The units do not come under Factories Act as the employees are less than 10. The employers have bare idea of their obligations under labour enactments. Minimum Wages Legislation has also the same fate. Now-a-days, a worker here and there is trying to know some thing of labour laws. Only organised labour can reap the protection given by legislation.

9. Elsewhere, the jobs of turners and smiths have minimum wages implemented. The workers in this industry are ignorant of the very existance of Minimum Wage Legislation. It is desirable to have a separate agency to implement effectively the minimum wage in the rural areas.

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Mica Dielectrics Industry, Nellore, Andhra Pradesh.

1. This industry is also of recent origin in Nellore District of Andhra Pradesh. Mica mines are abundant in Nellore District. But much of the Mica is exported to foreign countries after proper sizing and dressing. Only recently 3 units have started to prepare mica dielectrics and export these to consumers in foreign countries. Dyes and sizes were formerly manufactured in foreign countries according to the requirements of the foreign consumer. But now they are manufactured in India. However the production of dielectric mica washers is dependant upon the requirement of the foreign markets. The foreign market at present comprises of United States, U.K., Japan and some of the countries in the continent.

There is considerable demand for these products in India also.

The owners of these units have their own Mica mines, from which they get the raw material for their industry. The products are used for washers, slits in electronic equipment, heat proof appliances etc. It is difficult to work out the difference between the cost and selling price per unit of production as the units are sold by weight and the unit is very small. The cost of the finished articles can be analysed into cost of raw material, labour, transport etc. Fortunately, there are no middlemen, as the owners have enough working capital to finance all transactions till the goods reach the consumer. Excise duty is imposed by the Central Government on these finished products. There are no subsidiary industries to utilise the waste material.

2. Labour is abundant and cheap. So, there is no difficulty for recruiting the workers. First they are taken as apprentices and are absorbed as regular workers later. There is no technical training in spare time either within the unit or outside it. Rate of absenteeism is less. But in the harvest season i.e. in the months of January, and February the absenteeism will be high.

3. The general state of conditions of work is good. Fair price shops run on Co-operative basis are provided for the workers. Accommodation is given for locating these

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Overtime work is paid at the rate of 0/25 nps. per hour. Work on Sunday is paid at 0-50 ps. more than the usual daily rate.

The managements claim that the workers are against provident fund schemes. However workers are covered by Provident Fund Act. The wage period is a month, and the payment of monthly wage is done by 7th of next month.

The wage rates were further poor 5 years and 20 years earlier; For an unskilled worker, 5 years back, it was only Rs. 40/- P.M. and 10 years back it was only Rs. 30/- P.M. There is no annual increment.

Minimum wages have been fixed by a wage board recently for similar type of workers in Mica industry but they are not yet implemented. The workers are aware of the wage board and its recommendations. The Unions do not have enough strength to enforce the recommendations.

In the absence of powerful and well organised unions, the workers are at the mercy of the managements and supervisory staff. As stated by the manager of one of the units, the promotions and increments (not on the time scale but arbitrarily) are given on the recommendation of the Mistries (Supervisors). The very requesting the management about any demand will meet only with victimisation. The state of industrial relations can be explained in a nut shell by the very fact that the worker selected by the management to answer the questions under this survey came to me (The education officer) separately, without the knowledge of management and gave detailed answers.

In the absence of any negotiating machinery, the workers' service conditions are naturally worse in this industry. There are workers who have worked for years but whose service records are not maintained, many a worker are "Fired" before the completion of 240 days of continuous employment, thus depriving them of all facilities and privileges.

MINIMUM WAGES ACT:- Minimum wage board has been constituted for mica industry. Some workers in the dielectric industry belong to the categories specified in the recommendations of this Wages Board. But the recommendations of this Board which are unanimous are not implemented. In the above mentioned state of affairs regarding the bargaining position of the workers, nothing has been done.

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stores and some working capital is also provided. There are no canteens, rest sheds or lunch sheds. The workers sit under trees or in some corners and eat their lunch. Drinking water facilities are provided. Bath room facilities are nil. A special mention has to be made about women workers who are employed. The management explain that the creche is never utilised by women workers. On the other hand, it is complained by workers that facilities are lacking in the creche to keep their children.

First aid facilities are at a minimum. Medical aid is not available at hand, if any accident occurs. There are no accidents till now which involved any payment of compensation. The hours of work are 8 hrs. i.e. from 8 A.M. to 12 Noon and 12-30 to 4-30 P.M. The period of recess is half an hour. Weekly holidays are Sundays which are with pay. There is no casual leave and no earned leave in these units according to the statements of workers, whereas, the management claims to be giving 10 days earned leave and 15 days casual leave. 13 paid holidays are provided for festivals.

5. The workers in Mica industry have 2 unions affiliated to 2 different central organisations. But the workers of the units visited, are not members of either union. It is informed that the membership claimed by these unions is not genuine. These units do not have separate unions at the unit level. Though there is a Welfare Fund constituted statutorily by the Government of India, the fund does not provide medical facilities at Gudur. There is no help from the union in case of difficulties such as unemployment, sickness, injury, death, etc of workers or their dependants.

6. GUDUR, where one of the units is located is not covered by the welfare fund. The industry is not under the purview of Employees States Insurance. Thus the workers have no social security from any organisation as complained by the workers from the units.

6. Wages: Skilled workers called 'maistries' are paid Rs. 55/P.M. and ordinary workers who are shown as unskilled workers are paid Rs. 45/- P.M. There is no dearness allowance. Bonus will be given in future in accordance with the Bonus Act, 1966.

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The grades and minimum wages recommended (similar to the categories obtained in dielectrics industry) are:-

|  |           |      |
|--|-----------|------|
| 1. Head coolie, 1st grade sorter, & dressers | Rs. 77/-  | P.M. |
| 2. Gauge workers, fitter, driller            | Rs. 90/-  | "    |
| 3. Asst. Fitter.                             | Rs. 84/-  | "    |
| 4. Turner, moulder & welder                  | Rs. 112/- | "    |
| 5. Watchman, office boy.                     | Rs. 65/-  | "    |
| 6. Clerks.                                   | Rs. 105/- | "    |
| 7. 2nd grade Mica cutter, 2nd Mica sorter    | Rs. 70/-  | "    |
| 8. 1st Grade Mica cutter                     | Rs. 70/-  | "    |

The employers (some only) argue that the implementation of these scales will result only in retrenchment of many workers to effect economy in cost of production and hence they are not going to implement. Others have not cared to even consider them. The workers feel that, in the absence of enlightened approach of the employers, legislative sanction alone will ensure a minimum wage to the worker.

Engineering Industry, Tinsukia, Assam.

1. For the purpose of studying the labour problems I have selected two industries situated near Tinsukia keeping in view of their importance in relation to employment and also their products. In Assam Cottage and Small Scale Industries are mainly concentrated in and around Gauhati in Kamrup District and Tinsukia in Lakhimpur District. In other Districts their concentration is not so much. The Industries I have selected are (i) Engineering Industries; (ii) Saw & Plywood Industries. It may be mentioned here that though a condition was stipulated in respect of selection of industries to the fact, that of the two industries, one industry should be such where the workers are well-off and the other industry shall be, where the workers are not well-off. But in fact, it was difficult to make such a distinction, because of the fact that the workers are found to be more or less in the same conditions. In course of the study, I visited three units in each of the two industries mentioned above and collected facts and figures by contacting Management Personnel and also workers' representatives in every units. Further, I have also contacted the State Labour Officer at Tinsukia and also the officials of the Industries Department at Tinsukia and Shillong. On the basis of the facts and figures collected from various sources mentioned above and also my observations while visiting the factories, I am submitting my reports on the two industries (i) Engineering Industry and (ii) Saw & Plywood Industry separately below:-

(i) Engineering Industry  
Tinsukia, Assam.

The development of Small Engineering Industry in Assam can be traced back to the years 1950-51 i.e., after Independence. Since then the Industry started growing up both in its number of units and sizes. Before the development of Small Engineering Industries in Assam the bulk consumers like tea gardens, used to import their machineries from abroad or from other highly industrialised centres in the country like Calcutta. But with the growth of this industry, the bulk consumers started purchasing machineries like C.T.C. machines, tractor trailers, culverts and barbed wire fencing etc., from these industries and hence it may

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be said that the industry started manufacturing mainly those goods and machineries, as were actually demanded by the bulk consumers in Assam. That is why, it can be said that the industry is demand based. They also produce only on orders from their consumers.

The industry started growing in size with the passing of the years since 1950-51. The industry is now more mechanised and using cheap electrical power which were not possible at the initial stages of its growth. The capital structure of the industry has also gone-up. Similarly, the number of workers employed have also gone up on an average from 10 to 15 workers per unit at the beginning to about 40/50 workers now per unit. During the course of the last decade the value of total production has increased many time than what it was at the initial stage per unit. The raw materials are procured by the industry both indigenously or through imports. Indigenous raw materials are available both in control and decontrol categories. The decontrol categories are available from open market and control categories are allotted by the Iron and Steel Controller, Govt. of India. For importing raw materials the Industry applies through the State Director of Industries to either the Iron & Steel Controller for ferrous materials or to the Controller of Imports and Exports for non-ferrous materials.

The capital goods machineries like C.T.C. machines are mostly manufactured against orders from actual users and hence, they are sold directly to the users without the involvement of middle men. The products like fencing etc. are partly sold to the bulk consumers (tea gardens) and partly to retailers. At the moment as many industries are engaged in the line small units are facing stiff competition. The future prospects depend on the changes in the tea processing methods. If some simpler methods are evolved then the existing units in the industry can take full benefit of it. But in case the tea industry switches over to some highly complicated process, they may not be in a position to manufacture such complicated machineries. Among the products of this industry the following may be mentioned :-

- (1) C.T.C. Machine.
- (2) C.T.C. Segments.
- (3) Tanks, Cargo, Jeep trailers.

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- (4) Tea chests fittings.
- (5) Green leaf shifter of all kinds.
- (6) Post and shafting lines.
- (7) Chasting and sharpening machine and spare machinery parts.
- (8) Pulley, Chimni, Green light, Shifted trainers etc.
- (9) Steel furnitures.
- (10) Barbed wires and wire products.

The industry consists of about 40 units of varying sizes employing about a thousand workers, in the district of Lakhimpur. The industries are at present facing huge shortage of Black Plain sheets, and galvanized plain sheets, which are hampering production.

The products of the Industry except a few products like fencing posts and wires etc. are subject to central excise levies plus local sales tax. The rates of central levies, however, vary from product to product. As for example, on steel furniture maximum is 20% and in some other articles it is 5%, which is said to be the minimum rate of central excise levy. Over and above the central excise levies, the products are subject to sales tax. On local sales it is 10 to 12% and on inter state sales it is subject to 3% Central Sales Tax. These taxes are regarded as very high and it is complained that too many taxes necessitate too many records and returns are to be maintained and submitted by the industry.

As regards finances there is not much of a problem since the industry can get advances to the extent of 70% of the value of the products from the Commercial Banks. Moreover, they also get financial help on loan basis from the State Financial Corporation. Government, however, is not advancing any finance against finished products. Finance by money lenders and merchants may be said to be very very rare.

Market for the products is also limited to the demands of the bulk consumers i.e., tea gardens, The quantum of production depends upon the quantum of orders they receive from different tea estates. There are a few units producing some railway goods, but they complained that they do not receive orders from the Railways as the Railways prefer to get them from Calcutta. This shows that competition from organised industry is there at least in respect of some of



the products. Products are sold generally by keeping a margin of  $12\frac{1}{2}\%$  over the cost of production. But in case of highly competitive products like barbed and other wire products the margin is ranging from 6 to 8 per cent.

The articles leave the unit-industry only in the finished stage. That is to say, it does not leave at the intermediate stage of manufacture.

2. For recruitment of un-skilled workers, there is no specific method of recruitment. Workers generally come to the factory gates in search of employment and the management if they feel necessity, give them employment according to their requirements, but the management give preference to those workers who are having some experiences. That means, the workers who generally work on casual basis from time to time, are offered first chance at the time of giving employment. In case of recruitment of very highly skilled workers, some difficulties have been faced by the industry. The industry generally takes the services of the Employment Exchanges in recruiting such workers, but it is complained that the Employment Exchanges also have not been of much help since they send persons with I.T.I. training only, whereas the factories may be requiring far more experienced hands. In such cases they look for such experienced hands through advertisements in Papers. In case of other categories, like Management Personnel, no difficulty is experienced. The workers are composed of different communities, like Assamese, Bengalis, Biharis, Madrasis and Punjabis, of them ~~are~~ percentage of Biharis is the highest. However, the Clerical workers consist mostly of Marwaris. In some units of the industry, a few apprentices are being engaged and their number is limited to only 2 or 3 apprentices per unit. They are generally deputed by the Apprenticeship Adviser of Government of Assam and they are paid stipend at the rate fixed under All India Apprenticeship Act 1961 and the factory pays this stipend. After completion of the apprenticeship period if the apprentices concerned desire, the unit offers them suitable jobs. The rates of stipend according to one unit are - for the first 6 (six) months they are not paid, after that for the first year @ Rs.60/-, in the second year @ Rs.70/- and in the third year @ Rs.80/- per month. There is no scope for

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technical training in spare time within or outside the units in the industry. The rate of absenteeism is not so high. Among the absentees, the largest number constitute the casual or temporary workers. A good number of workers are engaged in the industry as casual or temporary workers.

3. Workers employed are both local and outside, but the percentage of local workers is greater than that of outside labour. In some cases the units have made available their own housing facilities for a part of their workers within or near the factory premises. The houses are generally with two rooms, one kitchen and one latrine without electrification. Under the subsidised housing scheme, the State Government also constructed some tenements for the industrial workers at Tinsukia, where the workers of different industries of this locality get housing accommodation at a very nominal rate of rent. Still there are some workers who make their own arrangement privately with or without house rent allowances from the management. The number of contract labour in Engineering Industry is not so large.

4. The condition of work in the units can not be said as percent per cent satisfactory. That is because of the very nature of the industry itself; consisting mostly of smaller units except in a few cases. The industry has not provided for its workers facilities like canteen, fair price shops etc., but the provision for rest places, drinking water facilities and first-aid facilities are made. Incidence of accidents is not very high and in case of accidents the compensation is paid by the Employees' State Insurance Corporation as the workers in Tinsukia and Makum areas are brought under the E.S.I. Scheme.

The workers work for 8 hours a day from 7 a.m. to 4 p.m. with a recess period of one hour from 11 a.m. to 12 noon. Every Sunday is observed as the weekly holiday without pay. As per Standing Orders of most of the units, there is a provision for allowing 7 (seven) days casual leave with pay during the year. Moreover, the workers enjoy 7 (seven) days general festival holidays in the year and every section of the workers enjoy two restricted holidays during the year in addition to 7 (seven) general holidays. As for example, Assamese worker enjoy two days

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holidays in Bihu, similarly, Muslims, Christians, Punjabis enjoy two holidays in their respective community festivals.

5. The workers are organised mostly under the Industrial Workers' Union having its units covering the workers of almost all the units in the industry. But in all cases the managements have not extended their recognition to the union. The union activities are confined only to fight for fulfilment of their demands. That is to say, they are not rendering help in personal difficulties, like un-employment, sickness, injuries etc. etc. The union more or less acquired by now strength sufficient to bargain with their management.

6. The wage rates paid by the industry for different categories of its workers at present are as follows:-

- a) Un-skilled .....Rs.2.75 per day.
- b) Semi-skilled.....Rs.3.50 "
- c) Skilled .....Rs.4.25 "
- d) Clerks .....Rs.120/- per month.

Whereas the Government certified rates of minimum wages for Engineering Industry are :-

- a) Un-skilled.....Rs.3.25 per day.
- b) Semi-skilled.....Rs.3.75 "
- c) Skilled.....Rs.4.25 "
- d) Clerks.....Rs.120/- per month.

In some units the minimum wage paid to an unskilled worker is Rs.2/-. The rates of wages paid include also Rs.10/- per month or 0.38 paise per day paid as cost of living allowance on adhoc basis since 1965. Thus the actual basic wage rates come to Rs.2.37 , Rs.3.12 and Rs.3.37 for unskilled, semi-skilled and skilled workers respectively. The adhoc allowance is paid to all the workers (both daily and monthly rated).

The minimum wages fixed by the Government of Assam for various categories of workers have not been implemented as its enforcement is exempted for the time being by the Government and in lieu of that this adhoc allowance of Rs.10/- is paid benefiting all categories of workers equally. The monthly rated workers which include Clerks etc. the scale of pay is Rs.120/- per month. Provident fund is there and

the rates of contribution (equal from both sides) are either 8% or 6½%. There is no incentive bonus, but bonus and over-time payments are made by almost all the units of the industry. The minimum rate of bonus at present paid is 4% of the total earning during the year as per Bonus Act. The payment of bonus was started by some of the units even before the passing of the Bonus Act. As for example, in two of the units I visited I am told that the workers received bonus for 1963-64 varying between Rs.40/- minimum and Rs.125/- maximum. Over-time payment is made at double the normal wage rate as per Act. Every Saturday of the week is a pay day for those workers who are daily rated. For monthly rated workers pay day falls within the first week of the succeeding month, generally a day falling between 1st to 7th, That means the wage periods are both monthly & weekly according to the type of workers. The wage rates before say 5 to 10 years were very low compared to the present rates. As for example, in 1955-56 an un-skilled worker used to get Rs.1.50 to Rs.2/- per day and the skilled worker Rs.2/- to Rs.2.50 a day. But now the rates are comparatively higher. The changes in the wage rates are found to be upward and they are affecting generally all categories of workers.

7. More or less the industrial relations have been found to be good. Whenever there is a grievance, the worker's representatives and the employers' representatives sit together and discuss it and try to settle amicably. There is no model grievance procedure as such, applicable to all the units. The general practice is to sit together then discuss and settle the matter. Very negligible number of cases have gone to the court or tribunal during the last 10 years or so. The attitude of both the workers and managements are found to be sympathetic towards each other. Of the three units I visited in case of one unit there were two strikes one in 1957 and the other in 1962. In the latter case the strike was declared illegal by the Government and the management discharged 2 or 3 persons for taking leading part in the illegal strike. The strike in the year 1957 was organised for meeting the demands like bonus, quarter allowance and medical facilities. The strike was successful and the workers could get their demands fulfilled. So far as medical facilities were concerned the workers secured 10 days sick leave with wages and free medical treatment(at the cost of the

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management) in 1957.

But when the E.S.I. Scheme came into operation much of the problems settled automatically. Since 1962 there have been no cases of strikes or lockouts in the units. No cases of malpractices or victimisation by the employers could be traced. The extent of their implementations is also satisfactory. Various facilities, like first-aid box, latrine, urinals, drinking water facilities, sickness benefits, provident fund benefits, bonus, over-time payments found to have been made available to the worker in different units of the industry. The industry is already covered by the Minimum Wages Act, but its implementation has been exempted for a year which is ending by 30th June, 1968, by the Government of Assam. By the State Government's Notification No.GLR 61/64/128 dated 3.9.66 Minimum rates of Wages in the Engineering Industry in Assam have already been fixed, but due to some difference the matter is now pending before High Court. Hence, its implementation is exempted as aforesaid. The minimum rates of wages fixed for different categories of workers as per the above Notification are as follows:-

1. a) Un-skilled .....Rs.3.25 per day.  
b) Semi-skilled.....Rs.3.75 " "  
c) Skilled.....Rs.4.25 " "  
d) Clerks.....Rs.120/- per month.
2. 75% of the above minimum rates of wages may be treated as basic and the remaining 25% as D.A.
3. For every 4 points rise or fall in the cost of living index in future an adjustment should be made according to the formula for adjustment of D.A. to neutralise any rise in the cost of living i.e., on the first Rs.100/- @ 0.75 paise per point rise, on the next Rs.100/- @ 0.50 paise per point rise, on the next Rs.100/- @ 0.25 paise per point rise and on the next Rs.100/- @ 0.10 paise per point rise. This will apply only to workmen getting Rs.400/- or less per month.

It is hoped that after the differences are settled the provisions of the minimum wages act would be duly implemented in the industry. There is no need for separate

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agency for effective implementation of the Act since the officers of the Labour Department of the State Government can look into the effective implementation of the Act also, If a separate agency is created then such agency will have very little work to do once the minimum wages are implemented in the industry. However, one of the Officers of the Labour Department may be given specific responsibilities and powers for looking after the implementation of the Act instead of creating a separate agency.

In conclusion the following points may be emphasised:-

- 1) The future prospect depends on the changes in the tea processing methods since tea industry may be said to be the biggest customer for the products of this industry. If some simpler methods are evolved, then only the existing industry can be expected to take full benefit of the same and its future may be secured. But in case the tea industry switches over to some highly complicated methods of tea processing, existing small units of the industry may not be in a position to manufacture those items.
- 2) Additional demands should be created for the products of this industry. The units with capabilities to take up new lines of production and to cater to the needs of industries other than tea should be encouraged to take up manufacturing such products. This will reduce the impact of competition and also their market will not be dependent solely on the demands of one industry.
- 3) There is a shortage of raw materials like, B.P. sheets and Galvanized sheets hampering the production from time to time. This should be removed by providing the industry with their required supply of those materials so that their production can be kept to the fullest capacity.
- 4) As regards contract labour though incidence is not so high in this industry even then there are contract labour in some of the units of the industry. The advantages which the employers derive by employing workers through contractors can be said to be the main reason for the existence of contract labour in the industry. By employing workers through contractors Employers get themselves relieved of many obligations under various legislations

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which they have to undertake in case of permanent or other workers directly employed by them. It is doubtful whether the contract labour can be abolished completely by passing legislations alone. One suggestion I would like to make is that the contractors are brought under a system of licensing by the Government and forcing the industry to employ workers only through those licensed contractors who will be bound by certain obligations and conditions laid down by the Government and as a result there may be more check and they would not be able to exploit the workers as is now being done.

5) So far as industrial disputes are concerned they are very few and not of very serious type. So, incidences of strikes and lockouts are also very rare in case of this industry. Since the number of workers <sup>are</sup> is very small in each unit, there is always a direct contact between the employer and the worker and in case of some very small units the worker is found to have enjoyed a sort of paternal care from the employer. Whenever a dispute arises the representatives of the workers and managements sit together and they settle the matter amicably. This is possible because of the fact that the workers are more or less better organised.

6) There is no subsidiary industry in utilising the waste materials in this industry and waste materials are disposed of as scrap.

7) As regards employment the industry is already playing an important role in providing employment to about 2000 to 2500 workers in the State, but many of the smaller units are now growing into major units providing more and more employment. In future also these smaller units of the industry have potentialities for growing bigger in sizes and also in providing more employment provided a wider market is created for its products and also the process of production is improved.

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(ii) Saw and Plywood Industry, Tinsukia, Assam.

1. The development of Saw & Plywood Industry in Assam can be said a post-war phenomenon, though there were a few Saw Mills even before the war. The manufacture of plywood first developed in Canada and then for the first time the A.R.& T. Co. Veneer Mill at Margherita introduced manufacturing it in India in the immediate post-war years. The use of plywood in the packing of tea has become universal. The product i.e. plywood got a huge market immediately and revolutionised the packing of tea. The availability of ready market explains for the rapid growth of this industry in Assam. Moreover, raw-materials i.e. varieties of timbers were easily available at least at the initial stages of its growth. However, the situation now has considerably been changed. The mushroom growth of this industry together with more and more utilisation of the available timbers, the industry has been facing presently a shortage of timbers and also certain amount of competition. However, the industry has grown many times bigger in size and also in number of units during the course of last 15 years or so. The capital structures of all the units which have by now completed about 10 years of their existence, have gone up many times. The total production of plywood also has gone up. As for instance, in two of the three units I visited the following changes in the figures of 1956 and 1965 could be recorded in respect of Capital, Production and No. of workers employed.

| <u>Plywood factory-I:</u>                    | <u>1956</u>  | <u>1965</u>  |
|--|--------------|--------------|
| Capital-                                     | Rs. 2,58,190 | Rs. 2,66,270 |
| Total production of Standard sized plywood.. | 30,000 sets. | 50,000 sets. |
| Total workers employed....                   | 34           | 60           |

| <u>Plywood factory-II:</u> |               |                |
|----------------------------|---------------|----------------|
| Capital-                   | Rs. 1,00,000  | Rs. 7,00,000   |
| Total production....       | 50,000 sets.  | 3,00,000 sets. |
| Total workers employed.... | 20/30 workers | 115 workers    |

Similarly, there have been changes in respect of fuel used by the industry. At the initial stages the timber wastages and coal were used as fuel, but now most of the units are using electrical power available from the Thermal Plant at Namrup. The rise in Capital may be explained as due to increasing mechanisation.

The line of production has also been gradually shifting from production of only plywood meant for tea chest to production of

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decorative plywood of various grades and qualities, synthetic resins etc. The tea gardens in the State constitute the market for tea chest plywood; and other varieties like decorative plywood and synthetic resins are sent to places like Calcutta, Bombay where there is demand for these products. It seems that the products have a wide market within the country. There are market potentialities in foreign countries also specially for the superior qualities of decorative plywood which may profitably be explored.

But the production of decorative plywood is more or less confined to the bigger units only which are no longer within the scope and meaning of the small scale units. The small units are mostly confined in sawing of timber and production of tea chest plywood.

The industry consists of about 30 to 40 units scattered all over the State. But its concentration is the highest in the district of Lakhimpur. Out of these 30 to 40 units about 10 to 15 units may be said to have crossed the limit of small scale industry and thus entered into category of large scale industry. Together the industry employs about 3 to 4 thousand workers in the State, out of which about 2,500 workers are being employed by the smaller units alone.

The products of the industry are sold directly to the consumers i.e., the tea gardens. To other consumers also they are sold generally directly. The products leave the unit/industry only in the finished stage. That is to say, it does not leave at the intermediate stage of manufacture. The future prospect of the industry is bright so far as the potentialities for market are concerned. But as regards the position of raw materials, i.e., timber, the future may be said as bleak. There is already a shortage of timber and it is complained that the units are getting timber only to the extent of 55 to 60 per cent of their requirements of timber and this enables the smaller units to work for 8 hours a day.

The products of the industry are subject to central excise levies. In all types of plywood including even the small cuttings of plywood are subject to Central Excise levies at various rates. Over and above this the products are also subject to local taxes on sales.

The production cost xxx of 6 pieces comes to about Rs. 7.50 per set and selling price is Rs. 8/- to Rs. 8.25 per set. By supplying commercial plywood to make one tea chest the units make a profit between 0.50 to 0.75 paise. In one tea chest 18 sft. of plywood is necessary. In case of decorated plywood profit margin is about 0.08 paise per sft.

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Finance is not much of a problem as the units can get advances from the Banks and also they take loans from the Assam Financial Corporation.

2. For recruitment of Technical Personnel like, Plywood Chemist, Boiler Attendant etc., difficulties are felt. The services of the Employment Exchanges though requisitioned, do not always help solving this difficulty. The recruitment of un-skilled workers, however, is not difficult at all. They are readily available at the factory gate and whenever the unit requires them for employment, they are employed, but the preference is always given to those workers who have some amount of experience of working in a Saw Mill. Workers are composed of communities like, Assamese, Bengalis, Biharis, Punjabis, Madrasis etc., among which number of Bihari workers would probably be highest. Among the Clerical workers the number is the highest from the Marwari community. There is neither any training facilities for apprentices nor any scope for technical training in spare times within or without the units in the industry.

The industry employs a large number of workers both males and females as temporary or casual workers. Similarly, the incidence of employment of contractors' labour is also considerably high in this industry. The industry has a seasonal character and as such the No. of casual workers is high. Rates of absenteeism varies from unit to unit and on the basis of the industry as a whole it can be said as high. No specific reason can be assigned for this. However, most of the employers feel that during the cultivation season the workers specially the local ones have to work in the field and as such they remain absent from the factory. However, this rate is high generally in case of casual and temporary workers only.

3. Workers employed are both local and outside; local workers being largest in number. Most of the units provide minimum housing facilities for those workers who are not local within the factory compound and as far as the local workers are concerned, there is no housing problem. There is no provision for payment of house rent allowance to the workers even though some of the workers might not be provided with any housing facilities by the factory. Under the subsidised housing scheme, State Government also constructed some tenements for the industrial workers at Tinsukia and this benefit is also availed of by some of the workers employed in this industry by paying a nominal rent.

The working conditions are not very satisfactory as compared to those provided by other organised industries. Sufficient attention has not been paid towards safety provisions. The industry has not provided facilities like, Canteen, fair price shops, etc. However,

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in one unit of Makum I found that the workers are issued identity slips by the Manager and on the strength of which they can get an additional quota of rice, sugar, atta etc. from the Industrial ration shops at Makum-over and above what the workers get from other public ration shops under their own ration cards. The provision for rest places, drinking water facilities, first-aid facilities are found almost in all the units. Incidence of accidents is not very high and in case of accidents the compensation due is paid by the Employees' State Insurance Corporation (in case of workers who are covered under E.S.I. Scheme). But in factories not covered by this Schme the employers themselves make medical facilities available in case of accidents by engaging doctors and the compensation is paid as per the Workmen's Compensation Act, but I could not extract an example of any compensation being paid to any worker in such a unit I visited. The workers work for 8 hours a day from 7 to 4 p.m. with an hour's recess between 11 A.M. to 12 noon. Every Sunday is observed as weekly holiday without pay. The workers can enjoy earned leave for 12 to 15 days a year. Over and above the earned leave they also enjoy 8 to 9 days paid holidays in a year. Casual leave can be enjoyed without pay.

5. All the workers in the industry are not organised. That is to say, workers in many of the units have no union. Those who are organised have formed their unions on the unit basis under one Union i.e., Industrial Workers' Union. All the employers are not extending their recognition to the union. The union activities are confined only to the fulfilment of their demands. It hardly renders help in personal difficulties like, unemployment, sickness, injuries etc. However, the union wherever it is formed has acquired sufficient strength to bargain with the management.

6. The minimum rates of wages for different categories of workers were fixed by the Government as follows:-

|                       |                      |
|-----------------------|----------------------|
| Unskilled.....        | Rs. 3.25 daily.      |
| Semi-skilled.....     | Rs. 3.75 daily.      |
| Skilled.....          | Rs. 4.25 daily.      |
| Clerical workers..... | Rs. 120/- per month. |

But the managements have not agreed to these rates of minimum wages and as such an agreement was arrived at between management, union and the Government in a joint meeting held at Tinsukia sometime in October '66. The following rates were agreed upon by all the parties for implementation. Unskilled Rs. 2.75 daily (effective from 7/10/66). For all other categories the wages were to be calculated on the basis of the number of years of service taking Rs. 2.75 as the minimum wage and fixation to be effected w.e.f. 7th October '66, that is to say, from the day on which the agreement was signed. Accordingly,

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an unskilled worker with 3 years service completed on 7th October '66 would be entitled to get Rs. 0.15 more i.e., the wage rate for such a worker should be Rs. 2.90. But in course of my study I found that the rates presently in force are as follows:-

1.(a) unskilled male worker Rs. 2.75 per day, (b) female worker Rs. 2.62 per day, (2) Semi-skilled worker Rs. 3.12 and (3) skilled worker Rs. 3.50. In one unit the minimum rate of wages paid to unskilled worker is Rs. 2.50 only. However, in that unit there is no union. The contractors' Labourers are mostly unskilled. The management pays at the rate of Rs. 2.75 in case of male and Rs. 2.62 in case of female workers to the contractors plus whatever commission the employers has to pay to the contractors and the contractors pay the wages to the workers on every Saturday. When it was asked as to how they could be sure whether the contractors pay exactly at the rate of Rs. 2.75 to the worker or not, then the reply came from an employer that the contractor distributes the wages in presence of the Manager of the factory. That means he wants to say that the contractor cannot pocket a share of the worker's wage and hence there can be no exploitation. The wage rate i.e., Rs. 2.75 includes also an adhoc allowance of Rs. 0.38 per day. There is no provision for dearness allowance. Over-time payment is made at double the normal rate of wages as per Act. Bonus is also paid by almost all the units and the rates vary from 25 days wages to 30 days wages per worker. Every Saturday is a pay day for those workers who are daily rated and every 7th or 10th of the next month is the pay day for the monthly rated workers. The wage rate before 10 years or so was very very low. As for example, say in 1952, the rate of wages for skilled, semi-skilled and un-skilled workers was Rs. 2/-, Rs. 1.50 and Rs. 1/- to Rs. 1.25 per day respectively. It shows that the trend for the wage rates is to go up in case of all categories of workers.

Benefit of Provident Fund is also available to the workers of this industry. The rate of contribution is equal for both sides and rate is 6 $\frac{1}{4}$ %.

7. The industrial relations can be said as good. The size of the different units constituting the industry being small, the workers and the employers can come into close contact and can discuss their mutual problems. This has been helping the industry in maintaining a better industrial relation. However, it would be wrong to say that there was no dispute at all. Actually speaking there were one or two strikes during the years 1959-62 in some of the units of the industry. Not a single case of any lockout could be recorded during the course of the study. The workers get all the protection provided under various labour legislations. The unions are growing stronger and as such the chances of victimization or any malpractices by the employers have been gradually receding. The attitude of both the workers and the

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managements are found to be sympathetic towards each other. The industry does not have set pattern of grievance procedure, but what is generally found is that whenever there is any grievance both the parties sit together and try to settle the grievance at the lowest level as early as possible.

8. The workers in the industry are enjoying the benefits or protections under the following Acts:-

Factories' Act, P.F. Act, Minimum Wages Act, (Fixation of minimum wages under this Act has not yet finally been finalised), Industrial Disputes Act, Payment of Wages Act, Workmen's Compensation Act, Bonus Act, Boiler Act, Excise Act and also E.S.I. Act (in case of some of the units of the industry). No difficulties have been reported in their implementation by any of the employers. Similarly, as far as could be gathered from my interviews with the officials there have been no serious lapses on the part of the employers in the implementation of the above mentioned Acts. That is to say, they have been implemented satisfactorily. That the facilities like, first aid box, latrine, urinals, provision for drinking water, sickness benefits, P.F. benefits, Bonus, Over-time payment are made available also prove their implementation.

9. As already stated above, the minimum wages have not yet been finally fixed for the workers in this industry though attempts have already been made to bring the industry under the provisions of the Minimum Wages Act. Once the rates of minimum wages are finalised with the mutual agreement of all the parties concerned, the effective implementation of the Act would not be a problem. Similarly, there may not be any need for a separate agency for effective implementation of the Act.

In conclusion the following points may be emphasised:-

1) The future prospects of the industry would be bright provided a check is applied to the present tendency of its mushroom growth. The only problem the industry is facing presently is the lack of sufficient quantity of timber to feed the industry to its fullest capacity. Moreover, because of this mushroom growth, there is also competition which sometimes proves unhealthy.

2) Another problem of the industry is the high cost of production. Timbers are brought by the factories, from distant places and on an average the distances are from 60 to 100 miles, generally covered by road transport. This transportation cost plus the taxes make the cost of production high. This high cost of production may not hamper

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the growth of the industry for the time being. But considering the present difficult condition of the tea industry, the only consumer for the greater bulk of the plywood other than decorative ones, it is doubtful whether the industry would be in a position to keep its market up in the near future.

3) So far as the industry is availing the latest technique of production and shifting its line of production gradually, to the production of decorative plywood and laminated boards etc., the future of the industry is bright and it may not face any handicap in relation to technique of manufacture, market etc.

4) The industry employs large number of casual and temporary workers. This, however, cannot be eliminated because of somewhat seasonal character of the industry. As for example, during the rainy season there is a fall in supply of timber as they cannot be removed from the jungle and carried to the mills/factory easily. The production is slightly slowed down and as such number of workers employed during the rainy season also goes down. But by suitable legislative measures the extent of casual labour can be reduced considerably.

5) As regards contract labour also it is doubtful whether its employment can be eliminated completely by any legislative measures alone. The employers employ contractors' workers, because they claim that the contractors' workers work more as they are less secured and at the same time the employers can get themselves relieved of the various obligations under different labour enactments which they are required to accept in respect of workers employed directly by them on permanent basis. So, from this point of view it can be said that no legislation completely disallowing employment of contractors' labour may prove to be sufficient for elimination of contract labour. However, their number can be limited by fixing certain percentages, as for example, say for every 100 permanent workers the factory may employ 20 workers through contractors etc. etc. Moreover, as I already suggested in my report on Engineering Industry, a system of licensing of contractors may be introduced through legislation and forcing the employers to employ contract labour only by those licensed contractors.

6) There is no subsidiary industry for utilising the waste materials in the process. Actually speaking there is very little wastage in plywood industry, because the wastages of timber (in log shape) are utilised as fuel in the factory and the rejected plywoods are easily sold to the people in the locality who purchase them for roofing purposes and for various other purposes.

7) The industry is already playing an important part by providing employment to about 2,500 workers or so and there is great potentiality for providing more employment in the years to come provided the present handicaps as I pointed out above can be removed.

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Engineering Industry, Delhi

Engineering Industry is a wide concept which includes Light Engineer, Chemical Engineering, Electronics etc. The present study was conducted in the small scale light engineering units in Okhla Industrial Estate and Najafgarh Industrial Area. The history and growth of various products under Engineering Industry differs from one to another. Okhla Industrial Estate, being the most representative Estate in Delhi. So far the establishment and development of Small-Scale-Engineering industry is concerned, a study of its growth has been done only. The rest of the report is based on the data from both Okhla Industrial Estate as well as from the Najafgarh Industrial Area.

Brief History of the Establishment :  
and Development of Okhla Industrial  
Estate, Delhi.

The sight of the Okhla Industrial Estate was selected in the year 1954-55 keeping in view the facts that it was at the junction of a Railway line and main highway i.e. Mathura Road, A major portion of land was barren and it was acquired for industrial purposes. The only industry in the vicinity was a factory manufacturing refractories. Initially a patch of 40 acres was developed and put in commission to house 35 industrial-sheds. At the outset though the number of applications for allotment were many, the selected allottees felt quite nervous rather hesitant to move in the sheds, which were nearly 10 miles away from the then industrial belt of Delhi. It only took two years for the place to become popular and then it was like a gold-rush to describe it properly.

Today the Industrial Estate though is the largest complex of 122 industries and 61 industrial plots, the areas around have woken up to the need of the time and more industries are coming up. The Government has developed another highway of nearly 8 miles connecting Okhla Industrial Estate with Tughlakabad and are selling developed industrial plots alongwith it.

GROWTH:                    PRODUCTION , LABOUR ,  
                                  MACHINES     , CAPITAL

The main industry which has got the impetus is that of light engineering though both Electronics and Chemicals are also catching up the field. Production in the Okhla industrial Estate has gone up from a figure of 25 lakhs in the year 1957-58 to 4.30 crores in the



year 1966-67. The figures of labour have risen from 300 to nearly 5000. The machines originally installed in 1957 have been gradually changed to more and more sophisticated ones and today the latest machine like lead-screw-cutting-machine from West Germany has been installed. In addition the Estate has machinery from practically all the countries reputed in the respective trade. On an average a factory owner whose investment was between 30 to 40 thousand in the beginning now comes in the category of 3 to 4 lakh so far the capital investment is concerned.

Some important aspects of the industry are discussed below:-

#### Raw Material

The nature of raw-material required for this industry is as follows:

1. Steel or Cast iron.
2. Bearings, Bolts, Nuts.
3. Gun-Metal & METAL SPRAYING
4. Oil & Lubricants.
5. Colour and Paints.
6. Wood.

There are three sources of raw-material.

(i) Local market in Delhi where the rates are comparatively high but the raw material can be procured on credit also.

(ii) It can be purchased from the other market all over India on cash transactions. This has to be purchased in bulk quantity otherwise transportation charges may go up.

(iii) On Actual User Licence the raw material can be imported from various foreign countries. Much of it is coming from Australia & U.S.A

#### Difficulties in Procurement.

(a) It is beneficial to purchase the raw-material from the first dealer. This requires cash transaction which every small enterpriser cannot afford.

(b) Further it is cheaper also if purchased in bulk. This requires a scientifically maintained godown. There are many factories which are housed in a very small space and the owner although having money to purchase does not do it for want of proper space.

(c) Actual user licences have also been issued to a limited number of factories with the result that those having no licence cannot purchase imported, fine and cheap raw material and therefore face a tuff competition.

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### Disposal of waste

The waste is disposed of as follows:

- (i) Throwing away, there being no market.
- (ii) Using again in the plant after -  
re-shaping it.
- (iii) Some waste is sold to smallest manufacturer  
(Home or family manufacturer) Empty tins of  
Paints etc. are also sold in the market.

### Technique of Manufacture.

The owners or partners in this industry are themselves technicians. They are well-aware of the process of manufacture. Some have employed experienced foremen to help them. They find no difficulty as the Small Industries Service Institution is proving very helpful in case of any handicap.

### Finances.

Almost all the enterprisers are well off as regards the availability of finances is concerned. Some enterprisers have big business and this plant is an off-time endeavour, so they have sufficient money to invest. There are other who have managed loan from,

- (i) Director of Industries.
- (ii) National Small Industries Corporation.
- (iii) State Bank of India.
- (iv) Private Financers.

Cash as well as machines on hire purchase basis have been made available to the enterprisers by the above sources. However, the following improvements are suggested:

1. Simple procedure for granting loan.
2. Prompt sanctions.
3. Guidance at the factory.

### Marketing

Two types of manufacturers are there, (i) those manufacturing Mother Machines (ii) those manufacturing machines for the consumers. The market for the Mother machines is mostly the Government Departments like Defence, Railways, Technical Institutes etc. Manufacturers in Civil also carry these machines all over India particularly in Industrial Centres like Bombay, Calcutta. In south the market is not very encouraging. Consumer machines are sold to retailers all over India.

Some units have exported their products to Nepal and Kenya. But this deal is not very beneficial as the expenditure on Selling Agents is too much and they find it more profitable to sell in India.

Middle Man.

Regarding the necessity of middlemen or selling agents or distributors, there are two different views:

(i) For mother machines like Lathe, the importance of middle man is very badly felt. The manufacturer feels he cannot concentrate on the manufacturing process, if he starts surveying the market. The middle-man has to do nothing with manufacture of the goods so he can fully know the market, its present requirements and future trends. A coalition of both can be of great use.

(ii) But those manufacturing small machines like domestic grinders, Juice machines etc., they do not require a middle-man. They are selling their goods direct to the retailers.

The above mentioned facts prove that the elimination of middle man required the knowledge of product, manufacturing process, market etc.

|  | <u>COST</u> , | <u>SELLING PRICE</u> , | <u>TAXATION</u> |
|--|---------------|------------------------|-----------------|
|--|---------------|------------------------|-----------------|

Cost can be analysed as follows:

|    |  |                    |  |
|----|--|--------------------|--|
| 1. | Raw Material                                     | 50%                |  |
| 2. | Labour.  | 20%                |  |
| 3. | Middle Man.                                      | 12 $\frac{1}{2}$ % |  |
| 4. | Transport.                                       | 5%                 |  |
| 5. | Over-head expenditure,<br>telephone, office etc. | 12 $\frac{1}{2}$ % |  |

The difference between the cost and selling price is from 10% to 12%

There is only sales-tax levied on the product which is realised from the purchaser over and above the cost.

Labour.

The workers in this industry, belong to various communities such as Hindus, Sikhs, Muslims. They hail from different parts of India i.e. U.P. Bengal, Delhi and Punjab. The workers from Punjab are considered by the employer to be more efficient and true to his duties.

These workers are not much qualified academically or technically. But they have on the job experience. This helps the employer to give them discretionary wages.

Recruitment.

Method: The recruitment of workers is done either by taking raw-hands and training them as semi-skilled or skilled worker or through the workers already employed in the factory.

For the purpose the Employment Exchange is not approached by the employer for fear of too many formalities, commitments etc. This agency is reported to be more theoretical than practical.

#### Difficulties.

There are said to be no difficulty in recruiting skilled or semi-skilled workers. As a matter of fact one is kept surplus for unforeseen situation just as sudden illness of the worker or his resignation.

There is no dearth of skilled or semi-skilled workers. They many a time, call at the factory gate for job. Moreover the workers already employed, bring their relatives. Besides raw hands when trained, work as semiskilled or skilled workers.

Unskilled workers are also in plenty and they are even willing to accept less than the minimum wage fixed for their category.

#### Apprenticeship and technical training.

The old and established factories make room in their organisation for the training of apprentices under the National Apprenticeship Scheme. Also the Diploma Holders from different institutions come for practical training.

As regards payment to the apprentices, the practice differs from unit to unit. Some are not paying anything and believe that the apprentices and other trainees are the source of waste in their time, material and machines. But there are other who pay at the minimum fixed for an unskilled worker i.e. Rs. 75/- per month.

The number of apprentices or other trainees is from 2 to 5 in these units.

#### Technical Training

Workers in the Okhla Industrial Estate undergo technical training in their spare time (after their normal duty hours) in the Government Proto-type training centre, under the National Small Industrial Corporation. Workers in other Industrial Areas are not attending such technical training course probably because of the long distance at which this centre is situated from their homes or work places.

Some workers got training in the evening classes organised by the I.T.I.

The factory has no other training programmes except that explained above i.e. on the job training for raw hands apprentices and diploma holders.

#### Absenteeism.

There are two categories of workers in this industry so far the payment of their wages are concerned (i) those paid according to the time rate system and (ii) those on piece-rate system.

Absenteeism is found only in the first category of workers i.e. those of paid according to time rate system. The rate of absenteeism is 10% to 15%. The reasons of absence are personal of the workers i.e. sickness, marriage, death, visit to village etc.

As regards the second category i.e. those on piece-rate system, there is no absence. The reason is quite obvious; a days absence means loss of a day's wages. The workers even prefer to work over-time, on holidays even, instead of remaining absent.

#### Contract labour

There are some small units who get their work done in their own premises on contract system. They call their workers as regular employees on piece-rate system. These contract workers have further employed some workers to whom they (the contract workers) pay from their own pocket. The earnings of each such contract worker ranges from Rs.300/- to 400/- per month. Normally on time-rate system they would not have done so much work and their wages would have been much less.

It is not considered fruitful to do away with such a system. Even the workers who have no security of job, no fringe benefits, no leave etc. do not like to shift to the time rate owing to their huge earnings. They are in a way self-employed and are not under the dictates of the employer. They work with an air of freedom. Employer too is happy because his work is done promptly and without future liabilities.

However, some agency is suggested to be created by the state to get these workers some security against sickness, death and old age.

#### Housing

Many workers belong to Punjab U.P. Bengal, Haryana and many come from Delhi. The factories have done nothing to provide them any house or residential accommodation, nor any cash allowance is paid in lieu thereof.

The Government have, however, made provision for quarters in various Industrial Estate. Some workers have been allotted such quarters in Karampur Industrial Estate. Construction of a similar colony near Industrial Estate Okhla is under consideration.

#### Condition of work.

Canteen. No employer has provided a canteen exclusively for his employees. But there are other canteens to serve the purpose.

Okhla Industrial Estate has a very big canteen provided by the Estate authorities which is serving the need of all the workers

in the Estate. In Najafgarh Area also some groups of industries in the same building have arranged a canteen to serve the need of the workers of all industries in the building. Besides there are private tea-stalls to cater the need of the workers, just outside the factories.

Fair Price Shop.

No such shop is provided by the employer. The workers are served through the Government initiated Super Bazars and the Cooperation Stores for consumer goods.

Consumer Coop. Store.

In Okhla Industrial Estate, one consumer cooperative store has been opened with the endeavour of the employers. Initially employers contributed the money and started the store with the capital investment of Rs.10000/-. In Najafgarh Area too there is Consumer Cooperative Store for Workers of this locality but this is not very popular.

Rest Place-Lunch Sheds

Most of the factories have not provided any rest place or lunch-shed. The canteens or the open space outside the factory serve this purpose. However some employers have spared a room to serve as rest place-lunch room.

Water & Bath-rooms

Almost in all the factories there is adequate arrangement of water for drinking and washing purposes. Bath-rooms and urinals are also provided by the management in each factory.

First Aid and other Medical facility

First Aid Box is provided in every factory. The bigger the factory, the more the contents in the First Aid Box. There is no trained person in any factory to apply the medicines. This work is however, ~~is~~ given to a senior and experienced worker.

Except those factories having contract labour or a working strength of less than 20, all factories are covered under E.S.I. Scheme and the employer is contributing 3% of his total wage bill. For all medical treatments and compensation the workers go to the E.S.I. Dispensary or Local Office. Factories with less than 20 workers or with contract labour also pays some discretionary amount for medical treatment, purely on human grounds.

Compensation for Accident.

Those who are members of E.S.I. Scheme get compensation according to that scheme. But the employer also in serious cases pays some money on-humanitarian grounds. In other factories (not covered under E.S.I. Act) some money is paid on human grounds again. There are no set rules

and hence the amount differs from one worker to the other.

Hours of Work.

Normally for every worker there is eight hours duty daily with one hour lunch break. But those on piece-rate system of payment, work for 10 to 11 hours daily of their own accord for monetary considerations.

Holidays

In addition to the weekly holiday normally on Sunday, the workers get the following paid holidays.

1. National holidays and Festival holidays. ....8
- (ii) Earned leave after .....one.  
20 days.
- (iii) There is no casual leave.

For the piece-rate staff there is no holiday at all.

The sanction of earned leave is also very rare. The employer will never sanction it and the workers have to pose as sick and get certificate from the doctor to get leave.

Organisation of workers.

There is no organisation of the workers at the factory level. Those workers who are at piece-rate system are not interested even to have a union because they have no time to spare for union activities and they are not employees or workers in the true sense of the word.

But there exist what you call the Area Unions which is common union for the workers in various factories, in a particular Industrial Area. Such unions are found both at Okhla Industrial Estate well as Najafgarh Road. These unions have some membership from almost every factory. The office bearers are outsiders as well as factory workers.

The function of these union is mainly to come to the rescue of their member workers when they develop any trouble with the employer. For the purpose the union may organise demonstration or knock the doors of the labour department.

Such unions have no programme to go through the demands of workers of each factory and get them anything from the employer. They also do not have any programme for the welfare of the workers or their families. Reasons given for this is the indifference shown by the workers, owing to the fear of the employer or otherwise to the activities of the union.

Wages

The wages being paid to different categories of workers are shown below.

| <u>Category of workers</u> | <u>Wages</u>                           |
|----------------------------|--|
| 1. Turner.                 | '                                      |
| 2. Planner.                | '                                      |
| 3. Carpenter.              | Rs 100/-<br>per month                  |
| 4. Metaliser.              | '<br>to                                |
| 5. Fitter.                 | Rs. 250/-<br>per month                 |
| 6. Coolie.                 | Rs.70/- to                             |
| 7. Helper                  | Rs.100/-per<br>month.                  |
| 8. Foreman.                | Rs.500/- to<br>Rs.1500/-<br>per month. |

These wages are paid to the time-rate workers. But those of piece rate they are definitely earning more, For example, person in the category from 1 to 5 above the piece-rate worker is earning from Rs.300/- P.M. to Rs.400/- P.M.

Dearness Allowance.

Some factories are paying dearness allowance and showing it separate from basic wage while the other are paying consolidated wage. The rate of dearness allowance is as follows:-

| <u>Basic Wage.</u>              | <u>D.A.</u> |
|---------------------------------|-------------|
| Less than Rs.100/-              | Rs.12.50    |
| Rs.100/- but less than Rs.150/- | Rs. 7.50    |
| Rs.150/- but less than Rs.250/- | Rs. 6.00    |
| Rs.250/- but less than Rs.500/- | Rs.5.00     |
| No. D.A. above Rs.500/-.        |             |

This rate of D.A. is reported to have been paid in accordance with the instructions of the Government.

Provident Fund.

There is no provident fund for employees at piece-rate system. The time-rate workers are enjoying this benefit but the employer contribution differs from unit to unit. Some are contributing 8% as their share while other are contributing only 6 $\frac{1}{4}$ %.

Bonus.

Like Provident Fund there is no bonus for employees on piece-rate system. Here also the bonus distributed to the employees on time-rate system differs. Some Units are paying just minimum i.e. 4% while the other are paying even 14%.

Regarding the period of payment of bonus, some employers are taking their own time. This has resulted in the past, into conflicts



those units. But employer is powerful and hence adamant, so the workers have to bow to his wished.

#### Incentive Bonus

There is no Incentive Bonus being paid to the workers in this industry. The employer may make some ad-hoc payment for exceptional work.

#### Overt-Time

Over-time for those who are employed on time-rate, is there. Owing to the mutual agreement between the employers and the employees the payment for over-time work is at the rate of 6 hours over-time work for 8 hours normal wages, i.e. they are not paid double as is required under the orders of the Government but single wage plus half ( $1\frac{1}{2}$ ) for the period of over-time calculated on the basis of their normal wages.

#### Wage period

The wages are disbursed to the workers every month on or about the 7th. The payment of wages is regular and on dates and the workers are fully satisfied in this respect. Besides the employers give some money as advance of wages every month on or about 20th.

#### Changes in the wage level

There is definitely a change in the level of wages of the workers. During the past 10 years the change is on an average 50% rise. There is no particular category which can be said to have been benefited more. If there is any increase in wages that will have affect from bottom to top.

#### Minimum wage act

There is only one category of workers for which the minimum wage has been fixed for this industry i.e. for the unskilled workers (Coolies, helpers etc.) The minimum wage is Rs.75/- all inclusive.

This minimum is considered by the workers to be much less taking into view the cost of living in Delhi. To meet their expenditure either the workers themselves are doing some part-time work, or their wives are working as labourers or they do not keep their families in Delhi and keep them in their house town or village.

The employers do not feel any difficulty in paying this minimum.

Regarding fixation of the minimum wage, there is need of some high power government agency to conduct survey of the market frequently and consider fixation and re-fixation after every two years. When once the minimum is fixed scientifically keeping in view the capacity of the industry to pay, the price level and the minimum

needs of the worker, there is no difficulty in its implementation. The present authorities can very efficiently see to its effective implementation as there is no need for any change.

### Industrial Relations

To know the <sup>relations</sup> ~~relations~~ of the Employers and Workers, we shall have to divide the units into two:

1. There are units where the employer is also taking effective part in the manufacturing process. He is doing the work with his own hands and remains the whole day with the workers. He realises the genuine difficulties of the workers and remove them promptly. In such factories the relations are quite smooth and satisfactory.

2. The other type of units are those where the employer gets work done through foremen manager etc. Here too if the employers' personal supervision is there, the workers would not have any trouble. There are cases when the workers have refuted the orders of middle management but have been cowed down as soon as the owner of the employer himself asked for the same work. Normally more mis-understandings come up in such units.

### Criteria to judge good Industrial Relations.

If we take the usual criteria of judging the good or bad relations i.e. the strikes, demonstrations etc. organised by the workers or the rate of turn over or the number of lock-outs declared by the employer, then we shall be reaching no where. Because the employer in this industry is all powerful and worker is the most unorganised & weak. This can be calculated from the following two instances.

1. The management delayed the declaration of Bonus for the year abnormally. Some workers requested verbally but to no avail. One of the workers gave in writing. He was asked either to take back the application or go out. Ultimately he was forcibly turned out. Factory had no union of the workers and the area union took up the case. It went to the labour commissioner's offices and after 13 months, some compensation was given. Management never allowed him (the worker) to take job with other employers on account of his influence. All the other workers were not paid the bonus during the period of dispute and a warning was issued that in case of any recurrence of such thing they would suffer more.

2. In another instance the workers demanded leave on a day when due to some national event most of the factories observed holiday. The leave was refused. Three workers left after half day leaving appli-

cation for leave. Next day they were asked to resign or they would be turned out in some theft case or in an other way. The workers had to resign to save the future.

Such instances are not rare. But the workers being weak and unorganised they are suppressed badly. The employer can boast of good relations as there is no strike, <sup>no</sup> demonstration etc.

#### Grievance Procedure.

There is no grievance procedure adopted by the employers. They are not aware of the procedure suggested by the committee appointed by the 15th Indian Labour Conference. The usual way is to have personal talk with the workers' representative and settle the disputes. If it is not settled the conciliation officer is approached for the purpose.

There are certain enlightened employer however who are redressing the grievance in a systematic way. For example one employer holds weekly meeting with the workers and have a free and frank talk. This meeting removes almost all the misunderstandings.

The major causes of disputes are as follows:-

1. Wages.
2. Bonus.
3. Leave.
4. Over-time.

The workers have never asked for better conditions of work or any welfare facilities.

#### Labour Legislation

Regarding the application of Labour Legislation we can divide the units into two:-

1. Those units where all the following labour laws are applicable:

1. Factories Act, 1948.
2. Industrial Disputes Act, 1947.
3. Minimum Wages Act, 1948.
4. Payment of Wages Act, 1936.
5. Employees State Insurance, Act, 1948.
6. Employees Provident Fund Act, 1952.

2. The Second category is of the units where mostly the contract labour is working. Here, only the Factory Act is applicable.

#### Benefits

Workers: Whatever improvement today we see in the condition of the workers, it is mainly because of these labour laws. The employer is not willing to give them anything unless forced by law or for some selfish motive. Now by the application of these laws, the workers are at least assured of some minimum of wages, safety, social Security etc. They know were to go in case of a dispute even when there is no union.

Employer:

Employer - is also deriving much benefit. He has clear-cut specification in respect of working conditions and a lot of responsibility is over from his head because of the social security legislations.

Implementation:

All the enactments are considered to be complete in themselves. They have covered almost all the activities of the working and personal life of a worker. There appears to be no necessity in simply adding to the list of legislation which are already more than enough.

The only need is about the honest implementation. Much is found to be provided under the Factory Act, 1948; the aspects of safety and welfare have totally been ignored. Labour Department and Industries Departments should fully coordinate between each other to get these laws implemented.

Extension of Labour laws

These laws are required to be extended to units employing contract labour. Such units are not doing anything so far the welfare, Social Security etc. of the workers is concerned. If the worker is healthy and fit for work he will be happy as he is getting more than the other workers, but in case of sickness, death, old age they would not get any thing and this will disrupt their life altogether as there is expected to be a break in their usual income.

Some Provident Fund to cultivate a habit of saving and some social insurance should be made applicable to such contract workers also.

Tripartite Decisions

Instead of resorting to laws only, workers and employers should be morally educated to voluntarily accept and implement the decisions taken in various tripartite conference in our country.

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MA/

Woollen Industry, Panipat, Distt. Karnal,  
Haryana.

Brief History

Woollen Industry exists in Panipat since pre-partition days. At one time this town alone was supplying about 1/10th of the total defence requirement. The yarn then used was spun on hand Charkhas. Most of the workers were Muslim. The industry received a severe set back in 1947 when on account of partition the entire labour migrated to Pakistan. However, a Government woollen development and finishing Centre which was functioning at Panipat helped considerably in the rehabilitation of this industry. In 1950 a spinning mill by the name S.N.S. Woollen Mills was set up by a party of Amritsar. Thus locally manufactured mill spun yarn was made available. Since the mill made good profit and also as Panipat had become established wool market, some more spinning mills were also set up. Weavers from Multan (Pakistan), migrated to India during partition, filled the gap created by the exodus of Muslim workers. Woollen Blankets started to be produced on about 5000 hand-loom.

At present there are 31 units which are spinning woollen yarn and 8 of them are composite units where spinning, wearing and calendering are going on simultaneously. It is providing employment to about 2000 workers. Annual turn out now is about 2 crores worth blankets, mostly to meet the requirements of Defence and Hospitals.

The present condition presents a somewhat gloomy picture because of meagre demand from the Govt. The industrialists are constrained to think of taking up of manufacturing of other articles such as cheap blankets (Mixed), making yarn and carpet yarn for civil requirements. The industry though partially paralysed is exerting hard to survive with suitable arrangement for supplying of shoddy kotas, availability of facilities for finishing and calendering of finer garments, such as civil blanket shawls, tweeds and surges. The industry cannot only regain the lost footing but has also great potential for further development because of the presence of large number of skilled workers, technical know-how, finances and spinning mills.

Some important aspects of woollen industry at Panipat are discussed hereunder:

1. Raw Material

Panipat is a market for Raw-Wool. This is the biggest market in Haryana. Indigenous raw-material is being used to make whatever best quality of goods can be made. However, arrangement is there for manufacturing finer quality if finer raw-material is provided. There

Contd....

are three sources of procuring raw material.

(a) From the local market at Panipat. This is most easy way because indigenous raw material is available readily and on credit. But this is not of very high quality.

(b) Secondly, raw material for this Industry can be had from other states in India. This is somewhat finer than the one available in the local market. But here the trouble is of cash payment. Many small enterprisers cannot afford a lump sum cash payment. If it is purchased in bulk, also there is difficulty of storing it safely.

(c) Material coming from foreign countries is said to be fine and cheap. But the Government have not issued import licences. Now the Govt. are reported to have decided to procure finer raw material from other countries and distribute 80% among the user.

Here it would not be out of place to mention that the manufacturers at Panipat cannot compete the manufacturers in other state because of this handicap of import licence. For example, such licences have been issued by the Punjab Government to manufacturers at Amritsar and Ludhiana who are selling fine quality goods comparatively at low price.

Waste material is sold locally as well as to merchants from Rajasthan and U.P. It is used for manufacturing coarse cloth "Namda" etc. and as fertilizer. It is also used for manufacturing low class saddles for bicycles.

## 2. TECHNIQUE OF MANUFACTURE & MACHINES

The machinery which is available at present is suitable for the type of raw material made available to the manufacturers. Of course, if they get fine material, they would be needing improved machinery which would be imported. Manufacturers in other states in India are using modern machinery. Productivity can be raised as much as thrice if fine raw material and imported modern machinery are provided to these manufacturers.

## 3. FINANCE

There are two views regarding utilising the finances: Mostly the enterprisers are in favour of getting loan and expanding the work. But a minor section is of the views that "Go slow and within means" is more beneficial. They are not in favour of taking loans. But mostly the manufacturers want more finance which can be possible only in the shape of loan from normally the following sources:

(i) Director of Industries.

- (ii) National Small Industries Corporation.
- (iii) State Bank.
- (iv) Cooperation Banks.
- (v) Private individuals or institution.

To get loan is reported to be not very easy. The following impedements generally come in the way:

- (i) Long official process. File work reports, Statements etc. (Red Tape).
- (ii) It is given generally against immovable property and nothing against machines. Those who do not possess property cannot get loan.
- (iii) Knowledge of the sources of loan to the manufacturers.
- (iv) Personal influence.

It is felt that nothing encouraging in this respect is being done to the small enterprisers by various Government or Semi-Government institutions dealing with small Industries. If loan with less interest, no humiliation and easy terms, is available, there is bound to be expansion, more employment opportunity and more product in the market.

#### 4. MARKETING

There is no organised market. In 1937 Government of India appointed a Commission which was to study four aspects of this industry. They were:

- (i) Design.
- (ii) Dying.
- (iii) Finishing.
- (iv) Marketing.

Though the Commission made some recommendations regarding marketing but no step was taken by the Britishers to improve the market. Notable points about marketing are:

(i) Big manufacturers have made a monopoly. Whenever there is a demand from the Government, they conspire and fill the agreed rates in the tender and manage a big share for themselves. Very small enterprisers with less than 10 workers and 3 to 4 machines have no say. It is through sheer luck they get orders or by a favour done by the big enterprisers.

- (ii) Khadi Gram Udyog too hit hard on the market of this industry

for the following reasons:

- (a) This (khadi) industry has not to pay any tax.
- (b) Maximum financial help from the Government.
- (c) Introduction of Khadi in various Government departments i.e. protection by the Government.
- (d) They can afford to go on loss even with a high selling price.

(iii) In civil market, Panipat Manufacturers cannot compete manufacturers in other states.

There are three suggestions i.e. either some (i) Apex Society or (ii) Manufacturers Association or (iii) Some other Government Agencies should survey the market and create demand. But this is a very cumbersome task because the demand is seasonal i.e. for first two or three months of winter. Also by providing imported machinery, fine material, finance on easy terms, Government can enable the manufacturer to stand against the competition in the civil market.

The finished product going to the market is mostly the woollen Blankets and in few cases woollen yarn also.

#### Middleman

Orders come direct to the Manufacturer from the Government Departments so there is no middleman. The manufacturers may need any selling agent or distributor if they shift to the Civil market. In that case it would not be advisable to do without the middleman as the manufacturing and selling are two different aspects of industry and requires individual attention. Selling require alround survey of nature of goods in demand and manufacturers have to improve in quality and cost to compete.

#### 5. Taxation.

The taxes are also not rational. The following taxes and fees are to be levied from a manufacturer.

- (i) Excise Duty on yarn. 80 paise per Kilogram.
- (ii) Excise Duty on Fabric. 11%
- (iii) Purchase tax if raw material is purchased from Haryana. 3% to 6%
- (iv) Sales Tax. 5%
- (v) Professional Tax. Rs.150/- yearly.

contd...



|                                   |                |
|-----------------------------------|----------------|
| (vi) Marketing Committee Licence. | Rs.10/- yearly |
| (vii) Factory Licence.            | Rs.50/- "      |
| (viii) Weight & measure.          | Rs.20/- "      |
| (ix) Carding wool committee       | Rs.50/- "      |

The total percentage which is added to the cost by various taxes is from 10% to 12%. The taxes are levied on the product at different processes of production. For example, when raw wool is converted into yarn there is a tax and the same yarn when converted into fabric, again there is a tax.

Cost and Selling Price

The difference between the cost and the selling price of the product is ranging from 5% to 10% the cost can be analysed as under:-

|                          |     |
|--------------------------|-----|
| 1. Raw Material          | 50% |
| 2. Labour.               | 30% |
| 3. Transport.            | 3%  |
| 4. Taxes.                | 12% |
| 5. Over-head expenditure | 5%  |

6. Labour

The workers employed in this industry belong to various castes and communities in India. They are:- (i) HINDUS, (ii) MUSLIMS, (iii) SIKHS.

Mostly the workers are 'Porbias' from Distt. Faizabad (U.P.). Also the number of scheduled Castes is comparatively high.

Their educational level, so far academic qualifications are concerned, is below matriculation. In their technical qualification too, they generally do not possess any certificate from a recognised institute. They have however, 'On the job' experience which is the basis of their securing job and particular grade. The following table pertaining to the workers interviewed will explain further:

| Unit | Academic qualifications.                                   | Technical qualifications         | On the job experience in yrs. |
|------|--|----------------------------------|-------------------------------|
| 1.   | <u>Below Primary</u><br>Can read and write a bit of Hindi. | Nil                              | 12                            |
| 2.   | Matriculation  | Nil                              | 8                             |
| 3.   | Below Middle   | Nil                              | 4                             |
| 4.   | Illiterate.  | Diploma in mastery from N.S.I.C. | -                             |

Contract Labour:

The industry does not employ contract labour. The employment is regular and payment made under time-rate system. If there is no demand they are retrenched with due compensation.

Increasing employment Potentialities.

To increase employment needs to increase demand for the product of the industry. As has been suggested above that the market needs to be surveyed by some higher agency, in the civil because there is a limit to the requirement of Government Departments. There is enough civil market if properly explored. The employment goes up with high demand and come down with recession.

Growth

a(i) Capital: The rate of growth in capital is not steady. It varies from unit to unit. However, one fact has come to light that the smaller the unit, so far the capital investment is concerned, the higher is the rate of growth. See table below:-

| Years of starting. | Capital invested. | Present capital. |
|--------------------|-------------------|------------------|
| 1960               | 4 lakh            | 6 lakh           |
| 1952               | 1 lakh            | 4.5 lakh.        |
| 1947               | 25 thousands.     | 1.5 lakh         |
| 1942               | 3 thousands.      | 2.5 thousands.   |

Growth a (ii) Techniques of production & Mechanisation.

All the units are aspiring for growth. But literally not much change is visible in the technique though addition is there, just as a unit started with carding work, come to spinning, dying finishing etc.

There is an appreciable increase in the number of machines. From carding machine to spinning and to finishing. This addition affected adversely to certain units. On account of recession in one unit 3/4th of the machines were idle. This in turn resulted in retrenchment of workers.

Growth a (iii) Fuel. Electricity is the only fuel being used in this industry.

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Growth a(iv) Labour employed. The employment of labour in a factory depends mainly on the demand of product from the Government departments. Today there is work, there will be recruitment; tomorrow if there is no work, all those employed will have to go. Generally the principle of first come last go is adopted and retrenchment is done with compensation as per the laws. The following table shows the labour position at different periods.

| Unit No. | Year                 | No. of labour employed |
|----------|----------------------|------------------------|
| I        | 1959                 | 50                     |
|          | 1965                 | 250                    |
|          | 1968                 | 76                     |
| II       | 1960                 | 45                     |
|          | 1968                 | 68                     |
| III      | From 1947 to<br>1968 | 16-17                  |
| IV       | 1947                 | 3                      |
|          | 1965                 | 9                      |
|          | 1968                 | 7                      |

Growth B the category of workers and their wages:

| <u>Category</u> | <u>Wages in rupees</u> |
|-----------------|------------------------|
| Carding man.    | 85 to 115              |
| Ring-frame man. | 110 to 120             |
| Spinner         | 110 to 120             |
| Turner.         | 130 to 145             |
| Condense man.   | 110 to 120             |
| Opener.         | 75 to 90               |
| Winder.         | 75 to 90               |
| Driller.        | 50 to 60               |
| Cooker.         | 75 to 90               |
| Clerk.          | 150 to 250             |

contd...

Normally the increase in wages during the last decade is 25% to 30%. But there are units who have raised from 10% to 20% only. The minimum wage has been fixed by the State Government for certain categories and that minimum is being paid without exception.

The growth as such in the employment of labour is not visible. During all these years the same category of workers are employed. Due to recession there was no definite demand. So there was no expansion which in turn forbidden appointment of highly qualified engineers, masters etc. Mostly owners or the manager, they are technical hands and supervise the work themselves which leaves no room for engineers and masters from outside.

#### Growth C. Wages of Different Category

Regarding the increase of wages of different categories, one notable fact is that if there is increase this will affect all categories. To make it more clear it can be said that if there is an increase of Rs.5/- in the wages of spinner, there will be increase almost of the same amount to the wages of the workers in the other trades in the similar wage group. Then the upper and the lower category will also get proportionate increase. This goes to show that there is no change or very little change in the wage differentials.

#### Growth D. Labour Legislation.

Leaving aside those units which are having a working strength less than 10, on whom no labour legislation is applicable, the following labour legislations are applicable to the units in those industry.

1. Payment of wages Act, 1936.
2. Minimum Wages Act, 1948.
3. Factories Act, 1948.
4. Industrial Disputes Act, 1947.
5. Employees State Insurance Act, 1948.
6. Employees Provident Fund Act, 1952.

All except the social security legislation were there at the time of start of the unit. The only change is the introduction of two Acts. i.e. Employees State Insurance Act, 1948 and Employees Provident Fund Act, 1952. This does not apply to the units having working strength less than 20. Further there are units who were previously having working strength of more than 100. In these units Industrial

Employment (Standing Orders) Act, 1946 is also applicable.

Manufacturing Process.

Manufacturing process, the whole of it is generally completed within the same premises.

RECRUITMENT

Method of Recruitment.

The following four methods are most popular regarding recruitment of workers:

- (i) Taking raw hands and training them as semi-skilled or skilled workers. On the job training is very much appreciated to the diplomas from the training institutes.
- (ii) Skilled, semi-skilled or unskilled workers call at the factory gate, if unemployed. They are recruited if there is any vacancy and when the employer is satisfied to his character and antecedents.
- (iii) The third way is to ask the men already working in the factory to bring some of his relatives to fill in the vacancy if there is any in any trade.
- (iv) Those persons are also employed who are having relations with the employer, his friends etc. or coming through an influential person having hold on the employer.

DIFFICULTIES:

The difficulty in securing skilled or semi-skilled workers exists in very small units where the workers find no security of job. There is no surety that these units would provide job for all the 12 months in a year. So the workers either do not join or if compelled by circumstances to join such units, they leave as soon as they get another job.

EMPLOYMENT EXCHANGES:

The employment exchange does enjoy a good reputation in the industry for making available semi-skilled or skilled workers. The reason for this is: (i) long procedure (ii) terms and conditions for security of job, welfare and other benefits (iii) sponsoring candidates with diplomas but no experience (iv) delays.

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APPRENTICE AND TECHNICAL TRAINING

There is no apprentice taking training under the Apprenticeship Act, 1962 or any other Act. There are two types of training; the one is to those raw hands who are to get employment after training; the other to the relatives of some employee who get certificate of experience in a particular trade which enable them to secure job in some other factory.

The workers already on the job never go for training in their spare time.

ABSENTEEISM

The rate of absenteeism is one for every twenty workers: the reasons generally are

- (i) Domestic work.
- (ii) Sickness of self or any family member.
- (iii) Marriage.
- (iv) Death of Relative.
- (v) Visit to village or to relative.

Employment (Migration)

The workers are mostly belonging to Panipat or its adjoining area or from U.P. Besides there are few workers from Panjab and Rajasthan. Proportionately they can be divided as under:

| Local (Panipat & Adjoining area) | U.P. | Other |
|----------------------------------|------|-------|
| 45%                              | 45%  | 10%   |

All the workers have regular appointments and there is no contract labour.

HOUSING

Workers have their own arrangement for their residential accommodation. No such facility has been provided by the employer. They feel that with such a meagre strength of workers and small profits it is not within the capacity of the factories to provide housing accommodation. State authorities also have not taken any step to this effect.

CONDITION OF WORK

Canteen: Generally there is no canteen for the workers provided on the factory's initiative. This was tried by one or two biggest

units and they were capable of running canteens on no profit no loss basis but these canteens were closed with the retrenchment of workers due to recession and no demands.

#### FAIR PRICE SHOP

There is no fair price shop provided by any factory or the state for workers.

#### CONSUMER COOPERATIVE STORE:

There is a consumer store in Panipat, not particularly for the workers of this or other industries, being run by a semi-government agency. At the time of start it is reported to have assured quality consumer good at less than market price but the management could not fulfill this promise and at present things are available at market rates. Controlled goods though being supplied by the State Government to the store but they are said to be never sold to the consumers.

One or two big factories, have purchased share of the consumer cooperative store for providing cheap goods to their workers. But this is said to be of no use as the workers are deriving no benefit out of it. Some workers of their initiative too have purchased, shares of the consumers cooperative store.

#### REST PLACE WATER BATH ROOMS

There are no rest places or separate lunch-shed or relaxing room etc. provided by any factory. The workers have no time to rest except one hour for lunch. They take their lunch either at the work place itself or in the open ground, street etc. outside the factory. Few small privately run Tea-stalls are in the industrial area which are of great benefit to the workers.

Drinking water, Bath rooms and Urinals are provided by 95% of the factories. For water some factories have their tube-wells while other have earthen pots. But certain smallest units with 7 or 8 workers have not provided any of these facilities. Workers go out to some adjoining water-pump for drinking water and use the open ground outside the factory, as urinals.

#### MEDICAL FACILITIES

##### First-Aid

For immediate relief in case of accident or sickness, first-aid boxes have been kept by every factory. However, the lower the number of workers in a factory the lesser the contents in the first-aid box. These factories have no formally trained person with them

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who can apply medicines in case of emergency.

#### EMPLOYEES STATE INSURANCE

Those factories having more than 20 workers are covered by the Employees State Insurance Scheme. The share of the employer is 3% of the total wage bill. For all medical treatment workers approach the E.S.I. Dispensary. But there is not adequate arrangement for treatment as there is only one ESI Dispensary for the whole of Panipat.

In factories with less than 20 workers, the employer to his discretion, may pay some money for medical treatment.

#### COMPENSATION FOR ACCIDENT

Those who are members of E.S.I. Scheme get compensation under that scheme. The employer pays nothing except his own contribution to the scheme. Those who are not covered by this scheme may get some ad hoc payment, at the discretion of the employers, purely on humanitarian grounds and not as a matter of right.

#### HOURS OF WORK

Normally the workers have 8 hours work daily with one hour lunch-break. Because of recession there is no additional work for the workers to sit over-time. Even when there is work there is no formal overtime duty as the employer does not want to pay double the wages. However, the employer ask worker to sit overtime either for no compensation or for a very nominal fixed amount. For example, one employer pays to a worker a sum of Rs.5/- a month for staying after normal duties and cleaning the machines for 1/2 an hour daily.

#### HOLIDAYS

There is one weekly paid holiday generally on Sunday. In addition there are the following paid holidays in a year.

- |                       |                               |
|-----------------------|-------------------------------|
| 1. Casual Leaves.     | 7                             |
| 2. Earned leaves.     | One after every 20 days work. |
| 3. National Holidays. | 3                             |
| 4. Festival holidays. | 5                             |

Apparently the above list of holidays, a worker is expected to get in a year on full wages, is very encouraging. But the fact is otherwise. Except 3 National Holidays and 5 Festival Holidays, the workers get no leave. Especially the earned leave the worker will never get. There are cases when applications for earned leave have



not been considered by the employer for 2 to 3 years. A general feeling of the workers is that if they press their demand for leave, their services will be in danger as they are much weak before the employer.

#### ORGANISATION OF WORKERS

Units which are having less than 50 workers have no trade union of the workers. Here the workers are entirely at the mercy of the employer. Employer may be a reasonable man but workers have no strength and depend on his discretions for everything including the security of their job.

Big units approximately with more than 50 workers have a trade union of the workers, registered under Trade Union Act, 1926 and recognised by the employer. These unions are affiliated to a big outside union known as Engineering and Textile Workers Union, Panipat. These unions have normally the following office bearers.

- |  |                  |
|--|------------------|
| 1. President.                          | Outsider         |
| 2. Vice President.                     | Outsider/worker. |
| 3. Secretary.                          | Worker           |
| 4. Treasurer                           | Worker           |
| 5. Executive Member )<br>(No.3 to 5) ) | Worker           |

#### Affiliation

Plant Union  
called Branch Union.

Area Union  
(Engineering & Textile Workers Union)

State & Central Union  
I.N.T.U.C.

#### Membership

About 80% of the workers of a unit are the members of the union. The other 20% are said to have their sympathies with the union, but openly do not come forward because of the fear of the employer.

#### Funds

Members pay a subscription of 25 paise per month.

#### Meetings

Meetings are not frequent and are attended to by many workers, only if any meeting on vital issues like wage etc. is arranged by the Area Union, it is attended to by most of the members.

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### Function

The unions are weak, without funds and trained leadership. Their activities are only intra-mural and they feel that union means to get some benefits from the employer. Their main function is to arrange demonstration wherever possible against an employer to get more for the workers.

About the extra-mural activities or for the welfare and efficiency of the workers, the unions have never even thought, leaving aside doing anything. The reasons being no education about the union-working to the members and leaders.

### Wages

Dearness allowance: Prior to award by the State Government the wages were split into basic wages and dearness allowance. For example, the spinner was getting Rs.95/- (Rs.80/- as basic wage plus Rs.15/- as dearness allowance). But according to new orders of the State Government this D.A. was merged in the basic wage. Now in the revised minimum fixed by the State for spinner is to get Rs.115/- as consolidated. Now there is no separate dearness allowance. The increase of wage is neither fixed with price index nor according to any regular grade. The employer is bound to pay the minimum and further increments depend entirely on his discretion.

### Provident Fund:

Factories with a working force of more than 20 are covered under the Employees Provident Fund Act 1952 the workers who have put in 240 days of continuation work are the members. Here the employer is going with all precaution. He will allow only the most needed number of workers to complete the requisite number of working days. Otherwise there will be a break in service on one pretext or the other. Enquiry reveals that these shown as temporary are working with the factory since years but they do not have continuous service at their credit. Share being paid by the employer is 8% of the wages and the same amount is also deducted from the wages of workers.

The workers in units with less than 20 have no social security. They are not covered under the Employees Provident Fund Act hence they cannot get anything from the employer or save from his own wages despite his continuous service for years in the same unit. Employer is tectful enough not to allow their strength at least on paper to be more than 20.

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BCNUS

Bonus is paid only in big concerns. Out of the four units visited only two big units are paying bonus. But there is much difference in amount being paid. In 1967 one concern has paid 9% while the other almost with the same status has paid 4 $\frac{1}{2}$ %. Small units upto 17 workers have nothing to pay as bonus.

Incentive Bonus:

There is no incentive bonus but some employers are reported to have paid some reward for exceptional work.

OVER-TIME

According to the Government orders the employer is to pay double the wages for the over-time work and this is the main cause that no employer has shown any entry of over-time in his record. As verified from the workers the over-time is there on single payment or on some ad hoc payment. Workers cannot ask the employer to pay double according to the Government orders as they are weak and fear termination.

Wage-period:

The wages are paid to the workers monthly in all the units. Normally it is paid on 7th of every month but in rare cases it may be paid on a day later or earlier. The workers have no complaint regarding the regular and in-time payment of their wages.

There is also a system of paying advance from wages on or about the 20th of every month adjustable in the next wage payment.

MINIMUM WAGE ACT

The minimum wage has been fixed for certain categories of workers in this industry like unskilled workers, spinner, turners etc. It ranges from Rs.75/- to Rs.115/-. Except in those units where there is no labour law applicable, all the other units are paying at least minimum to the workers.

Taking into account the price level of the city as well as the paying capacity of the industry it can be said that the implementation of the minimum wage agreements is quite satisfactory; the reason being the judicious fixation of the minimum. An unskilled worker getting Rs.75/- can pull on well in Panipat with a family of four. It is not possible and advisable to raise the minimum because of reduced capacity of the industry owing to recession.

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### WORKERS ADVERSELY EFFECTED

Certain workers have been adversely effected by the fixation of wages. The employer has to pay a fixed minimum irrespective of the merit so even in those cases where otherwise they would have given more they are paying only the minimum.

### INDUSTRIAL RELATIONS

There are two extremes as regards the industrial relations in small industries are concerned: Either there are very good relation or acute bad. The reason is the personal contacts of employer and employees. There are personal regards or enmity and nothing against the institution or an organisation.

Different units of the same industry may have different paying capacity which results in difference in the payment of bonus etc. This results in conflict because the workers or their union cannot understand economic implications of the two units. The workers union howsoever small they are, try to explain the situation.

#### Causes of conflict:

In the present study it has been revealed that there were some demonstration organised by the workers of big factories on the following issues:

- (i) Misbehaviour of the Employer.
- (ii) Increase of wages.
- (iii) Double payment of over-time
- (iv) Bonus.
- (v) Condition of service.
- (vi) Welfare.

#### Grievance Procedure and settlement of Dispute.

There is no grievance procedure as such. Workers do not raise petty grievances out of fear. But if there is a dispute the settlement is done by two ways.

- (i) By personal discussion with the workers themselves, or with the union representatives.
- (ii) Through the conciliation officer of the labour department.

#### Ignorance of the workers and union.

The workers are not vigilant enough to their rights and their union lacks fund, organisation and influential leadership that is why they are passive and have to bow before the employer. Employer thinks he has good control and using his discretion very frequently

and against the worker. This frustration may accumulate and may result in odd situation.

### LABOUR LEGISLATION

Regarding the application of Labour Legislation in this industry the units can be grouped under three heads:

Those units where almost all the labour legislations are applicable. They are:

1. Payment of Wages Act, 1936.
2. Minimum Wages Act, 1948.
3. Industrial Disputes Act, 1947.
4. Factories Act, 1948.
5. Employees State Insurance Act, 1948.
6. Employees' Provident Fund Act, 1952.

Even the Industrial Employment (Standing Order) Act, 1946 applicable to certain top units.

Secondly, there are units where all the above acts except the social security measures i.e. Employees State Insurance Act, 1948 and Employees Provident Fund Act, 1952, are applicable.

Thirdly there are units with less than 10 workers where no Act is applicable.

#### Benefits to workers

These Acts are actually doing much to protect the workers from any exploitation by the employer. They (workers) at least have the minimum to keep their body and soul together definite date of payments, improved condition of service, social security and an impartial machinery for settlement of disputes. Had there been no legislation, the worker being too weak and ignorant he would not have been in a position even to get half of what he is getting owing to the enactment of laws.

#### Benefit to the Employers

Not only the worker but the employer also is in a position to know his stand. When the pay is to be given-what is the minimum, whom to approach in case of dispute etc. are now clear to the employer. By the enactment of social security measure a lot of responsibility is over from the head of the employer.

#### Implementation

In the present circumstances we do not need to add further to the lost of labour legislations. What is required is the proper implementation. Much of the slackness is found in the implementation of Factories Act, 1948 especially the safety and welfare part of it.

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Actually the labourer is not enjoying a good reputation even in the mind of the authorities who are to enforce, these Acts owing to frequent labour troubles in various parts of India and outside, so they also side with employee. The net result is not in favour of the workers.

Extension to small units.

The feeling on the side of the worker is that the provision of these Acts especially the social security measures, should be extended to the small units. A unit where 17 workers are working for over 10 years have no social security while their counterpart in another unit (with more than 20 workers) are enjoying great security in case of sickness accident, child-birth-death and old age.

The lot of those workers in a unit with less than 10 workers is worst. They can be turned out any time without any compensation. There is no provision of safety, hours of work, wage payment, social security. Something concrete is needed to these workers.

Tripartite Machinery.

The trend in our country is to shift from laws to the decisions of tripartite machinery. But in this industry both the workers and management are unaware of code of discipline, model grievance procedure etc.

Engineering Industry, Alwaye, Kerala.

1. INTRODUCTION

The implementation of the various industrial and agricultural programmes under the five year plans rendered engineering products in short supply. Accordingly facilities in the existing engineering units were enlarged and large number of new units came into being especially in the industrial estates. However the small scale engineering sector has to catch up with the diversity and higher technological levels of development noticed in other parts of the country. Marketing problem is there due to the absence of established channels or separate agencies. Employers complain that credit facilities are not available in adequate measure in spite of the facilities provided by the State Financial Corporation and other agencies. Power shortage is also felt in certain units. Another problem faced by the small engineering units is the taxation applicable to their products. When a large unit manufactures a product which requires different parts and components, parts manufactured under its own management do not carry any duties and taxes. But on the other hand, when small units manufacture components and parts for the same product they are to pay duties and taxes. Over and above this, there is a keen competition from small scale engineering units from other States.

In spite of all these problems the small scale engineering industry is a prospering industry. There is ample scope for its expansion. As industrialisation gathers momentum small engineering units will diversify their products and services. Two decades back engineering units were few in number in Kerala, and confined to service of maintenance nature. In the present decade with the availability of technical know-how engineering industry is manufacturing electrical components, textile machine parts, transformer parts, machine parts, valve discs and rotary vacuum pumps and suction pumps. These finished products are generally absorbed by the big industry.

2. RECRUITMENT

The personnel required for running the industry is recruited from the open market. There is no difficulty in getting skilled workers as large number of boys are turned out from the Industrial Training Institutes, with basic knowledge in different trades. Most of the owners ..

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of the small industrial units are themselves technically qualified persons. The workers selected are paid stipend for a period of 4 to 6 months. In some units they are paid Rs50/- p.m. during their apprentice period. But this is not so in all units. Unremunerated apprenticeship system is prevalent in most of the units. It is gathered from the unit owners that the T.T.I. trained boys pick up their work very quickly and turn out good work.

In most of the units there are no facilities for technical training in spare time. Regarding absenteeism it may be stated that in certain units which are located in agricultural areas workers who hail from agricultural households abstain to help their people in the farms during the busy seasons.

### 3. EMPLOYMENT

labour

In almost all units local/is employed and, therefore, housing facilities are not provided. Contract labour system is not in vogue. The present position in Kerala is that there is unemployment among the educated and technically trained persons. The expansion of the small scale sector is inter-linked with the rapid progress of large scale industry. As ancillary and feeding units the small engineering sector can expand and progress. For this the establishment of big industry in this part of the country is essential. At present there is seasonal employment as well as under-employment among workers due to the general recession.

There is scope for increasing employment opportunities.

A general complaint put forward by the employers is about the under-utilisation of installed capacity due to the shortage of raw-material. This is not true in the case of all units. Some materials are scarce and a few units suffer due to it once in a way.

Generally there are no subsidiary industries for utilising the waste material.

### 4. CONDITIONS OF WORK

The working conditions in all the units are not satisfactory. Units functioning in the industrial estates have sufficient light and space and there danger to health is not visible. It is not so in other units housed in private buildings. Canteen, fair price shops, rest place, lunch shed and bath room facilities are not available in the units. Drinking water is provided and first-aid facilities are available. In case of accidents compensation is paid. Paid holiday is not given normally to the workers. Generally extra wages are not paid for over-time work.

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Half-an-hour recess is given to the workers to take lunch. The total working time is 8 hours. Leave facilities are available in such units which come under the Factories Act. But there is a tendency among the employers to evade the provisions of the Factories Act.

#### 5. ORGANISATION OF WORKERS

The workers of the units are not generally organised. During the discussion with the worker-leaders of certain units it is gathered that there is fear of victimisation for union activities and so the workers are not enthusiastic in joining the union. Nevertheless union-consciousness is there and a few unions are in existence. Closer contact with the employer very often compel the workers to be moderate in their demands. It is gathered from the workers that they are exploited due to the absence of strong unions among them. The managements, on the other hand, complain that proper demands are not placed by the workers.

#### 6. WAGES.

The wage rates are very low when compared to the existing wage rates in other sectors. After working for a period of 6 months as a paid or unpaid apprentice a skilled worker gets on an average of Rs3/50 per day. During the discussion with the workers it is gathered that they get lesser wage than the unskilled agricultural workers. Most of the skilled and semi-skilled workers are drawn from the agricultural sector. Their parents who work in the fields earn more than the semi-skilled workers in the small scale industrial units and these workers are also not getting any D.A. or Bonous. Provident Fund and incentive bonous schemes are not introduced in many units.

The wages are paid generally during the month end, but weekly payments are also made in some units. Ten years earlier wage rates were low. I am told that such small engineering units were very few in number in those days and the workers were paid a consolidated amount of Rs30/- to Rs40/- per month a decade back. There is no appreciable increase in wages when we compare the wage rates that were in existence earlier.

The following table gives the details of average wages in different periods:

| <u>10 years back</u> | <u>5 years back</u> | <u>At present</u> |
|----------------------|---------------------|-------------------|
| Rs1/25 per day       | Rs2/- per day       | Rs3/50 per day.   |

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## 7. INDUSTRIAL RELATIONS

Most of the small scale engineering units are proprietorship concerns. A few partnership firms are also running such units. In those concerns one of the partners usually manages the firm. Because of this nature, there is closer contact with workers, who are usually small in number. The general feeling is that there is better employer-employee relations in small units. It is true that the workers know the problems of the management and the employer is able to understand the needs of the workers. But from the discussion with the workers it is gathered that because of the personal interest of the employers for more profits workers are tightly controlled.

The workers are not able to assert mainly because their job-security in such units mainly depends upon the managers' likes and dislikes towards the industrial workers. Therefore, strained industrial relations in the form of strikes and slow-downs are not visible in these units.

Added to this, the employer personally knows the worker and his environment. Employers' paternalism and the workers' indebtedness towards the employer compel the worker to suppress his feeling though he is conscious of his rights.

In small units the owner himself looks into the grievances of the workers. He is interested to limit the number of workers to the minimum possible to avoid liabilities under various Labour Acts. Whenever he is drawn into the purview of the Industrial Disputes Act he tries to settle the matter directly with the worker in order to avoid the intervention of others in his affairs. Generally small unit owners are not in favour of bringing their units under the purview of all the labour enactments. Their feeling is that the implementation of these Acts involves cumbersome procedure and a lot of administrative hitches.

## 8. LABOUR LEGISLATION

The fruits of labour legislation are not enjoyed fully by the workers of this industry. Among the various Labour Acts, only a few Acts are applicable to these workers. Benefits of Social Security Enactments like Employees' State Insurance and Provident Fund Acts are not enjoyed by the workers of the small units. Lay-off

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benefit under the Industrial Disputes Act is not derived by these workers because in many units the number of workers are very few. Most of these units will not be covered by the Payment of Bonus Act. As many of the units will not come under the definition of 'FACTORY' as defined in the Factories Act, the benefits under the above Act are also not enjoyed by these workers.

According to the worker-leaders these workers must also get the benefits and protection under the Labour Legislations. But they are not able to put forward any concrete proposals. The only way is to remove the restriction which stand in the way of extending the provisions of these Acts to the unorganised sectors. But it is not feasible in the present economic structure of our society.

The managements are already opposing the implementation of these Acts. Their contention is that a small entrepreneur normally is himself the manager and supervisor and does not possess a specialised staff to look after the various labour laws. Another point is that the financial commitment of the employers will increase in case the provisions of the Acts are extended to these workers.

#### 9. MINIMUM WAGES ACT.

The workers in this industry are not at present covered by the Minimum Wages Act as 'Engineering' is not included in the schedule.

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Saw Mill Industry, Alwaye, Kerala

1. INTRODUCTION

The industrial situation existing in Kerala will reveal that the share of the small scale sector is large, i.e., 61% and that of the large scale sector is small, i.e., 39% and yet the industrial share forms only 14.4% of the State economy as compared to 20% of this sector in India. Such a situation indicates two contradictory phenomena - that the State is industrially backward and yet the State had advanced better than other States in the small scale sector in exploiting the natural available resources like Coir, Cashew, Clay, Copra crushing, Wood and Fish. Even today the traditional and simple processing industries dominate in number and output than the modern industries connected with engineering, chemical, rubber, plastic, leather, etc.

Saw Mills come under the traditional forest-based industry. Kerala's natural resource viz., Wood is the basic material for this industry. In the year 1957 there were only 131 wood-based industries whereas in 1967 there are 476. Saw Mills are mostly located in the towns through which a river is passing. Even today logs are transported through the river to the work spots.

The main operations carried out in the Saw Mills are (i) peeling and slicing (ii) sorting (iii) pressing (iv) finishing and (v) manufacture of packing case. The timber logs are first cut to size and debarked. Handling of materials is mostly manual. In most of the Saw Mills logs are moved to the yard from the river by a gang of workers. Only in big Mills elephants are used for sorting out the logs and moving the logs from the river to the yard. Cranes, trolleys and elevating trucks are used only in big units for handling the logs.

A small Saw Mill unit with a capital of 15 to 20 thousand rupees is not able to afford the use of mechanical devices for handling the raw-material. Moreover the lay out of the factory and the yard are not suitable for using those modern devices. Therefore Saw Mill industry still remains as a labour-intensive one though there is considerable scope for improving methods of operation.

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It is gathered from the Saw Mill owners that the industry was a flourishing one a decade back, but it is not so at present. They attribute four reasons for the same.

1. Keen competition due to the increase in the number of units.
2. Increase of expenditure due to taxes and higher wage bills.
3. Increase in the price of raw-materials.
4. Lower turn-out by the workers.

It is true that there is keen competition. Smaller units which evade all labour legislations and other taxes will be able to sell at a lesser price. In most of the Saw Mills now-a-days packing cases are made and sold to the bigger industrial establishments.

Bigger units are making use of the credit facilities, but the proprietors complain that the interest rate is high. In spite of these difficulties, the industry is not a declining one. The main concern expressed by the unit owners is regarding the need for increasing the forest wealth.

## 2. RECRUITMENT

The workers required for running the industry are taken from the local areas. The skilled workers are used for the cutting operation. Logs are placed on the trolley and moved through the saw and cut into various sizes. Electric power is used for the working of the Band Saw. The work involves skill and physical strength. Unskilled labourers are used for handling the logs.

There is no difficulty in getting skilled workers. Apprenticeship system is not in vogue. Unskilled workers after working some years in a saw mill will gain experience and then they are put in charge of skilled operation. There is no technical training programme.

Regarding absenteeism it is gathered that the rate is not high.

## 3. EMPLOYMENT

No housing facilities are provided as most of the labourers are employed from the local area. There is no contract labour system. Chances for increasing the employment opportunities are limited in the industry.

The employers are interested to use modern devices

like cranes, etc. for reducing the labour cost and for quick turn-out. The labour is not against using these devices..

There are no subsidiary industries. The waste materials like saw dust and cut pieces of wood are sold in the open market.

#### 4. CONDITIONS OF WORK

Conditions of work are not satisfactory. Most of the units are not kept clean. Employers state that in a Saw Mill there will be lot of saw dust and therefore it is not possible to keep the area tidy. Most of the sheds are not pucca. The logs are placed in the open yard and during rainy season the whole area becomes muddy.

There are no canteens and fair-price shops. In small units no separate lunch shed is provided. Drinking water and bath room facilities are provided. First aid facilities are available.

The total working time is 8 hours with one hour lunch interval. Weekly unpaid holiday is given. Workers are not entitled to any casual leave. In case of accidents, compensation is paid. Double the wages are given for over-time work. In small units, where the owners directly supervise the work, there is always a tendency to evade the Factories Act.

#### 5. ORGANISATION OF WORKERS

In this industry the workers are not organised. There is trade union consciousness among workers. Due to the fear of victimisation they are not keen on union activities. The workers discuss their problems directly with the employer and solve the same. It is gathered from the employers that they have increased the wages when there is a general increase in the cost of living. Workers are not satisfied with the existing wage rates and conditions of work. Eventhough there is no union, it is gathered that the employers are not exploiting the workers. There is a feeling among the employers that the workers' problems must be tackled carefully.

#### 6. WAGES

The wage rates are low when compared to the existing wage rates in other industries. Unskilled labour is paid Rs.3/50 and the skilled worker gets Rs.4/75 per day.

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Payments are made weekly. For the unskilled workers the basic is Rs.1/25 and the D.A. Rs.2/25 and for the skilled workers it is Rs.1/25 and Rs.3/50 respectively. Some of the units are covered by the Social Security legislations like Provident Fund and Employees' State Insurance. Bonus is given in a few units. Incentive Bonus Schemes do not exist in most of the units.

There is an increase in the wages, when compared to the wage rates that were in existence earlier.

The following table gives the details of wages in different periods:-

|           | <u>5 years back</u> | <u>At present</u> |
|-----------|---------------------|-------------------|
| Unskilled | Rs.2/50             | Rs.3/50           |
| skilled   | Rs.3/50             | Rs.4/75           |

#### 7. INDUSTRIAL RELATIONS.

Most of the Saw Mills are proprietor-ship concerns. Till recently some of the owners of the Saw Mills belonged to the working class, and they take active interest in the working of the Mill. There-fore, there is closer contact between the employer and the workers. These owners always complain that the present workers are not working to their expectation. It is true that the employers know the problems of the workers, and the workers know the difficulties of the employers. Apparently there is good industrial relations. But when one makes a deeper analysis of the situation it will be revealed that there is a smouldering feeling of frustration in the minds of the workers because of the tight control exercised by the employer. In spite of this, strained industrial relations in the form of strikes are not erupting because of the fear of victimisation.

The owners directly handle the grievances of the workers. Smaller unit owners are generally not in favour of bringing the units under the purview of the labour enactments.

#### 8. LABOUR LEGISLATIONS

The Kerala Government in exercise of the powers conferred on them in Section 85 of the Factories Act by special notification has included in the definition of 'Factory' a concern sawing timber or wood employing 5 or more but less than 10 persons on any one day and using power.

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Therefore, most of the units come under the provisions of the Factories Act. But the workers of the Saw Mills are not enjoying the benefit of all the other labour legislations. There are units which are covered by the Employees' State Insurance and Provident Fund Acts. But smaller units by keeping lesser number of workers escape the provisions of these legislations.

The owners are opposing the implementation of these Acts in all the concerns. One fear is that their financial burden will increase in case the provisions of the Acts are extended to their workers.

In this connection, it may be brought out that the problems of the industry cannot be ignored when steps are taken for the interest of the workers. The employers are prepared to pay wages linked with production, but not interested to make any financial commitment which will adversely effect the prospects of the industry.

#### 9. MINIMUM WAGES.

Regarding minimum wages it may be stated that the Kerala Government in the year 1959 by notification in the gazette fixed the minimum wages in the timber industry as follows:-

| <u>Daily rated workers</u>                     | Basic<br>Rs. p | D.A.<br>Rs. p          | Total<br>Rs. p |
|--|----------------|------------------------|----------------|
| For men and women doing the same type of work. | -- 1.00        | 0. 87                  | 1. 87          |
| For adolescent                                 | --             | 75% of the above rate. |                |
| For monthly rated workers                      | -- 25.00       | 21. 75                 | 46. 75         |

The D.A. is linked with cost of living index. It was also notified that adjustments in the D.A. shall take place at the end of every six months by increasing or decreasing 2 paise for every 5 points above 400 points.

In this connection, it may be stated that the workers are getting more than the minimum wages at present.

Now a minimum wages committee constituted by the Government is reviewing the whole matter and its report has not been published.

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Fisheries in Kerala

1.1. Kerala is often listed among the industrially backward States. This is true with regard to the large scale industries which form only 39% of the total industries of the State whereas the small scale industries account for the rest. Industries in the large scale sector has flourished in the State only in the recent past. Most of these Small Scale Industries are based mainly on the natural resources and raw-materials available in the State such as coconut, coir, cashew, china clay, timber, marine products, etc. Of these fisheries industry is of very much importance.

India has 3000 miles coast line and the 340 miles forming the west coast of Kerala State is known to possess the richest prawn fisheries in the world. The spectacular development of the Indian Seafood Industry will perhaps be the most fascinating chapter in the industrial advancement of Kerala in this decade. Next to agriculture, fishing is the occupation of the largest number of people in Kerala. According to the statistics of the Central Marine Fisheries Research Institute, Mandapam, the total marine fish landings of India in 1966 is 8,65,000 Metric Tonnes of which Kerala's share is 3,46,000 Metric Tonnes. Fishing industry in Kerala is of vital importance in the post-independence economic set-up of the country as it fetches an appreciable amount of foreign exchange essentially required for the industrial advancement of the country. In 1966-67 the value of marine products exported was Rs. 17 crores as against Rs. 3.92 crores in 1961-62. This significant increase in export earning became possible mostly due to the dynamic growth of the canning and freezing industry. Formerly the surplus fish was dried and exported to Burma and Ceylon. This went on for over a hundred years. The only method preservation known till recently was sundrying. At present there are 25 freezing plants with a capacity of 227 metric tonnes per day and 30 canning units with a capacity of 524,600 cans per day in the State, of which more than 90% is centred round Cochin. Due to paucity of catches none of the existing units has been able to utilise its installed capacity any time even if the

catches are good. In a sense, the existence of surplus capacity is desirable because the catch of prawns even by the best fishing vessel is highly uncertain and a day of good catch may be immediately followed by poor catches for a number of days. Fishing is a matter of gamble and if there is a bumper catch any day the factories should be able to cope with the entire catch in order to avoid waste. The existing rated capacity is, therefore, sufficient only to produce 22,700 metric tonnes of finished frozen product taking into account utilisation of approximately 50% of the existing capacity for about 200 days in a year. But to achieve full utilisation of the existing capacity throughout the year there must be a production of 80,000 metric tonnes per year. This would be possible only if there is sufficient supply of raw-material (raw fish) which still remains an uncertainty. In spite of all these, there is a spectacular advancement in the industry which is evident from the increase in number of sea-food exporters from one in 1953 to 109 in 1967. The export has increased from 13,268 Kg. in 1953 to 11 million Kg. in 1967. Though there is such a rapid development in the industry no one in the field could say anything about the future of the industry mainly due to the uncertainty of the availability of raw material.

Only very few units in the industry keep their own labourers and not more than half a dozen employers employ more than 100 workers directly under them. Such establishments do not come under the Small Scale Sector considering the amount of capital invested.

1.2 There is no specific method adopted by the employers for recruiting the various categories of labour, neither they have fixed any qualification for employment. Due to the acute unemployment situation in the State the employers are able to get any number of workers at any time without difficulty. Especially in the small scale canning and freezing industry the employment strength is very low, some of them employing only 8 to 10 workers. Regarding technical personnel also, the employers do not experience any difficulty in getting them. One reason for this is that the industry does not require

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The Co-operative Societies organised by the fishermen with the help of Government could not do much towards eliminating contract labour and end the exploitation by middlemen, due to the unhealthy competition in the market. The fishermen's co-operatives are struggling hard for their existence. The fishery factories feel it safe to encourage contract labour because in that case they need not bear the responsibility of keeping a large number of workers. Thus thousands of workers employed in the fishery industry have no security and do not know their future.

1.4. The small units in the fishery industry provide only those facilities and protection specified by the Factories Act to keep up a minimum standard in the working conditions. But there are certain establishments not covered by the Factories Act even. They do not provide any facility to their workers. In the larger units which do not come under the small scale sector even the most modern amenities are provided. But such units are very few. Canteens, fair price shops, etc, are not provided. But rest place, lunch rooms, drinking water, urinals, first aid facilities etc., are available even in the smaller units. The working hours are governed by the Factories Act. But during heavy catch due to the perishable nature of the raw-material workers have to work overtime. Generally in the factory units working hours are from 8 a.m. to 5 p.m. with 1 hour interval. Sundays are holidays. The worker gets in total 20 days leave during one year and also the compulsory closed holidays.

1.5. There are so many organisations of the fishery workers of which only two are of significance. Both of them are affiliated to Central organisations, one to INTUC and other to AITUC. These unions could do much for the workers in the larger units. But in the smaller units unions could not do much. In the smaller units workers are afraid to join the trade unions. Though no case of victimisation could be cited, the workers feel that even by becoming a member in the union they may lose the job. Moreover those employed in the factories get comparatively better wages and are not inclined to agitations, etc. The unions function only as a bargaining agent. They do not take interest in taking up other activities such as housing, and such other welfare activities.

persons of high technical skill. There is no regular apprenticeship training scheme. The employees after being recruited get training in the factory itself at the work-spot. There is no opportunity for the workers to learn new skills or to get technical training during spare time and even if such facilities are provided it is doubtful whether they will get time or develop an attitude for such training. The rate of absenteeism is very low in the fishery industry. In the words of a worker who is also an active trade unionist the reason for this is that wages are paid in piece rate and the workers are not certain about the next day's work. The pressure or slackness of work depends on the availability of raw-material which remains always uncertain.

1.3. Generally local labour is being employed in the fisheries industry. Majority of them come from the coastal population whose main occupation is fishing. There are even hereditary fishermen. The industry is run by mainly contract labour and one peculiar feature is that the workers are neither directly hired or hired by the agents of the employer. They are engaged by middlemen who purchase the catch (the raw fish) from the fishermen and process them. To have a clear understanding of the position the whole process can be summarised as follows:- The fisheries industry is the flourishing field of private entrepreneurs, shared by the real fishermen and the crew of the boat. The catch is purchased by either individual middlemen or agents of fisheries. Whoever purchases it the fish is peeled and cleaned at the very place of its landing. This work requires a large number of workers and is done by workers engaged temporarily at each locality. The cleaned fish is put in ice and transported to the fisheries. The transportation work is also done by contract labour. When it reaches the factory it is processed and frozen or canned as the case may be. Thus the factory-owner need not know the fishermen who catch the fish. Only very few large scale units own boats and vessels for fishing. The small units cannot afford to maintain them. The contractors exploit labour too much, because of the heated competition that exists in the market.

1.6. Wages are paid to the regular employees both monthly and weekly. Casual workers are paid daily. There is no irregularity in payment of wages anywhere. Wages are paid to the monthly paid employees in some establishments on the last day of the month and in some others on the 1st of every month. Weekly wages are paid on the last day of the week. There is no case of delayed payment. The wage rates of different categories of work involved in the fishery industry are as follows :-

| Category   | Existing rate      | 5 years before    | 10 years before              |
|--|--------------------|-------------------|------------------------------|
| 1. Shore labour  | Rs.4.50 per day.   | Rs. 3.75 per day. | Rs. 3/- per day.             |
| 2. Processing (females only)   | Rs. 2.75 per day.  | Rs. 2/- per day.  | No fixed rate maximum Rs.2/- |
| -do- casuals - do-   | Rs. 0.34 per hour. | not known         | not known                    |
| <p>The wage is calculated hourly for casuals as their work may not go on for the whole day. The maximum for 8 Hrs. for casual is Rs. 2.75.</p> |                    |                   |                              |
| 3. Processing Plant (Malcs)  | Rs. 5.25 per day.  | Rs.4/- per day.   | not known                    |
| 4. Refrigeration   | Rs.5/- per day.    | not known         | not known                    |
| 5. Piece rated workers   |                    |                   |                              |
| a) Loading   | Rs. 5.50 per ton.  | Rs. 4.50 per ton. | -do-                         |
| b) Washing   | Rs.5/- per trawler | Rs. 4/-           | -do-                         |
| c) Ice plant   | Rs. 2.50 per ton.  | not known         | -do-                         |
| d) Casing  | Rs. 4.50 per 100.  | Rs. 3.50 per 100. | -do-                         |

Dearness allowance is linked with cost of living index at the rate of 15 ps. for every point above 750 points. The industries possessing fishing vessels pay Rs. 5/- per day to the trawler crew.

1.7. At present the relationship in the industry between workers and management is cordial. Leaving apart some minor stoppages of work there were no strikes. The management and workers cannot afford to have a stoppage of work either due to strike or due to lock-out because of the perishable nature of the raw material, uncertainty of its availability, unhealthy competition in the market and acute unemployment.

There is no grievance procedure. Grievances are redressed directly by management. The small size of the units enables the workers to establish close individual contact with the management. In case an industrial dispute arises the various machineries established under the State Labour Department are available for its settlement.

1.8. The labour legislations applicable to the workers employed in the fisheries industry are Factories Act, Employees' Provident Fund Act, E.S.I. Act, Payment of Wages Act, Industrial Disputes Act and Indian Trade Unions Act. The workers enjoy the benefits under these legislations with limitations. For example, the workers employed in the industrial units employing less than 10 are not covered by Factories Act.

1.9. Minimum wages have not been fixed for the various categories of labour employed in the industry.

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Chemical Industry, Cochin, Kerala

2.1. Chemical industry in the small scale sector is only of recent origin in the State. There are big chemical industrial units functioning in the State even from pre-independence days such as Fertilisers and Chemical Travancore Ltd., Travancore Cochin Chemicals, Travancore Chemical Mfg. Co., etc. In the post independence period also large scale units of Chemical Industry have been started. But not much attention was given to the starting of chemical industry on a small scale utilising the locally available raw-materials, technical skill, etc. The first to come in this field is the soap industry. A number of small units employing few workers started working. They employed old techniques of production and unskilled workers. Very few of them could rise to the standard of real small scale industry, employing mechanical means of production.

Recently the trend appears to be towards starting of chemical industries with Government support. They manufacture pharmaceuticals using the locally available raw-materials. Tablets, concoctions, syrups, etc. are manufactured out of herbs liver extract, ayurvedic medicines, etc. This industry has a promising future and Government has recently started a chemical industrial estate near Cochin. At present only three units are functioning in it. There is a newly started factory in the State manufacturing glucose from tapioca which is available in plenty throughout the State.

2.2. Regarding recruitment of labour the industry faces no problem. Chemistry graduates are available in plenty in the State. In the Polytechnic run by Government there is a special course for chemical engineering. In the engineering college also chemical engineering is offered for specialisation. The employers feel that there is no dearth of suitable personnel for the Chemical Industry. There is no facility for apprenticeship in the small units. But in the large scale chemical industries there is ample facilities for apprenticeship training and most of those who join the small units are from those who undergo such training. As the industry is only in the beginning stage the workers are not getting any opportunity for getting technical training during or outside working hours. There is no absenteeism.

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2.3. The labour employed in the industry is mainly local. There is no need for going after outside labour because local labour itself is available in plenty.

There is no contract labour in the industry. The reason for this is that by the very nature of the industry it requires only a small number of workers and they are employed throughout the year. There is ample scope for increasing the employment opportunity in the chemical industry. The employers expect encouragement from Government and public. The employers whom I contacted complained that the Government is not paying due attention for the uplift of the small scale industry. There is no telephone in the chemical industrial estate. There is no safety precaution, whereas hazards and accidents are common to chemical industry. But even in the industrial estate necessary precautions have not been taken. The managements have complained that the Government is not taking care to see to the proper supply of raw materials. Power supply has to be regularised. If all these are done the managements are confident that employment opportunity in the industry will increase.

2.4. The existing working conditions in the chemical industries are good. This may be due to the nature of raw-material, manufacturing process and the product. The workers are given all amenities as in big units. The units I visited provide free tea twice a day. Rest sheds, lunch rooms, urinals, etc. are also provided as per the provisions of the Factories Act. But canteens are not provided because no unit has got sufficient number of workers for running the canteen without loss. First aid facilities are readily available. The working hours are governed by the provisions of the Factories Act.

Workers get 15 days' casual leave and the national and festival holidays.

2.5. Trade unions are in the form of general unions, i.e., one union for the employees of more than one unit and even workers of other industries are members of them. For example, in Cochin area almost all the Chemical factory workers are members of the Chemical and Engineering Workers' Union which has no affiliation. The union has been recognised by almost all the managements as the bargaining agent. The unions



function only as collective bargaining agent and do not take up any other welfare activities on their own initiative.

2.6. Almost all the workers are monthly paid. In some units the salary is calculated on monthly basis and paid fortnightly. In all others the salary is paid monthly. Payment is made on the last day of every month. The wage rates for different categories of labour are as follows:-

| Categories      | Present rates | 5 Yrs. before. | 10 Years before. |
|-----------------|---------------|----------------|------------------|
| 1. Skilled      | Rs.175/-      | Rs.150/-       | Rs.100/-         |
| 2. Semi-skilled | Rs.155/-      | Rs.125/-       | not known        |
| 3. Unskilled    | Rs.105/-      | Rs.80/-        | Rs.45/-          |

Dearness allowance paid is linked with the cost of living index. There is no uniform rate for all the units. Rates are fixed by the management and union through collective bargaining. Wages are paid regularly without delay.

2.7. The relationship between the union and management is cordial. No major disputes have occurred except on the question of payment of bonus. Now it is governed by the Payment of Bonus Act. The demand for wage increase is an existing demand which is mainly based on the rise in the cost of living. The machinery for settlement of disputes is under the State Labour Department. But generally disputes are settled by the unions and managements across the table. There are no known cases of victimisation. On the other hand, the employers appeared to feel proud in saying that their workers are organised and the managements whom I contacted made arrangements for having discussions with the Trade Union representatives of their units.

2.8. The labour legislation applicable for the industry are Factories Act, Industrial Disputes Act, E.S.I. Act, Provident Fund Act and the Trade Unions Act. The facilities and protection provided by these legislations are being enjoyed by the workers. This is due to the pressure from both Government and the organisation of workers.

2.9. No minimum wage has been fixed for the workers of the industry. For having some kind of uniformity in wage rates and in order to avoid dispute on wages, fixation of wage is essential in this industry. The workers are in a position to get wages increased through their organised strength.

Engineering Industry, Thana, Maharashtra

1. Introduction:-

The origin of small scale units in engineering sector in Wagle Industrial Estate could be traced to the establishment of Maharashtra Industrial Development Corporation on 1st August, 1961. Wagle Industrial Estate spread over an area of 577 acres was the first unit M.I.D.C. had taken up for the establishment and promotion of small scale industries. There are now about 140 manufacturing units employing about 15,000 workers. The size of the units ranges from the 1,000-worker-units in manufacturing radio sets to 20 worker units manufacturing steel-drums of baba-cycles.

The proximity of Bombay, India's largest business and commercial centre, has been the most important factor for the rapidly massive development of small scale industries in and around. The vast commercial and industrial complex in Bombay not only makes available requisite capital to the small entrepreneurs, but also provides unlimited markets both for purchasing raw materials and selling finished products. Then again, the constant arrival of hundreds of skilled and unskilled hands in search of employment and the release of Koyna Power further facilitated the growth of small industrial units in this area. The very existence of large-scale industries in organised sector engaged in manufacture of automobiles, textiles, colour & paints, food products and radio-sets paved the way for promotion of small units in the manufacture of automobile spare parts, machine & small engine parts, tin-containers & drums and radio-valves, testing instruments, etc. Thus in many ways the small units in engineering sector are in fact feeding their finished products to the big-units.

2. Selection of units for the study:-

Six engineering units with a capital investment ranging from Rs. 81,000 to Rs.3,32,250 and the employment strength ranging from 30 to 60 were selected. A statement showing requisite details of the selected units is given below:-

| S. No. | Name of the unit   | Products  | Investment in Rs. | Workers employed |
|--------|--|---|-------------------|------------------|
| 1.     | Ultra Steel Engineers, 146-a, Road No.24, Wagle Estate, Thana. | Baba-scooters, Tri-cycle and Tubular furniture. | 81,000            | 30               |

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| S. No. | Name of the unit   | Products  | Investment in Rs. | Workers employed |
|--------|--|---|-------------------|------------------|
| 2.     | Perfect Engineering Products(Pvt.) Ltd.,<br>D-9, Road No.32,<br>Wagle Estate, Thana. | Automobile parts                                  | 3,32,250          | 45               |
| 3.     | Metal Stamping Co.,<br>Plot No.A-35,<br>Road No.10,<br>Wagle Estate, Thana.          | Tin-containers<br>Camera Parts<br>Metal printing. | 1,28,000          | 35               |
| 4.     | Fitwell Auto Corporation, Plot No.A-77,<br>Wagle Estate, Thana.                      | Automobile parts.                                 | 2,50,000          | 47               |
| 5.     | Borivli Wood & Steel Works, Ghodbunder Road, Thana.                                  | Wood cutting machine & trailers.                  | 1,70,000          | 60               |
| 6.     | New Engineering Works, B22, Road No.16, Wagle Estate, Thana.                         | Ghamelas & Drums.                                 | 1,27,322          | 30               |

3. (a) Recruitment:-

The normally adopted method for recruitment of fresh workers is through the existing employees. On being asked by the proprietor, the existing worker either brings one of his relatives or friends desirous of employment. In some cases workers wanting job also wait at the factory-gate and the proprietor/manager recruits suitable hands from among them. Out of the six units in four no difficulty was said to have been faced in recruiting skilled-hands because of the 'recession'. In one of the remaining two, which indeed faced the difficulty, the skilled hands as soon as they gained experience, left the job for a better one.

(b) Training:-

Out of the six units only two were found to provide facilities for apprenticeship training, which could be said an exception rather than a rule in this industrial estate. In one of these two units unskilled hands, schooled upto.5th to 6th standard are trained in the operation of specific machines and they are found to pick up the job within four to six months. The ITI trained hands, it was observed, pick up the skilled work immediately, while the former even after he picks up the job is unable to maintain precision and quality of the product during the operation.

(c) Absenteeism:-

The rate of absenteeism was given as follows in all the six units:-

| S.No. | Unit                       | Rate |
|-------|----------------------------|------|
| 1.    | Ultra Steel                | 7%   |
| 2.    | Perfect Engineering        | 10%  |
| 3.    | Metal Stamping Co.         | 7%   |
| 4.    | Fit-well Auto Corporation  | 5%   |
| 5.    | Borivli Wood & Steel Works | 10%  |
| 6.    | New Enginnering Works      | 8%   |

The common cause for absenteeism is the low-wage rates paid in small-scale units and the wage differentials for the same job in different small-scale units. With the result the employee sometimes absents himself in order to search the same job with better pay either in other small-scale units or elsewhere. The other cause for absenteeism is mainly domestic say religious or social obligations, sickness, late running of local trains, etc. The rate shots up on the day of following the pay day (obviously for drinking liquor) or incase of disorganisation of local trains.

None of the units were found to have the practice of advance intimation by their employees in case of their absence. One of the units revealed two cases every day of alleged fake certificate for 'sickness' got issued by the ESI doctor, whereas another unit apprehended that with the ensuing application of ESI ACT the rate of absenteeism would definitely increase on the same grounds. However, the absenteeism does not considerably affect production. Replacement is done without difficulty i.e. either by recruitment at the factory-gate or by getting a surplus hand from the nearby concern, if the job is unskilled.

4.(a) Employment and Housing Facilities:-

It is said that in Bombay almost eight in ten persons are migratees, coming as they do from neighbouring districts of Konkan, Kolaba, Satara, etc., down South and Uttar Pradesh. This is true in case of the workers employed in small-scale engineering units too. As a result of this, the problems of housing and consequently of transport have become extremely acute. Unskilled workers, it would be commonly found, would reside in some improvised dwellings or hut in the vicinity of their place of work and the relatively better paid-worker

would reside in a small-room in a chawl, miles away from their work place. As against this background, none of the small-scale units in engineering industry were found to have made housing facilities available for their employees. It is true that this facility is beyond their capacity. Only one employer - Metal Stamping - claimed that he has advanced Rs.600/- to seven of his employees, who paid that amount as deposit for engaging a single room near the unit for their combined residential purpose.

(b) Contract Labour:-

The system has become extinct.

5. Conditions of work:-

(i) As all the units have recently started and almost all are covered under the Factories Act, the cleanliness, lighting, ventilations and safety measures are maintained more or less in accordance with its provisions. Adequate facilities with regard to drinking water, latrines and first aid were seen provided. However, no unit was found to maintain canteen, fair-price shop, rest-place, lunch-room or bathroom facilities. In whole of the Wagle Industrial Estate, spread over an area of 577 acres and employing over 15,000 workers surprisingly there is not a single canteen hotel or restaurant. The employees take their home made lunch near the job-place or wherever an open space is available.

(ii) Hours of work:- The hours of work daily are eight excluding the break of thirty minutes for rest or lunch. Sundays are holidays which are unpaid. The system of substitute holidays exists in all the units. In the units governed by the Shops Act, the hours of work are also eight.

(iii) Leave facilities:- The leave quantum made available in a year in all the six units could be studied from the following table:-

| S.No. | Unit                       | Casual leave in a year. | Earned leave in a year.   | aid holidays in a year. |
|-------|----------------------------|-------------------------|---------------------------|-------------------------|
| 1.    | Ultra Steel                | Nil                     | Nil                       | 4                       |
| 2.    | Perfect Engineering        | 5                       | 1 day for 20 days of work | 4                       |
| 3.    | Metal Stamping             | Nil                     | -do-                      | 6                       |
| 4.    | Fit-well Auto Corpn.       | Nil                     | -do-                      | 7                       |
| 5.    | Borivli Wood & Steel Works | 5                       | -do-                      | 5                       |
| 6.    | New Engineering Works      | 4                       | -do-                      | 7                       |

The above table gives a representative picture of the leave facilities extended by the employers in small scale units in Engineering Industry. Excepting the earned leave, which is granted as per Factories Act, with rare violations, the quantum of casual leave and paid holidays depends on the individual nature of the employer, behaviour of the workers towards the employers and the state of labour-management relations in individual units.

6.(a) Wages:-

The wage-rates obtaining in the six selected units for the various categories of workers are tabulated below:-

| S.No. | Unit                          | Appren-<br>tice. | Unskilled       | Semi-<br>skill-<br>ed | Skill-<br>ed     |
|-------|-------------------------------|------------------|-----------------|-----------------------|------------------|
| 1     | 2                             | 3                | 4               | 5                     | 6                |
| 1.    | Ultra Steel                   | -                | 3 to 5          | 5 to 7                | 8 to 10          |
| 2.    | Perfect Engineer-<br>ing      | 2.00             | 3.15            | 4.50                  | 10.00            |
| 3.    | Metal Stamping                | -                | 3.25 to<br>3.75 | 3.75 to<br>4.50       | 6.00             |
| 4.    | Fitwell Auto Corpn.           | 3.50             | 3.50            | 5.50                  | 6.00             |
| 5.    | Borivli Wood &<br>Steel Works | -                | 4.15 to<br>5.65 | 5.00 to<br>7.30       | 6.50 to<br>10.00 |
| 6.    | New Engineering<br>Works.     | -                | 4.00            | 5.00 to<br>7.00       | 10.00            |

The amounts are in rupees and paise.

The wage-rates are per day and are consolidated with no separate provision of dearness allowance. The payment is made generally on 5th of every month. A minute observation of the above table would need following explanations:-

(i) The fresh recruits in some units are first given helper's (Unskilled) job and paid the wages of either apprenticeship or unskilled rates for about six months, during which they pick-up the job on the specific machines. After they pick-up the job, they are absorbed on that machine with the wages at semi-skilled rates.

(ii) The higher wage-rate for the same category job depends either on the nature of the machine or on the length of service, extent of skill, experience and personal behaviour of the operator. If the machine performs highly complicated operations, the operator would be paid higher wage-rates. If, however, the operator with less experience performs the same job, he would be granted the lesser rate of wages for the same category.

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(iii) The categories (skilled, semi-skilled and unskilled) are not scientifically standardised. The job regarded semi-skilled in one concern is treated as skilled in the other.

(iv) The wage-rates vary from unit to unit for the same category of jobs. An unskilled helper is paid Rs.3/- per day in one unit and for the same job another worker gets Rs.3.50 per day in the other unit. Naturally, the major cause of this variation is the unit's capacity to pay, which depends on the unit's efficiency, capacity to compete in the markets and the nature of the products.

(b) Bonus:-

Out of the six units surveyed, only three units were found to pay bonus at the rate of 7%, 8% and 10% employing respectively 60, 30 & 35 workers. The rest of the units though each employing 47, 30 and 45 workers did not disburse any bonus. The causes for non-payment were not revealed. The Unions allege that these managements have refused to pay bonus in violation of the Payment of Bonus Act, 1965.

(c) Overtime:-

The rate for the over-time work was stated to be double the ordinary rate in four units but one unit paid at the single rate. In one of the four units, it was pointed out that overtime work is compensated by time-off equal to the overtime work on the next day. In the sixth unit no practice of overtime work exists. These details were generally corroborated by the Unions.

7. Organisation of workers:-

Out of the six units surveyed in three units workers were organised, while in the remaining three the unions were stated to be non-existent. The Secretary of the Engineering Mazdoor Sabha, which covers many small scale units, also admitted this position to be representative. The fear of victimisation or harrassment by the employer is the major obstruction against union formation, says the above union-secretary. He, however, maintained that once the union is formed in a unit, almost 90% employees became its members. Only one unit, out of the surveyed six, was found to be suffering from union rivalry. None of the unions operating for the small scale units is rendering any help in case of the personal difficulties of their members, the main reason being their financial incapacity.

Normally, because of apprehensions and pressures on their job-security, the workers do not dare to associate themselves with a union. On instigation by a few bold workers, however, on the question of wage-rates or unpaid bonus, they would become immediately union conscious. But they would not independently form a union of their own, but instead would approach the professional labour leader, who is already operating the union in various units and request him to take up their issue. This union leader on behalf of his organisation generally affiliated to a Central Trade Union Organisation is alleged to be more concerned in preserving his leadership than solving genuinely the disputes. The moment, however, the issue is settled or ultimately fizzled, the workers would cease to have interest in the union-affairs. Then, there is the trend of switching over to the other union leader of a 'different flag' with the hope to secure more. Basically, this attitude has been responsible in creating rival unions in a number of units.

8.(a) Industrial Relations:-

The state of industrial relations in the engineering industry particularly in Wagle Industrial Estate is indeed bad. The attitude of the unions against the employers and the attitude of employers against the union are in formative stage and hence profoundly lack understanding and experience of reconciling approach. It would be not incorrect to deduce that units without unions are running without any labour trouble. It has been revealed that 25% of the units have been closed because of prolonged labour troubles arising out of union's continuous pressure for securing more and more facilities. Formation of a union in a unit, therefore, is being regarded as a cancerous disease, for the prevention or curation of which the employers do not hesitate to bribe the outside leaders to keep away, silence the vociferous and union-minded insiders by immediate dismissal, fearful intimidations or by illegal gratifications.

Most of the employers are fundamentally and rigidly opposed to the existence of unions, much less about their recognition. None of the small units has granted recognition to any union.

Out of the six units, it would be recalled only three were with a union and the rest without it. The three units without unions indeed had peaceful relations between



the workers and the employers, whereas the other three units having the unions of their employees appeared enormously disturbed by the labour trouble. In each of these three units there were either long drawn strikes, go-slow or frequent demonstrations profusely abusing the employers. When asked, the employers gave the following reasons for this:-

- i) Suspension of workers for irresponsible behaviour including habitually late-coming,
- ii) Instigation by outside leaders,
- iii) Insistence on bonus in exaggerated quantum,
- iv) Trade union rivalry - recognition,
- v) Differences in wage-rates for the same job in different units.

As against this, the union people advanced the following reasons:-

- i) Victimization of union members,
- ii) Refusal for union-recognition,
- iii) Non-payment of bonus as per the payment of Bonus Act,
- iv) Dishonouring the agreements and awards and other malpractices,
- v) Different wage rates for the same job in even adjacent units. Illustratively, the Fitwell Auto Corporation, one of the surveyed units and having a union, pays Rs.6.00 per day to the machinist, while the adjacent Bush Radio pays Rs.9.00 per day for the same job.

This was the reason for the prolonged agitation by workers in Fitwell Corporation.

( Strikes are frequently resorted to and the extreme result of the strike is either dissolution of the union in the unit or closing down of the factory. In one of the units, a 20 day-strike fizzled out, the workers returned to work unconditionally and the union in the unit subsequently withdrew. Since then the unit works absolutely satisfactorily and peacefully, it is claimed, whereas another unit was closed down because of frequent victorious strikes conducted by the union securing increased facilities like leave with wages, holidays with pay, double rate wages for the overtime work etc. )

(b) Grievance procedure and dispute-settlement:-

No formal procedure for redressing individual grievances exists in any of the units. The aggrieved workers, it is revealed,

may approach the employer directly and if unsatisfied can take recourse to the assistance from the Government Labour Officer. For the settlement of industrial disputes, the machinery provided under the Industrial Disputes Act, 1947, is availed of. As no management has granted recognition to the union, the question of collective negotiation does not arise. The union leaders alleged that the employers were so 'arrogant' that they did not care to appear before conciliation. The only way out for the solution of an industrial dispute is the adjudication proceedings.

#### 9. Labour Legislation:-

Following labour enactments are applicable to the concerns in the small scale engineering units:-

1. Industrial Disputes Act, 1947,
2. Employees' Provident Fund Act, 1952,
3. Employees' State Insurance Act, 1948,
4. Indian Factories Act, 1948,
5. Shops & Establishments Act.

The enforcement staff under the various enactments see that the provisions of these Acts are properly implemented. The unions, however, claim that the provisions of none of the above acts are properly enforced - the reasons advanced are (i) the inspections are neither strict nor periodical, (ii) weak organisations of workers and (iii) fear of victimisation with the result no worker dare to bring to the notice of the union or the inspecting staff the irregularities in his concern. Following illustrations give an idea of the extent of the enforcement of the various legislation:-

- (1) In order to escape the application of labour enactments the employers employ different malpractices and thus deprive the workers of their legitimate legal benefits. This point is further elucidated below.
- (2) Safety appliances like goggles, hand-gloves, boots and aprons wherever they are essential are not provided,
- (3) Rate for overtime work is single in considerable units,
- (4) The welfare facilities provided under the Factories Act, except drinking water, are conspicuous by their absence,
- (5) A few employers are also found to be defaulters for not having deposited the provident fund dues of their employees,
- (6) Avoidance of bonus payments even though covered under the Payment of Bonus Act, 1965.

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10. Mal-practices:-

During the course of the investigations, several mal-practices employed by the small scale units for exploiting the workers came to the forefront. Chief among them are as follows:-

(a) In order to escape the application of the labour laws or to deprive the workers of their legal benefits, some of the employers were found to have indulged into following mal-practices:-

- (i) To show less number of workers on the muster roll than the actual number working in the unit,
- (ii) To force every new recruit to sign a resignation letter and to accept the said resignation before he completes one year's continuous service.
- (iii) The existing unit employing workers adequate enough to attract the application of any of the labour acts, would be divided into two or more units and each of such unit would be shown under the ownership of different owners, normally - the members of the same family.

(b) Bribing union-leaders:- Cases have also been brought to the notice of this study revealing bribes having been given to the union leaders for (i) withdrawing the strike unconditionally, (ii) for withdrawing the grievance of their member, or (iii) for accepting the terms involving lower benefits to the workers.

(c) Dishonouring the agreements:- A few concerns were stated to have delayed till-date the mutually agreed demands with regard to ~~wages~~-rise and increased dearness allowance. Illustratively, a union reached an agreement with a unit manufacturing pressure gauges for payment of additional Rs. 2.50 for increase in the cost of living index by 10 points in Feb., 1968. Though there has been increase of 30 points in the index numbers till August, 1968, the management had not raised the dearness allowance by a single paise.

(d) In some units the employers were also reported paying actually for 22 days' work in a month, but getting the signature from the employee for full 25 days' wages.

(e) Victimisation for union-work in the form of termination, without notice, retrenchment, non-payment of compensation, intimidation of dismissal, is prevalent by and large.

(f) Illegal closures:- There was one case reported of an illegal closure. The employer, who was compelled to pay double-rate wages for overtime, grant casual leave and sick leave for 7 days

with half pay and pay increased dearness allowance to neutralise the rising cost of living, as agreed with the union, had closed the factory, terminated all the employees without paying them compensation and started another factory with new name and fresh workers at the same place. The case is seized in conciliation.

11. Miscellaneous:-

(a) Raw-material:- In Engineering Units the raw-material is either steel, metal-sheets (galvanised and CRCA), tin-plate sheets or alloy-cast-iron. The system of allotment of quota was vehemently attacked by all the entrepreneurs. One unit complained that for the last three years they have been applying in vein for the quota. Another unit pointed out that as against their requirement of six tons per annum, they were allotted per annum quota of 200 kilos of metal sheet, which is equal to a month's consumption. The Inspector of Industries, Thana, here pointed out that the Director of Industries is empowered to issue quota equal to 20% of the unit's investment. Hence every entrepreneur is forced to procure his raw-material requirements in black market. One of them clarified that purchase in black market ensures quickness, provides opportunity to use black-money and avoid payment of taxation. Except in case of metal sheets, which is imported, rest of the raw-material is available in plenty in markets of Bombay.

(b) Finance:- Most of the enterpreneurs are said to have borrowed loans from the State Bank of India. It was, however, felt that the State Bank sanctions loans equal to 1/3rd of the requirements. Again, the entrepreneur has also to employ his own capital in order to raise and run the unit initially. In Bombay markets a resourceful entrepreneur possessing the requisite prestige and credit does not face the shortage of capital. The shortage of finance was, therefore, not cited as a problem.

(c) Markets:- The vast industrial complex of Bombay serves as a fertile market for the products of small scale engineering units. There is no middle-man. The finished products of some units are fed to the large industries like automobile parts, tin-containers, camera parts, radio valves, etc., which the finished products of few other units like stainless steel utensils, steel furniture, baba scooters (a sort of mock scooter for children's play) go

direct to the public consumption markets.

12. Suggestions:-

In the context of the crying need for more and more economic development of the country, the small scale industries particularly in engineering sector have assumed all the more significance. Apart from feeding the expanding organised sector, they provide employment opportunities to the teeming millions. It is true that the role that the small scale industries are destined to play in reconstructing our national economy has been realised and, therefore, many efforts are being made to render them technical, financial and managerial assistance. The development of these industries, however, are equally conditioned by the efficiency of the workers employed and the state of industrial relations existing in them. The study has revealed that the state of affairs in the small-scale engineering sector is far from satisfactory in this behalf. The suggestions placed below may perhaps be useful in correcting and/or improving the situations:-

(a) Recognition of trade Unions:- It would be observed that the workers are either unorganised or wherever they are organised, an acute labour trouble has initiated. The basic reason for the labour trouble is the management's hatred against unionism. The point remains, however, that in both the types the wage rates are almost half of what they are for similar jobs in organised sector of industries. The employers cannot and must not escape their responsibility in modern age to reconcile to the basic concept and need of a trade union for their workers. Granting recognition to a union would indeed create a congenial atmosphere for improving mutual confidence and understanding leading to happy, harmonious and peaceful industrial relations. To start with, legal compulsion for grant of recognition on the part of the employer to the union with maximum membership would be desirable.

(b) The machinery for the enforcement of various labour legislation should be geared up to ensure stricter enforcement of the legislative provisions. Equipping the Factory Inspectorate with additional field staff is felt essential.

(c) Simplification of labour laws:- As the small scale units in engineering sector have to compete with big industries, the rising cost of overhead expenses growing as a consequence of uniform coverage of small scale sector by the existing labour laws and industrial adjudication often make them difficult to

survive in the situations of cut-throat competition. Therefore, the suggestion mooted in the Third All India Conference of Small Scale Industries held in Bombay on 15th Sept., 1967, for enacting a 'National (Small-Scale Industries) Labour Law', which should include minimum employment and labour standards expected of an ordinary small scale entrepreneur in the country, deserves to be seriously considered. This proposed enactment also envisages setting up of small-industries tribunal for the speedy adjudication of labour matters.

(d) Leadership from within:- Some of the progressive employers in the small scale engineering units are prepared to accept unionisation of their workers, provided the leadership is from within. There should be progressive expansion in the implementation in the small scale units of the Central Board for Workers' Education's Workers' Education Scheme, which aims to provide requisite knowledge on labour question, promote a sense of belonging to industry and develop leadership qualities for manning their unions independently, among the workers.

(e) Fixation of minimum wages:- The State Government has yet to fix minimum wages for the employment in small-scale units in engineering sector. The wide variations in the wage rates for the same kind of jobs has been found to be a source of frequent labour troubles. The need for fixing the minimum wages and standardising them on uniform pattern cannot be undermined. The State Government should take up the issue without further loss of time.

(f) Housing & Canteen:- It has been observed that the whole of Wagle Estate does not have a single canteen nor any attention appears to have been paid for the residential quarters of the thousands of workers, who had to travel a distance of about 15-20 miles minimum from their residence to attend to their work daily. The Government of Maharashtra should emulate the example of Government of Madras, who have constructed labour colonies in eight industrial estates out of nine, providing housing accommodation at a subsidized rent of Rs.11/- p.m. only. The M.I.D.C., who regulates the water, electricity and allotment of land of the Estate should construct shades in adequate numbers for establishing canteens with requisite amenities and allot them to private contractors to run.

(e) Association of Employers:- It is surprising that the employers owning small scale units in Wagle Estate have no organisation of their own. This has resulted in the variation of wage-rates and varied terms of benefits for the same job in various units. It would be in the larger interest of the employers if they form into an Association so that not only such variations are eliminated but it would be possible to evolve a specialised labour cell to advise to their small-entreprenuers on healthy labour practices.

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(f) Fixation of Minimum Wages:- The State Government has yet to fix minimum wages for the employment in small-scale units in engineering sector. The wide variation in the wages for the same kind of jobs has been found to be a source of frequent labour troubles. The need for fixing the minimum wages has been emphasised in an earlier report submitted to the Government. The State Government should take up the issue without further loss of time.

(g) Housing & Gas:- It has been observed that the state of Wagle Estate does not have a single housing unit for any attention appears to have been paid for the residential quarters of the thousands of workers, who had to travel a distance of about 15-20 miles minimum from their residences to attend to their work daily. The Government of Madhya Pradesh should emulate the example of Government of Madhya Pradesh who have constructed labour colonies in eight industrial centres out of them, providing housing accommodation at a subsidised rate of Rs. 17/- per unit. The K.I.B.G., who provides the water, electricity and alignment of land of the estate should construct flats in adequate numbers for utilising the same with suitable amenities and also for the construction of...

Powerloom Industry, Bhiwandi (Distt: Thana)

Maharashtra.

1. Introduction:-

Bhiwandi, a 1,00,000 population town about 50 kms. away from Bombay is Maharashtra's leading powerloom centre. The industry originated 50 years ago with hand-operated looms (hand-loom) at this place because of two reasons (i) the most congenial climate containing requisite quantity of natural humidity essential for the weaving operation and (ii) proximity of Bombay which provided both yarn (raw-material) as well as adequate markets. The industry to a considerable extent is owned and run by a Muslim community called Ansaris, whose hereditary profession has been weaving. There are also good number of Gujerati entrepreneurs.

Bhiwandi was formerly a centre of handlooms, as stated earlier, and in a short span of 10-15 years they have been progressively replaced by powerlooms. Their number has shot up steeply from 5,000 to 38,000 looms during the last ten years. These looms are manned by equal number of men and are distributed into not less than 12,000 units. Originally, there were big units each consisting of 15 to 25 powerlooms, but with the recent increase in excise duty, the units were split up into smaller ones and at present only 16 units with 3000 looms come under the provisions of the Factories Act. The remaining vast majority are governed by the Bombay Shops & Establishments Act.

2. (a) Nature of employers:-

The persons who run the industry can be classified in three categories:-

- i) Those who purchase yarn and beams, weave and sell directly their products in the markets
- ii) Those who own and run the looms with the beams and yarn supplied by the traders i.e. intermediaries and these traders take charge of the products for sale. The owners of the power-looms collect only the working charges.
- iii) There are those who take the looms on hire and collect working charges for weaving from the traders, who take the products and sell in the market.

It would thus be observed that the category (i) covers big units, while categories (ii) and (iii) cover the small units employing less than 10 workers and thus attracting the application of Shops & Establishment Act. The small units which fall under the Shop Act

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secure finance for purchase of raw-material and sale of finished product through the intermediaries (financiers), on whom the units have to depend entirely for their financial needs. These intermediaries carry the entire finished products for sale in the market in accordance with the accepted conditions against providing the finance. Thus, even on the slightest fluctuations in the price of the finished goods, the financiers i.e. intermediaries pressurise the powerloom owners to reduce their working (weaving) charges, landing them in a difficult position. As a consequence, the power-loom owner has either to close down the unit for some time or reduce the cost of their production by corresponding reduction in wages paid to their workmen. Thus, there is a downward pressure on the level of wages. Often in the lean season a large number of looms are shut down as operating them becomes uneconomical. Provision of credit and marketing facilities through a Cooperative Society run on healthy lines can alone abolish the evil influence of intermediaries and assure just profit to small entrepreneur and just price to the consumer.

(b) Raw-material:-

The units at Bhiwandi are dependent heavily on the yarn supplied from Bombay, though there are a number of sizing units in Bhiwandi itself. The units in powerloom industry occasionally do suffer from the shortage of yarns, resulting into lack of work and loss of wages too to the workers. The supply of yarn falls too short of its demand in view of the rapid expansion of the powerloom units. At an average 150 looms are fed by one sizing unit. At present there are 60 sizing units as against the current demand of 200 units.

(c) Taxation:-

The current rate of excise duty if reported to be as follows for cotton weaving:-

|                             |                             |
|-----------------------------|-----------------------------|
| i) For first four looms     | Rs. 25.00 per loom per year |
| ii) For next 5 to 8 looms   | Rs. 75.00 -do-              |
| iii) For next 9 to 24 looms | Rs. 150.00 -do-             |

These rates are regarded heavily rigorous and in fact retarding the progress of the powerloom units, observed one of the entrepreneurs. The silk weaving is, however, exempted. Additionally, in case of small entrepreneurs the middleman i.e. the financiers, who procure the finished products for sale earn 25 paise per metre as commission with the result the manufacturers' net gain is only two paise per metre, it was revealed. In case of sizing units also, they are bearing the burden of excise duty to the extent of Rs. 150/- per beam, whose production cost is about Rs. 1000

3. Units selected:-

At random following six units were selected for the purpose of the study:-

| S. No. | Unit               | No. of workers employed | Investment   | Nature of operations |
|--------|--------------------|-------------------------|--------------|----------------------|
| 1.     | Vasani Textiles    | 18                      | Rs. 34,000   | Weaving              |
| 2.     | Srinath Silk Mills | 50                      | Rs. 1,50,000 | -do-                 |
| 3.     | Mr. M.Y. Ansari    | 4                       | -            | -do-                 |
| 4.     | Mr. N.M. Shah      | 6                       | -            | -do-                 |
| 5.     | Khan N.M.          | 16                      | -            | -do-                 |
| 6.     | Laxmi Sizing Works | 9                       | Rs. 1,81,000 | Sizing               |

Out of the six, three units are partnership concerns, while the remaining three are individual proprietary concerns. The capital investment was not made available in case of three units which were too small and having four to eight looms. On an average installation of one loom involves an investment of two to three thousand rupees.

4. (a) Recruitment:-

No formal procedure is adopted for recruitment. The existing workers when asked to bring fresh workers, easily arrange. Small units employing less than 10 workers do not face labour shortage, while big units do. The reasons advances are (i) number of looms are increasing rapidly almost at the rate of 2,500 looms per year, and (ii) installation of powerlooms in increasing number in U.P. itself, which had been feeding labour force to the powerloom units in Bhiwandi.

(b) Apprenticeship training:-

None of the units provide facilities for training in weaving or sizing as the case may be. However, sometimes a prospective employee or a relative of the existing worker is allowed to learn the work, of course without any remuneration. Nor any of the employers has sent any of his worker for systematic training in any textile training institute in Bombay. Experience has been the only trainer in promoting the weaving skills.

(c) Absenteeism:-

The system of piece-rate wages is the main cause for almost nil rate of absenteeism.

5. (a) Employment & Housing:-

The workers (70% illiterate and rest literate) employed in powerloom industry hail from Uttar Pradesh, Andhra Pradesh, Marathwada and South Maharashtra. Taking into consideration the sub-human conditions of work obtaining in powerloom units in Bhiwandi, the provision of housing facilities by employers is not less than a dream. Every available space whether in a pucca structure or a hut has been occupied by the looms. It has been observed that the rent charge of a 10' x 12' space utilised for installing four looms is Rs. 100/-, which is three times more than the Maharashtra Housing Board's rent for a tenement consisting of a room, kitchen, latrine and bathroom in Bombay. Generally, therefore, workers put up in the slums or eat, sleep and live near the place of their jobs.

(b) Employment potentialities:-

It has been revealed earlier that during the last ten years the number of looms have shot from 5,000 to 38,000 correspondingly increasing the number of workers employed. This leads to one definite conclusion that with a small capital this enterprise i.e. investment in installation and operation of powerloom ensures promising profits. The net profit from each loom ranges between Rs. 100 to Rs. 125/- per month. The industry, therefore, has a predominance of small entrepreneurs who are medical practitioners, legal professionals, higher and lower middle class men. It is understood that the cloth manufactured here has a low cost of production, because of bottom-level wage-rates and hence competes well against the mill-made cloth, through Bombay's merchants in the vast rural markets. The recent imposition of increased excise-duty even to smallest units with more than four units had indeed given a set-back to the industry. Despite this the industry goes on unabated. The relaxation of excise duty at least to small units having upto ten looms would certainly ensure constantly increasing employment potentialities.

6. (a) Conditions of work:-

The 12-hours' work, without weekly holiday, coupled with the most insanitary and unhygienic environment without the basic amenities like latrine and bathroom in all the powerloom units, with thumb-nail exceptions, remind one of the sub-human conditions of work that obtained in Indian Industries 75 years ago. The ill-clad human skeletons that drag for such a long drawn working hours with constant perspiration on starvation wage-rates add vividity to this rightly conceived picture of human exploitation in our modern society, which 'boasts' of 18 years' of democratic traditions.

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Out of the six units three had 12 hours' shift, while in the rest three, eight hours' shift. Generally in the 160 units employing a total labour force of 5,000 or odd workers, to which Factories Act is applicable, the working hours per shift are said to be eight with 30 minutes' break. But in the vast majority of 12,000 units, covered under the Shops & Establishments Act the shift works for twelve hours with 30 minutes' break for meals.

The system of 12 hours' shift has been going on without any hitch from the workers presumably because they are piece-rated and what they can earn in eight hours is not found sufficient for their subsistence. Illustrately, a weaver earns Rs. 80/- p.m. at an average for eight hours' work, while other categories earn even less. But if the weaver works a 12-hour shift, he earns at least Rs. 120/- p.m. which is a more safe quantum to ensure his livelihood.

(b) Weekly-off:-

Out of 160 units governed by the Factories Act only 20 units provide the facility of unpaid weekly off. In rest of the innumerable units the system of shift-rotation which changes every fortnight, force the workmen to avail of two unpaid offs on the first day of the said changes which are twice a month.

(c) Leave facilities:-

None of the units has made provision for earned leave, casual leave and any sort of a leave, except in about 20 units which are governed by the Factories Act. There are about six unpaid holidays declared on the days of Muslim and Hindu festivals.

(d) Conditions inside the loom-shade:-

The condition inside the loom-sheds is also far from satisfactory. The sudden growth of the industry had its ill-effects not only on the residential accommodation for the men who run the machines, but on the space utilised for the machines tool. The owners have tried to make use of the available accommodation to the fullest possible extent by installing as many looms as possible and the looms are, therefore, so crowded that there is hardly any space to pass through. The construction of the huts that house the looms is of purely temporary nature and their location surrounded by filthy and insanitary conditions. In many places the walls are dilapidated, the lighting, & ventilations highly inadequate, the temperature suffocating, exposing the workmen's health to dangerous consequences.

(e) Health hazards and social security measures:-

When most of the industrial cities in the country have advanced to a considerable extent in providing social security benefits, the 38,000 or odd workers in this one of the largest textile centres in the country are thoroughly deprived of even fundamental protection against the dangers involved in their life as human beings. None of the units were reported to have provided first-aid facilities, much less the compensation for accidents. The benefits under the ESI and EPF schemes remain still a dream for them. The long-drawn hours of work without any weekly holiday coupled with what could be rightly called as below subsistence wage-level have led to the development of heaviest incidence of T.B. in the weaver-workers if compared to other comparable towns in Maharashtra. In August, 1968, there were as many as 350 patients most of them with highly advanced cases of T.B. admitted to the Municipal General Hospital in this town.

(f) Exceptional units:-

The units governed by the Bombay Industrial Relations Act are indeed exceptional in as much as they offer three days' casual leave in addition to four paid festival holidays in a year and gratuity benefit equal to seven days' wages for every year of service. Unfortunately, the number of such units is 'THREE'.

7. Organisation of workers:-

The Textile Mazdoor Sabha (HMS), which enjoys the status of representative union under the B.I.R. Act for the cotton and silk industry in Bhiwandi has claimed to have 10% workers as regularly paying members. Then, there is another union Rashtriya Mazdoor Sangh affiliated to INTUC. There was a third AITUC affiliated union a few years back, but the same is reported to have lost its influence and is now nominally existing. The above two unions though not formally recognised by the powerloom managements are being entertained for the purpose of 'talks' in case of industrial disputes. The Government Labour Officer incharge of powerloom industry opined that both the unions account for 1000 members, while the rest 37,000 workers are neither covered by nor interested in any organisation. Only in case of his removal or an action taken against him by his employer, the worker feels the need of the union and does approach it for help. The subscription is Re. 1/- per head. Because of their financial incapacity, neither of the union render any help to their members in case of their personal difficulties.

8.(a) Wages:-

The following table gives the average wage-rates for different categories of workers employed in Powerloom industry at Bhiwandi:-

| S. No. | Category           | Rate                            | Per-day's average earnings | Monthly average earnings |
|--------|--------------------|---------------------------------|----------------------------|--------------------------|
| 1.     | Weavers For Cotton | 4 to 8 paise per meter          | Rs. 4.50                   | Rs. 126.00               |
|        | For silk           | 10 paise to 25 paise per meter. | Rs. 8.00                   | Rs. 224.00               |
| 2.     | Sizers             | -                               | Rs. 3.00 to Rs. 5.00       | Rs. 140.00               |
| 3.     | Pirn-winders       | -                               | Rs. 2.50 p.d.              | Rs. 70.00                |

It must be borne in mind that a monthly quantum of wages mentioned above is earned by "twelve hours' work" by all the categories. While the weavers are paid on piece-rate basis, others have a fixed-rate of pay. The provision of dearness allowance does not exist.

In the three units to which the Bombay Industrial Relations Act is applicable, the workers employed therein are also entitled to dearness allowance which is equal to 67% of the allowance paid to a textile worker in Bombay. In one of the above three units surveyed for this study, the wage-rates inclusive of d.a. were observed to be as follows:-

|                         |                 |
|-------------------------|-----------------|
| i) Weavers              | Rs. 200.00 p.m. |
| ii) Prin-winders        | Rs. 140.00 p.m. |
| iii) Jobber             | Rs. 300.00 p.m. |
| iv) Master-design-maker | Rs. 300.00 p.m. |

(b) Payment of wages:- The wage-payments are made twice a month on 7th and 22nd of each month. On 7th wages are paid, while on 22nd 'Kharchi' i.e. advance against pay.

(c) Over-time rate:- The payment for the overtime work is made at single rate in all the units without exception. One of the employers reported that if a worker's counter part employed in the following

shift does not turn-up, the worker after having put in his own 12 hours' work, does his counter-part's 12 hours job and again starts for his own 12 hours' job the next day. But he is paid at a single rate for the 24 hours which he has put in extra.

(d) Bonus:- Four units are reported to have paid bonus @ 4% to 7% for the year 1965-66 as required under the Payment of Bonus Act, 1965.

#### 9. Industrial Relations:-

The state of industrial relations in the powerloom units in Bhiwandi, despite the abject working conditions and resultant inhuman exploitation, could be said to be, by and large, 'peaceful', i.e. without any large-scale labour trouble, unlike in the small scale engineering units in Thana. The reasons leading to this situation could be said three-fold:-

- i) Weak organisation of workers (only 5 to 10% of the 38,000 workers are organised), thus incapable of launching any effective struggle,
- ii) Ineffective application of protective labour legislation, thus leaving a meak hope for victories through litigation,
- iii) Acute fear of victimisation resulting into straight-way dismissal.

Excepting the fizzled out general strike conducted by the then existing AITUC-affiliated union in 1965 on the question of wage-rise, there is no record of a strike or lockout. Cases of units resorting to strike or a lock-out individually are almost nil and would perhaps continue to be so so long as the above state of affairs persists.

At present thr move for the fixation of need-based minimum wages for the powerloom industry has been engaging the attention of the representative union. Non-payment of dues, retrenchment, wrongful dismissals or termination with or without notice or without compensation sometimes, result into demonstrations staged by the workers vitiating the industrial relation situations temporarily and that too limited to units concerned.

#### Machinery for the settlement of industrial disputes and redressal of grievances:-

Following machinery exists for this purpose:-

- i) Shop Inspector, who deal with the disputes relating to working hours, wage-payments, etc. of the workers

employed in small units employing less than 10 workers,

- ii) Government Labour Officer who is also Minimum Wages Inspector and who deals with the individual grievances and collective disputes of the workers employed in the powerloom units - big or small.
- iii) Legal machinery:- The industrial disputes arising in the units employing 20 or more workers are settled in accordance with the machinery provided under the Bombay Industrial Relations Act, 1946.

As none of the unions is recognised, the employers do not feel obliged to take the cognisance of a union representative's approach to them for settling an individual grievance or a collective dispute, though normally they (employers) do entertain the representations made by the unions on behalf of the aggrieved workers.

#### 10. (a) Labour Legislation:-

Technically, following pieces of labour legislation are applicable to the various units in powerloom units in Bhiwandi:-

- i) Bombay Shops & Establishments Act,
- ii) The Indian Factories Act, 1948,
- iii) The Bombay Industrial Relations Act, 1946,
- iv) The Employees' State Insurance Act, 1948,
- v) The Employees' Provident Fund Act, 1952,
- vi) The Payment of Bonus Act, 1965,
- vii) The Minimum Wages Act, 1948.

It would be, however, grossly misleading to believe that a worker in powerloom industry enjoys the protections and benefits incorporated in an assured by the above enactments. The Textile Mazdoor Sabha, Bhiwandi, the representative union, revealed that in order to escape the application of labour legislation, there has been growing tendency to split up or fragment the larger units into smaller ones and keep the number of workmen in each such small units below the requisite minimum prescribed for the application of the enactments. The imposition of the excise duty on the units having more than four looms have further accelerated the process of fragmentation. Now in order to avoid excise duty big units have been split up and partitioned into such numbers as to cover

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only four looms in each units. And each of such small units are being shown in wife's, son's, daughter's or sister's name of the real owner.

Out of the 12,000 units existing at present, the application of the Bombay Shops & Establishments Act extends only to 5,000 units, while the Textile Mazdoor Sabha quotes that there are only three units to which Bombay Industrial Relations Act is applicable. Though there are 180 units registered under the Factories Act, the Act's provisions with regard only to working hours, rest intervals, leave and weekly holidays are being observed in their letter and spirit only in 20 units. Only four units were reported to have paid bonus as per the Payment of Bonus Act, 1965. Similarly, there are equally scarce units covered under ESI & EPF Acts. Illustratively, out of six units covered by the study, only one unit was recorded to be covered by the ESI & EPF Acts.

(b) Analysis of ineffective application:-

This avoidance of the implementation of these labour enactments have been largely responsible for the existing substandard working conditions and sub-human terms of employment, thus keeping the labour cost of the production at a low ebb. Naturally, this has led to the rapid expansion of the powerloom industry in Bhiwandi. The discussion with the Government Labour Officer and the office-bearers of the representative union revealed that following reasons have been mainly responsible for shierking the legialtive obligations in this behalf by the employers:-

(a) The process of fragmentation of big units could be done without any difficulty. In many cases these fragmented units are shown only on papers. This issue has been discussed in detail in the previous para.

(b) The number of Inspectors for the enforcement of Shops & Establishments Act and Factories' Act proves very inadequate. For the 5,000 Powerloom Units covered under the Shops Act, there are only five Shop Inspectors. There is no independent Factory Inspector in Bhiwandi. The inspections, therefore, are neither comprehensive nor regular.

(c) The Municipal Shop Inspectors are said to be unable in making strict inspections, as they are subjected to undue pressure from the Municipal Councillors, most of whom are powerloom owners.

(d) The fear of victimisation and harrassment also inhibit the workers from making genuine complaints against the defaulting employers,

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(e) The representative union handles the complaints with regard to violations of the legal provisions of such units which are covered by its membership. As the union has no membership in as many as 160 units, it does not take up the cases from such units.

11. Mal-practices:-

Following malpractices were recorded to be resorted by the employers in the powerloom units:-

i) Fragmentation of units to avoid application of labour legislation. This has been explained in the previous paragraph. In order to further substantiate this, an example is quoted here. A powerloom employer, who is also an MLC owned a unit called Deepak Textiles employing 27 workers. In order to escape the Bombay Industrial Relations Act's and Factories Act's application, the said unit was partitioned into three smaller units called Sai Nath Textiles, Deepak Textiles and Sai Industries each such units showing the complement of nine workers. The representative union has taken up the case in appeal to the High Court, Bombay.

ii) Children within the age-range of 8 to 9 years are engaged for twelve hours work of pirn-winding or beam-drawing and paid Rs. 2.25 per day and Re. 1.00 per beam (come to Re. 1/- per day) respectively.

iii) Victimization and harrassment for becoming union-members, for filing a complaint with the union or for participating in union-demonstration is a normal feature. Victimization takes the form of immediate dismissal and harrassment includes frequent reprimands, abuses, withholding of dues, etc.

iv) In slack seasons, the units are closed abruptly with no compensation to workers.

v) For four to eight days in a month the weavers are compelled to remain idle for want of beams, which are in short supply. No compensation is paid for the loss in wages as a result of this.

vi) Even in the units, where the Factories Act is applicable, the hours of work are twelve. While making the payment of wages, the employers take the signature of the worker in a regular register denoting latter's receipt for eight hours' work. For the rest of the four hours' wages, the employers take receipt on a separate slip in order to avoid detection of 12 hours' work.

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vii) Terminations from service without compensation even on trivial grounds is just a normal feature. Remaining absent for three consecutive days due to illness or spoiling the material while weaving, may cost his job. Many a unit does not even maintain roster of regular workers.

12. Contract Labour:-

The system of contract labour as far as the powerloom industry is concerned is confined to filling the beams. The rate is fixed per beam according to the yarn used. The contractor usually employs boys within the age range of 13 to 18 to do the work on a daily-wage-rate-basis. The system deserves to be abolished. At places there is a system of engaging women workers on casual basis for reeling and filling of bobbins, but is progressively dying out with the introduction of machines for the operation.

13. (a) Minimum Wages:-

Minimum Wages have been fixed for Shops & Establishments in general. There are, however, no minimum wages fixed for the powerloom industry. The question is under the consideration of the Government of Maharashtra. The Government of Gujarat, it is understood, has already fixed Rs. 103/- p.m. as minimum wages for powerloom industry. Taking into consideration the high prices of the essential commodities, because of Bombay's proximity and equally high rents of the residential accommodation (the average rent for accommodation is even much higher than Bombay Standards), the representative union has represented to the State Government that the minimum wages for the powerloom industry in Bhiwandi be fixed at Rs. 150/- per month for eight hours' work, as against Rs. 80/- p.m. prevalent at present, which could be indeed termed as a "starving wage level".

(b) Difficulties:-

Several difficulties in the implementation of the Minimum Wages Act, 1948, were noted. Each shade accommodates a number of looms owned by different persons, whose names it is difficult to obtain. The workers working over them are neither able nor willing to produce correct information. The records are hardly available with the employers. The workers generally work on piece-rate basis and therefore, unless minimum piece rate is fixed, it is impossible to check the wage-rates being paid. The wage-rates change from time to time according to the variety of the cloth woven. Then, the

lack of organisation among majority of workers is another handicap. The Unions have not made any dent on the workers. Hardly anybody comes to support the Inspector in case he has to go to the Court. Security of their job is at stake, if they do so.

(c) Separate agency:-

At present the Government Labour Officer also works as the Minimum Wages Inspector. On fixation of Minimum Wages, Inspectors with independent charge of Bhiwandi powerlooms should have to be appointed. This would ensure effective implementation of this Act.

14. Changes in the last ten years:-

During the last ten years the number of looms in Bhiwandi have shot up from 5000 to 30,000 as also gone up the capital investment proportionately. During this very period there has been equally fast switch over from handloom to powerloom. The wage-rates during the last ten years has mustered only marginal increase. In fact, the real value of the existing wage rate has gone down by 30% because of rising cost of living, so claims the representative union.

15. Suggestions:-

During this mid-twentieth century when all over the world a worker has been recognised as a human being with a right to enjoy the fruits of material well-being, the workers in the powerloom units in Bhiwandi (in other powerloom centres of Maharashtra too) continue to exert like a chattle, remaining in isolation despite the industrial and economic progress achieved during the last 18 years of our independence. The deteriorating health of the thousands of workers, their starvation wage-rates, their torn-out and inadequate clothes, their filthy huts or no huts at all, all crave for immediate protection, which any Society has a moral responsibility to render at least on humanatarian grounds. This study seeks to submit following few suggestions for ameliorating the existing sub-standard conditions of workers:-

(a) Effective implementation of labour laws:- How notorious is the powerloom industry for escaping the application of the various protective labour enactments has been elucidated herebefore. Following measures would be worthwhile in preventing the avoidance of

labour law application:-

i) Arresting fragmentation:- The constant splitting up of the units into smaller ones is the fundamental reason for ineffecting the application of labour laws. It is, therefore, essential to impose a legal ban on this. The looms working under one roof should be treated as one monolithic unit for the purpose and splitting it below a minimum complement of workers say 10 should be made a punishable offence. Neither, units with a complement of less than 10 workers should be allowed to run. This will automatically make the application possible.

ii) Evolution of a special legislation to powerloom units:-

It is true that the benefits of social and economic justice should also be shared by the powerloom workers, but it is equally true that recognition to this fundamental presumption should not retard the existence and growth of the powerloom-sector. Within this framework a special piece of labour legislation covering the industrial relations machinery, hours of work leave with wages and weekly offs, and other labour and employment standards on the basis of the industry's capacity and the worker's necessities as a human being is proposed to be evolved. The industrial relations machinery and the structure of the law to be evolved in this regard should be necessarily so simple as to be intelligible, to a layman, apart from the fact that the recourse to the machinery should be easy and readily available. The existing labour relations law and the machinery under it do not satisfy these tests.

The law proposed should apply only to the powerloom units employing 10 and more workmen and covering workmen earning not more than 300 rupees. The State Labour Department would be the appropriate agency for its enforcement.

iii) Constitution of a Tribunal:-

All industrial disputes between the employers and employees in the powerloom sector should be subject to the jurisdiction of a special tribunal to be constituted under the proposed Act. Even a worker should have a free and full right to take any dispute to this Tribunal, whose decision should be binding. The Tribunal should have its offices at each of the three major powerloom centres in Maharashtra i.e. Bhiwandi, Malegaon & Ichalkaranji. The Tribunal should be empowered to try both collective and individual grievances. Such a tribunal, if constituted, would ensure quick delivery of justice, apart from being readily available.

iv) Grievance procedure:-

Recourse to adjudication should be, as far as possible, as a

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last resort. Earnest attempts for voluntary agreements would always be desirable. Any arrangement for collective and individual grievances must ensure the preserverence of the interests of both the managements and workers. A nominee of the Employers' Association and a representative of the Union should form a Team to go into the question and settle the dispute. In case of difference the matter should be left to the arbitration of the Government Labour Officer. The method has been followed in Bombay's giant hotel industry and has been highly successful in the settlement of disputes. If the arbitration is unacceptable, the dispute should be referred to the Powerloom Tribunal, proposed hereabove.

(b) Minimum Wages:-

Accepting the Supreme Court's well-known verdict that 'no industry has a right to exist, unless it pays minimum wages to its employees the fixation of need-based minimum wages for eight hours of work should be expedited so that the work and his family members enjoy a normal living, if not decent, of a human being.

(c) Housing:-

The residential accommodation in Bhiwandi is highly scarce because of utilisation of every available space for the installation of looms. The rent is sky-rocketing, with the result slums have grown and continue to grow adding dirt to the already dirty and stinky town of Bhiwandi. It is worthwhile that the Maharashtra Housing Board should take up the question of constructing suitable tenements for the local workers and charge subsidized rents.

(d) T.B. Hospital:-

It has already been pointed out that the incidence of T.B. in Bhiwandi because of lengthy working hours, low-wage-rates and bad sanitary conditions is highest in Maharashtra. This calls for a provision of a separate hospital for the treatment of this malignant disease.

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GINNING AND PRESSING INDUSTRIES

Amraoti and Nagpur, Maharashtra.

A) Introduction

1) Indian cotton before partition:

India's cotton known as white wool was long known to the ancients. The export of Indian cotton began to assume importance with the opening of the sea route to India. Raw cotton is the principle money crop in the country and nearly three million bales half of the local output worth about Rs.2500 to Rs.3000 lakhs, before the second world war was available for export.

Vidarbha has been and is one of the most important cotton growing areas. Current cotton production in Vidarbha is 10 lakh bales (400 lbs.) which is roughly 20% of national production. In the past Kappas of Deshi Jarilla and Verrum qualities were grown. These were medium short staple varieties, good for spinning upto 18 count of yarn. On the basis of the availability of such cotton, quite a few mills were started in this region.

2) Indian cotton after partition:

The partition of India in 1947 not only reduced the availability of kappas in the country but drastically curtailed the supply of long staple cotton which was then grown in west Punjab and Sind. To meet this shortage better varieties of kappas were introduced in Vidarbha. The staple length of some of these varieties are given below in order of development :-

| <u>Type</u> | <u>Staple Length</u> |
|-------------|----------------------|
| Deshi       | 20/32"               |
| Verrum      | 21/32"               |
| Jerilla     | 24/32"               |
| H-420       | 26/32"               |
| 197/3       | 27/32"               |
| 0394        | 28/32"               |
| L-147       | 30/32"               |
| 1007        | 31/32"               |

production in India. This variety is more costly The most common variety being grown at present is L-147 and it is being gradually replaced by 1007. A similar shift in the quality of cotton is evident in other areas of cotton than the older short-staple varieties which were used by old textile mills. Consequently old spinning mills cannot work economically with the expensive

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varieties of cotton.

B) Ginning & Pressing

1. Brief History :

The vital link between the kappas produced by the farmer and the textile mills is cotton ginning and pressing industry. Normally when one thinks of cotton he thinks only of textile mills and misses this important section of cotton ginning and pressing. This industry is very old. Many ginning factories can point to their paternity around 1890. At the time of partition of the country, there were 1532 cotton ginning and pressing factories in the country. As per 1962 figures, the present strength of these factories is 2401. Unfortunately, this industry has not taken any steps for modernisation to meet the contemporary standards of production. The ginning factories are still using the archaic type of simple roller cotton gins. These gins are expensive in working, fail to produce clean cotton lint and tend to damage cotton seed. Damaged seed affects the germination of new plants. In an era of switch over from short staple to medium and long staple, the production of methods of these gins is an alarming anachronism.

2. Seasonal nature :

Cotton ginning and pressing industry is essentially of seasonal nature being solely dependent on the availability of kappas. It has to bear all at the inherent risks of Indian Agriculture. The industry starts its maintenance and repair work by recruiting fitters oilmen and other khalasi staff during the month of September or October depending upon the anticipated arrival of kappas, ginning and pressing operations generally start from November when the daily paid labour is employed. They are offered work according to the availability of kappas in the factories.

3. Raw Material :

The industry being entirely dependent upon the agricultural commodity namely cotton, is subjected to all the uncertainties and vagaries of Indian Agriculture and the monsoon and other climate condition and damage by insects. The seasonal labour gets an employment for about 100 to 150 days in a year. In smaller mofussil centres, the employment period averages to about hundred working days only. This industry in a way provides the employment to the agriculture labourers after the agriculture operations are over. Being of seasonal nature and subjected to innumerable uncertainties the labour force keeps changing from year to year.

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4. Element of risk and uncertainty inherent to the industry :

As the ginning and pressing industry is entirely dependent on the crops condition in the region which are subject to great variation from year to year, there is always a great element of risk regarding the availability of the work. A factory owner has to recruit his workers well in advance of the season and incur heavy expenses by way of repairs, replacement of stores, labour charges for overhauling of the factories etc. In anticipation of a good crop of cotton and sufficient work during the season, many times, these expectations are not fulfilled on account of poor crop or non-availability of work due to other causes and he has to incur very heavy losses. This is justified by the fact that in old C.P. & Berar the total No. of factories being 479 in 1929-30 fast declined to 459 by 36-37 to 362 in 43-44 to 56-57 and 276 in 177 in 60/61 (Vidarbha). After 1960-61 the number slightly increased to 193. This is due to the formation of Cooperative Ginning and pressing factories. The sudden and heavy spurt in land prices gin and store hardware and other materials enabled many weak units to realise handsome price of their unremunerative concerns. This weeding out of the weaker units and the subsequent dismantling of the silent factories during the period 40 to 60 has lent stability to the industry by ensuring better quantum of work and fairly good profits.

5. Survey of the industry:

In Maharashtra, these industries are established particularly in Vidarbha and Khandesh and in some few parts of Marathwada. The following five industries are selected for the survey :-

1. Shri Niwas Laddha & Company Ginning & Pressing Factory, College Road, Amraoti.
2. Edulji Framji Dotiwala Ginning and Pressing Factory, College Road, Amraoti.
3. Nemani Ginning & Pressing Factory, College Road, Amraoti.
4. Cooperative Ginning & Pressing Factory, College Road, Amraoti.
5. Cooperative Ginning & Pressing Factory, Nagpur.

6. Stages of Manufacturing:

The manufacturing process of this industry is very limited. The raw cotton purchased in local market is cleaned. Cotton seed is separated and the cotton bales are prepared after the pressing work is over.

7. Market:

Generally all textile industries in India are the main

customers. Cooperative Ginning and Pressing Factories preferably sell the bales to Cooperative Spinning and Weaving Mills. At every stage from the purchase of raw cotton to the sale of bales, the middle man gets the commission. The whole purchase and sale deed is completed through him, but now-a-days the Cooperative Ginning and Pressing factories are trying best to avoid the middleman. Except some few places, marketing facilities are not satisfactory for the small unit of this industry, specifically the units which are far away from the main cities. Eventhough the transport services are increased, the general efficiency, for the rapid transport service is lacking.

8. Finances available :

The majority of manufacturers are either Gujarathis or Marwaris in private sector. They invested lot of amount some 30 years before but now no one is interested to start a new factory but some of them are keen to invest the amount in oil industry and other such subsidiary industries. They arrange to get the finances from the local market on the current rate of interest.

9. Government Loan.

No private manufacturer receives any Government loan or any other type Government assistance but in Cooperative field, Government has assisted these Ginning and Pressing societies by purchasing the shares to the limit of 1,50,000/-. Moreover, other societies in the concerning district have purchased number of shares of these factories. On the other hand the private manufacturers want that Reserve Bank should follow the old facilities.

10. Subsidiary industries

A. Cotton seed the progical bye-product

The most important bye-product of kappas ginning is cotton seed. It is  $\frac{2}{3}$  by weight and the residue of cotton lint is only  $\frac{1}{3}$  by weight. Till recently almost all the cotton seed was either used as cattle feed or as seed for cotton cultivation. Now cotton seed is being used industrially and as such, better price realisation from cotton seed is resulting in reduced cost of cotton lint, without reducing the price paid to the farmer. The price realisation from cotton seed can be further increased if the industrial use of cotton seed is enlarged. The factories under survey have not so far set up such a small subsidiary unit but near about in every district except Chanda and Bhandara of Vidarbha few units of oil industry have been

set up.

B. Surgical cotton factory

This is also one of the most profitable subsidiary industries. But it is noticed that due to lack of capital and heavy labour cost manufacturers are not ready to take the risk to establish this unit. In Vidarabha only one unit of such industry is so far established at Nagpur.

11. Ginning & Pressing Industries in Ccooperative Sector.

Recently ginning and pressing industries have been started on cooperative basis in Maharashtra. In first five year plan, Mysore and Gujarath started for the first time ginning and pressing factories on cooperative basis. Upto June, 1964 Government of India granted permission to 205 proposals of ginning and pressing societies. Out of them 151 societies started the working of factories by June, 1964. By June, 1964 in Vidarbha in each district except Bhandara, one or two ginning factories are established. All are working fairly well. Out of them two factories are surveyed. There is no much difference between the general working of these factories and the factories in the private sector. The labour problems are same. It is not noticed any progressive change towards the approach of labour as the management has to face several difficulties. At the primary stage due to continuous loss the management could not pay the bonus more than 4% but there is a ray of hope that in near future the prospects of these industries are definitely bright.

12. Taxes:

The private enterprenuers generally complain regarding the payment of heavy taxes. They are specially tired for maintaining the record. They feel that the cumbersome procedure creates great hardships and manufactures of small industries are unable to employ the sufficient number of staff for maintaining the office. They feel that low taxes and simple procedure of its payment will save the time and energy as well as money also.

13. Labour situation in this industry :

The total number of labour employed in each factory under survey ranges from 135 to 475. Due to seasonal nature nearabout all types of workers are employed in October and they are relieved by the end of May. The number of permanent labour is very few. Including

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office staff in the total number of permanent labour does not exceed more than 15. The Manager and other staff members has to do various types of additional duties alongwith the job allotted to them. The number of skilled and semi-skilled labour is also not more than 15 in each factory.

14. Classification of workers:

The workers are classified as skilled, unskilled, contract, temporary, permanent etc. The pressing work is done by contract labour. For this purpose a contractor is appointed in each factory. He appoints labourers according to needs. The number of permanent labour is less. Only few office and technical maintenance staff is made permanent. In the majority of factories this number is not more than 15. After the end of season in the month of May all temporary and contract labour is relieved but the permanent workers have to do a lot of pending work. In contract labour, the number of female workers is more, sometimes for cleaning the raw cotton, manufacturer appoints women also on temporary basis directly.

15. Training for workers:

It is noticed that management prefers untrained technical workers as they can be employed on low scale and the management can take out more work from them. When asked regarding the training facilities the management argues that the technical workers learn by experience only. They do not find any necessity of advance special training. The management generally avoids to engage apprentices in the establishment. In the factories under survey no trained technical hand was noticed. While discussing with several workers of the factories under survey it is noticed that the percentage of literacy is very low. Some few of them are upto VIII the class standard. Specially technical hands have completed one or two standards more after 4th class examination. No management is interested to relieve the candidate for 3 months period on duty for workers' education training. If you discuss more in detail regarding their difficulties, all of them will repeat the same reason that is the factories working is seasonal hence it is not possible for them to relieve the candidate for any training.

16. Employment :

In the month of October in each year the labour is appointed directly and they are relieved at the end of May. Since last two

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years this period is extended by one month more as the purchase and sale of raw cotton in local cotton markets is extended by one month. In this year the factories are closed by the end of June. The total labour is employed from local market. Hence the question of employment of outside labour does not arise.

When these factories are closed the workers turn to agriculture work. So far no steps are taken to reduce the contract labour when asked on this point the management replies that this convention is going on since several years. Regarding the uncertainty of employment if you ask the question the typical reply received is that by convention the same labour is employed every year.

17. Conditions of work

The general condition of work is very poor. In some factories the old machines are not properly maintained. Cleanliness, light arrangement, ventilation etc. is totally lacking. Even though the factory Act is applicable no canteen is constructed anywhere in any factory in Vidarbha area. No lunch shed or rest places for workers have been reserved by management when discussed with them the management is of the view that there is no necessity of these constructions. Workers may not like to take the advantage of them. Since many years the workers take their lunch anywhere in the compound as they like. A water pipe for drinking water is noticed everywhere. Other provisions of the Factory Act are being implemented but the maintenance of lavatories, urinals is not proper.

18. Working hours, leave etc.

Each factory is having 3 shifts with 8 hours working in each shift in the season period. Workers are allowed to take one hour rest. There are no paid holidays except, Republic Day, Holy and Dassehra. One day C.L. is granted to each worker for 20 working days. The factory is generally closed on Sunday which is declared as weekly holiday.

19. Job Security :

Due to seasonal nature of the factory there is no job security as such except for permanent employees. The convention is that same labour is appointed every year, hence workers at the bottom of the heart feel that even though the factory is working for seasons only, their jobs for next year are secured.

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20. Organisation of workers and labour problems:

This is the most unorganised sector. Majority of workers are still ignorant of trade union working. They do not find any necessity of starting trade union organisation. It is noticed that due to illiteracy among workers they are not still union minded - eventhough they have to face several problems like unemployment, sickness injury etc. There is one registered union noticed in Amraoti its name is Ginning Pressing Workers Union, Amraoti. Its jurisdiction is 4 districts of Vidarbha. It is registered union but not recognised by any management. Outside leadership controls the union. Its membership is very poor. The membership fee is not paid regularly. Meetings are not held from time to time. Many workers do not know the name of union when asked at the time of discussion. The yearly subscription is Rs.6/- but it is not collected every year as there seems to be a lack of vigorous drive for collection or for any other union work. Some trade union workers are very eager to work hard but their efforts cannot get success unless they are properly guided and well educated. Many of them are working in the whole day and in the rest of period they work in trade union field. They try to solve the grievances of the workers through Deputy Commissioner of Labour, Nagpur or by discussing directly with the management. In the factories under survey it is noticed that labour officer conducted elections for workers representatives. While discussing with some of them, no one could express their difficulties properly except that every one is eager to get more bonus, D.A. etc. They have realised that their services are purely temporary so anyone whosoever from labour department contacts them they will try to explain their main problems that eventhough the working of the industry is seasonal their services should be made permanent for which each management flatly refuses to do so. The union mentioned above try to send the candidates for workers' education training and they are also eager to start technical training classes for those workers but each management does not seem to be keen to do so for want of sufficient fund. Moreover workers are not completely dependent on this service. When the season is over, many of them try to find out suitable job. Unskilled workers work as agriculture labours. Able bodies males pull rickshaws and semi-skilled workers take to cycle and umbrell repairs etc. Skilled workmen take to carpentary, masonry and other constructional jobs; ~~suiting~~ to their attitude. The union mentioned above has appealed all the managements as well as the Government to fullfil the following major demands :-

1. Workers should get wages and D.A. as paid to textile workers in Nagpur alongwith retention allowance.

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2. Permanent workers should be granted the facility of gratuity and Provident Fund.
3. All workers who have worked for 3 months should be treated as permanent.
4. A notice should be circulated to all workers one month earlier before starting the factory.
5. The sickness and maternity benefits should be granted to workers.

Hence the main labour problems is that workers in these factories want all benefits as the workers in other big industries are enjoying. They want all benefits as the textile workers are enjoying but due to lack of proper trade union organisation and matured guidance there will not be much progress in the industrial relations. Moreover the attitude of management should be progressive. There is no doubt that the general attitude of management is sympathetic towards labour but due to seasonal nature of the factory, unascertaining nature of raw material (Kappas) the factory owners are unable to do any further progress in the improvement of labour relations or in the future prospects of their industry. At the most they give assurance at the end of the season that the same workers will be employed next year but they cannot fulfill the demand of making permanent to all temporary workers.

21. Wages:

The wages in general are very poor. Minimum wages for ginning pressing workers are fixed by Government in 1956 and afterwards again revised in 1964. These rates were increased by 10% in 1965 and once again 7½% in 1966 by the joint efforts of labour-management and Government. During the last 4 seasons a healthy convention was established of discussing the rates of wages in tripartite meeting of representatives of employers, workers and Government at the beginning of season and the increment in the wage structure was mutually agreed upon. The factory owners could on their part discuss this rise in labour charges before the rate fixing committee and try to get themselves reimbursed to some extent. In these factories all the workers are employed directly by the management. Pressing work is done by a lot of hamalis employed through a contractor. However, the wages for press hamalis are also fixed under the minimum wages act, and they are given increment in wages from time to time along with the other labourers. Cotton merchants working in the ginning and pressing factories employ their own labourers for cleaning of kappas

cotton and seeds. These workers exclusively work for the merchants employing them. They work under his supervision and instructions and they receive their wages from merchants. They get their work on day to day basis as and when work is available with the cotton merchants. The merchants employ female workers known as 'Press Palwalas' on the day he has to press his cotton. Proper bleaching and cleaning prick-ing etc. is done by the Palawalas under the supervision, instruction and guidance of the merchant. These workers are solely the employees of the cotton merchants, and there is no master-servant relationship with the factory owners.

22. D.A. and other allowances:

It is noticed that no separate D.A. is paid to the labourers as the D.A. is supposed to be included in the wages. Even for the workers who are getting salary in the beginning of each month D.A. is not paid separately. Other workers get their wages by the end of each week. Many times advances are also paid to them according to the needs and they are adjusted by the end of each month.

The rates of wages paid to the labourers in the factories under survey in the last season are appeared in the Annexure-I.

23. Housing facilities:

It is noticed that housing facilities to workers are not extended by management except in some few cases. Manager and other important staff members whose services are likely to be required to any time are provided old barrack/type quarters.

24. Over-time:

Generally in all factories the over time is paid double the rate of daily wages if the worker works for 4 hours he will get the over time for 8 hours.

25. Provident Fund:

The special feature of this industry is that no where provident fund scheme is adopted eventhough the concerning authorities have approached several times. Wherever I contacted the management the prompt reply is given that scheme is under consideration. Manager and other staff members are eager to start the Provident Fund deductions but the managements are not keen to apply the scheme in their respective factories as they will also have to contribute according to rules. Regarding the payment of gratuity management is of the



opinion that it is beyond their capacity due to absolutely seasonal nature of the factory. The ginning and pressing Cooperative Societies are exception to above. These societies have already started the provident fund scheme for their permanent employees.

26. Bonus:

After the application of Payment of Bonus Act the factories under survey have paid the Bonus as mentioned below:-

| <u>Name of the factory</u>                                | <u>64-65</u> | <u>65-66</u> | <u>66-67</u> |
|---|--------------|--------------|--------------|
| 1. Shrinivas Laddha & Co. Amraoti<br>(Ginning & Pressing) | 11.39%       | 8½%          | 4%           |
| 2. Edulji Framji Dotiwala, Amraoti                        | 10%          | 15%          | 20%          |
| 3. Nemani G & P. Amraoti.                                 | 12%          | 20%          | 20%          |
| 4. Ginning & Pressing Society -do-                        | 4%           | 4%           | 4%           |
| 5. -do- Nagpur  | 4%           | 4%           | 4%           |

No incentive bonus is paid by the management so far.

27. Accidents:

There are so far no major accidents in these industries. Full care is being taken while using heavy or light machinery. First Aid box is kept every where. Some posters regarding the industrial safety are exhibited in different sections.

28. Absenteeism:

Due to seasonal nature of the industry workers generally attend the duty regularly. The percentage of absenteeism is not more than 5 to 8%. If anyone or his family member is sick or if the worker has to complete any private work specially of his agriculture, then only the worker will not attend the duty.

29. Labour Laws:

The following labour laws are applied to these factories :-

1. The Bombay Industrial Relations Act.
2. Minimum Wages Act.
3. Workers Compensation Act.
4. Factory Act.
5. Provident Fund Act.

Except Minimum Wages Act the implementation of other laws is not to the work.

30. Industrial Relations:

The close contact of the workers with the manufacturer the management can understand the problems of workers in a better way. Psychologically workers in small industries are relatively free from the complexities of mechanised processes and routine operations connected with them. There is a feeling of job satisfaction among workers to a certain extent even though they get low wages in comparison with the labourers of textile and non-textile industries. Many times grievances are ordinary. All grievances pertaining to individuals are redressed on the spot, and the grievances pertaining to any group of workers or of a department are redressed by management without more delay for increasing the efficiency of workers. The management is interested to produce more cotton bales in a limited working period. Demands regarding the revision of pay scales, increase of daily wages and as such are tried to curb by explaining them the financial difficulties and seasonal nature of industry. Now these factory owners have formed district wise Associations. They have also an association for 8 districts of Vidarbha and generally all of them try to adopt a uniform policy for the better working of industry as well as labour relations. If the workers union submit a general demand to the Deputy Commissioner of Labour the Employers Association use to inform the difficulties and inability to fulfill the demands of workers. In short, even though the labour relations are not complicated there is lacking a progressive outlook in the nature of management.

31. Difficulties of employers:

Due to increased prices of cotton as well as machinery and labour, the employer finds very difficult to run the factory. There is not so much labour trouble as we notice in other industries but he is handicapped to fulfill the demands due to lack of finances low sale of cotton bales and such other difficulties.

32. Future plans:

Many of them try to make out future plans regarding establishment of any subsidiary industry and introduction of double roller cotton gins. It is estimated that if all the ginning factories of Vidarbha converted their gins from the single roller to double roller the average annual raising will be about Rs.50/- lakhs.

The second advantage of this double roller gin is its propensity to take out the cotton seed unharmed. The cotton seed

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is not damaged and the benefit in terms of successful germination can be imagined. A better germination percentage reduces the quantum of seed rate per acre and lastly clean and dust free cotton is available to the textile mills. While discussing with the factories under survey it is noticed that only Amraoti Cooperative Ginning and Pressing Factory has ready proposal to install 12 double roller gins in next two years. Due to this development 4 technical hands and 30 labourers will get the employment. But in the case of private enterprise a gloomy picture was noticed regarding future plans. Their main request is that they want to invest more capital if the Banks will make them available at the low rate of interest and with the facility of easy instalments at the time of repayment. They also feel that labour laws for seasonal small scale industries should be simple and that these people may not find difficulties to practise them.

33. Conclusion:

But with all this there is excellent future for the gin industry as such more so far the oil milling units as diversified uses as are made possible of their byproducts. With the advent of electric current in the villages, it was thought in the beginning that smaller ginning units will come up in the rural areas as in the case in U.S.A. But this trend had a rude set back as the more profitable units of cotton seed oil were possible only in cities and towns where the oil millers had put up their factories.

In a nut-shell whatever may be the difficulties if the Government give more facilities to factory owners for raising the funds the prospects of these small units will be definitely bright.

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## ANNEXURE - I

Particulars of wage Paid by Ginning and Pressing Factories.

| Sr. No. | Designation  | Wages prevailing before 29.2.1948 | Wages prevailing from 1.3.1948 | Rates fixed by the Minimum Wage Fixing Committee of 1956 | Rates fixed by the Minimum wage fixing Committee of 1964 | Prevailing rates for 1966/67 |
|---------|--|-----------------------------------|--------------------------------|--|--|------------------------------|
| 1       | 2  | 3                                 | 4                              | 5  | 6  | 7                            |
|         |  | Rs.                               | Rs.                            | Rs.  | Rs.  | Rs.                          |
| 1.      | Engineer   | 91.00                             | 110.00                         | -  | 120.00   | 179.74                       |
| 2.      | Boiler Attendant   | 76.00                             | 92.00                          | 95.00  | 120.00   | 141.90                       |
| 3.      | Fitter   | 80.00                             | 96.00                          | 100.00   | 120.00   | 147.81                       |
| 4.      | Fireman  | 37.00                             | 44.50                          | 60.00  | 75.00  | 88.69                        |
| 5.      | Roll-Cutter  | 28.00                             | 36.00                          | 45.00  | 65.00  | 76.86                        |
| 6.      | Oil-man  | 28.00                             | 36.00                          | 40.00  | 65.00  | 76.86                        |
| 7.      | Cobbler (Mochi)  | 46.00                             | 55.25                          | 60.00  | 80.00  | 94.60                        |
| 8.      | Black-smith  | 50.00                             | 60.00                          | 70.00  | 80.00  | 94.60                        |
| 9.      | Carpenter  | 50.00                             | 60.00                          | 70.00  | 80.00  | 94.00                        |
| 10.     | Driver (Engine)  | 38.00                             | 45.62                          | 70.00  | 82.00  | 100.51                       |
| 11.     | Valveman or half pressman  | 31.00                             | 37.25                          | 55.00  | 75.00  | 88.69                        |
| 12.     | Coal man   | 1.50 P.Day                        | 1.80 P.Day                     | 2.10 P.Day   | 2.54 P.Day   | 2.73                         |
| 13.     | Chowkidar(watchman)  | 27.00                             | 33.50                          | -  | 55.00  | 65.04                        |
| 14.     | Clerks (Stores or Office)  | -                                 | -                              | 70.00  | 85.00  | 104.06                       |
| 15.     | Semi Clerks  | -                                 | -                              | -  | 75.00  | 88.12                        |
| 16.     | Gin Mukkaddam  | 1.81 P.Day                        | 2.17 P.Day                     | 60.00 P.M.   | 70.00 P.M.   | 3.55                         |
| 17.     | Gin Feeder & Kapas Bond. & Sarki Bond  | 0.81 "                            | 0.97 "                         | 1.12 P.Day   | 1.65 P.Day   | 1.96                         |
| 18.     | Sweepers(Faltu)  | 0.87 "                            | 1.05 "                         | 1.12 "   | 1.65 "   | 1.96                         |
| 19.     | Kapas Carrier & Machangawala   | 1.50 "                            | 1.80 "                         | 1.62 "   | 2.10 "   | 2.72                         |
| 20.     | Lint-Carrier (Galewala)  | 1.20 "                            | 1.44 "                         | 1.37 "   | 2.10 "   | 2.48                         |
| 21.     | Cotton-seed Carrier  | 1.19 "                            | 1.42 "                         | 1.50 "   | 2.10 "   | 2.48                         |
| 22.     | Number Marker  | -                                 | -                              | 1.50 P.100 Bales   | 2.00 P. 100 Bales  | 3.84                         |
| 23.     | Lobadia  | -                                 | -                              | 2.00 "   | 2.75 "   | 3.26                         |
| 24.     | Tolwala  | -                                 | -                              | 1.87 "   | 2.40 "   | 2.84                         |
| 25.     | Bale Sewer   | -                                 | -                              | 2.00 "   | 2.25 "   | 3.26                         |
| 26.     | Bariwala, Digliwala & Bondry Fadner  | -                                 | -                              | 1.50 ".1   | 2.10 "   | 2.48                         |
| 27.     | Hessian Cutter   | -                                 | -                              | 1.50 "   | 1.25 "   | 2.48                         |
| 28.     | Palewala or Palewalies employed by factory management or by any other agency | -                                 | -                              | 1.37 "   | 1.75 "   | 2.07                         |

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| 1.   | 2    | 3     | 4    | 5     | 6                | 7                |        |       |      |
|--|------|-------|------|-------|------------------|------------------|--------|-------|------|
| 29. Press Mukkaddam  | -    | -     | -    | 2.25  | P.100 Bales P.M. | 70.00            | 5.43   |       |      |
| 30. Dable  | -    | -     | -    | -     | -                | 2.80 P.100 Bales | 3.31   |       |      |
| 31. Turner (Qualified)   | -    | -     | -    | 95.00 | P.M.             | 120.00 P.M.      | 131.00 |       |      |
| 32. Turner (Non-qualified)-  | -    | -     | -    | -     | -                | 80.00 P.M.       | 94.00  |       |      |
| 33. Electrician (Qualified from Ltd.)  | -    | -     | -    | -     | -                | 120.00 P.M.      | 131.00 |       |      |
| 34. Wireman  | -    | -     | -    | -     | -                | 90.00 P.M.       | 105.75 |       |      |
| 35. Employees employed on picking and cleaning of raw cotton employed by factory management or by any other agency | 1.12 | P.Day | 1.34 | P.Day | 1.25             | P.Day            | 1.65   | P.Day | 1.96 |

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| 1.                     | 2  | 3  | 4  | 5  | 6  | 7  |
|------------------------|----|----|----|----|----|----|
| 1. Technical Labors    | 10 | 10 | 10 | 10 | 10 | 10 |
| 2. Spinning & Pressing | 10 | 10 | 10 | 10 | 10 | 10 |
| 3. Spinning & Pressing | 10 | 10 | 10 | 10 | 10 | 10 |
| 4. Spinning & Pressing | 10 | 10 | 10 | 10 | 10 | 10 |
| 5. Spinning & Pressing | 10 | 10 | 10 | 10 | 10 | 10 |

ANNEXURE - IIClassification of workers in Ginning & Pressing industry.

| Name of Factory                                    | Pressing | Ginning | Mechanical | Permanent | Office Staff | Casu |
|--|----------|---------|------------|-----------|--------------|------|
| 1  | 2        | 3       | 4          | 5         | 6            | 7    |
| 1. Shrinivas Laddha Ginning & Pressing Amraoti.    | 40       | 82      | 15         | 6         | 12           | 125  |
| 2. Edulji Framji Dotiwala, Amraoti                 | 40       | 435     | 25         | 15        | 22           | 391  |
| 3. Nemani Ginning & Pressing, Amraoti              | 45       | 150     | 9          | 25        | 15           | 105  |
| 4. Cooperative Ginning & Pressing, Amraoti         | 95       | 355     | 2          | 9         | 10           | 390  |
| 5. Cooperative Ginning & Pressing Factory, Nagpur. | 40       | 64      | 8          | 9         | 10           | 74   |

Contd.....

| Name of factory                                   | Skill-<br>ed | Unskill-<br>ed | Contr-<br>act | Semi-<br>skill-<br>ed | Male | Female | Total |
|---|--------------|----------------|---------------|-----------------------|------|--------|-------|
| 1   | 8            | 9              | 10            | 11                    | 12   | 13     | 14    |
| 1. Skrinivas Laddha Ginning & Pressing, Amraoti   | 15           | 122            | 40            | nil                   | 92   | 45     | 137   |
| 2. Edulji Framji Dotiwala, Amraoti.               | 9            | 391            | 40            | 10                    | 383  | 92     | 475   |
| 3. Nemani Ginning & Pressing, Amraoti             | 10           | 116            | 45            | 15                    | 160  | 35     | 195   |
| 4. Cooperative Ginning & Pressing, Amraoti        | 8            | 434            | 95            | 8                     | 390  | 60     | 450   |
| 5. Cooperative Ginning & Pressing Factory Nagpur. | 14           | 76             | 40            | 4                     | 74   | 30     | 104   |

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ANNEXURE - III

Cotton Bales Production From 1961 to 1967

| Name of Dist. | 61-62    | 62-63    | 63-64    | 64-65    | 65-66    | 66-67    |
|---------------|----------|----------|----------|----------|----------|----------|
| Nagpur        | 28,160   | 28,191   | 34,339   | 41,238   | 46,705   | 36,450   |
| Amraoti       | 1,76,128 | 2,22,274 | 2,79,592 | 2,71,260 | 2,31,594 | 2,11,301 |
| Akola         | 84,274   | 1,35,728 | 1,50,565 | 1,43,202 | 1,44,275 | 1,25,094 |
| Buldana       | 1,44,250 | 2,31,454 | 2,43,862 | 1,90,499 | 1,29,091 | 1,76,316 |
| Chanda        | 426      |          |          |          |          |          |
| Wardha        | 49,567   | 62,827   | 85,144   | 92,956   | 97,031   | 87,761   |
| Yeotmal       | 1,12,180 | 1,47,976 | 1,87,775 | 1,55,709 | 2,41,696 | 1,86,530 |
| Total         | 5,94,983 | 8,28,450 | 9,81,277 | 8,94,864 | 8,90,392 | 8,23,452 |

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ANNEXURE - IV

Wages scale of Permanent cadre in Ginning and Pressing  
Cooperative Societies in Nagpur and Amraoti.

|                          |                    |   |                  |
|--------------------------|--------------------|---|------------------|
| 1. Manager               | 280-20-850         | ) |                  |
| 2. Accountant            | 125-275            | ) |                  |
| 3. Assistant Account     | 100-230            | ) | 30/- D.A. Extra. |
| 4. Factory Manager       | 150-375            | ) |                  |
| 5. Mechanic              | 55-5-110           | ) |                  |
| 6. Clerk                 | 100-8-220          |   |                  |
| 7. Head Fitter           | 175/- Consolidated |   |                  |
| 8. Asstt. Fitter         | 142/-              | " |                  |
| 9. Roll Cutter           | 90/-               | " |                  |
| 10. Mochi                | 80/-               | " |                  |
| 11. Engine Driver        | 135/-              | " |                  |
| 12. Blacksmith Carpenter | 135/-              | " |                  |
| 13. Pressman             | 120/-              | " |                  |
| 14. Oilman               | 85/-               | " |                  |

Daily wages of workers

|                         |      |
|-------------------------|------|
| 15. Female cooli        | 1.94 |
| 16. Male cooli          | 2.94 |
| 17. Cotton Seed Carrier | 2.48 |
| 18. Pinwala             | 1.94 |

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Lac Industry, Gondia, Maharashtra

1. Introduction

A. Brief History of Industry.

Lac has been known, in India and China for several thousand years and is referred to in the earliest vedic writings. There is no evidence available to show when cultivation was introduced in India. The record of the East India Company from 1700 include some references to "gum lac" but trade began about the beginning of 19th century with lac dye which competed with Cochineal from Mexico. From 1870 however, the interest in Western countries changed to the lac resin. Before the end of 2nd war, lac was virtually a monopoly of India in as much as she accounts for nearly 85% of total world production. The other producing countries are Burma, Siam (Thailand) Ceylon Java and China. Some 15 years before lac industry provided employment for nearly 21000 workers who were engaged in the processing of lac into shellac besides ensuring livelihood for considerable number of families in villages who collect lac from the trees.

B. What is lac

Lac is the secretion of the lac insect, parasitic on certain trees, principally in the states of Bihar, Madhya Pradesh, Maharashtra and Bengal in India and in Burma and Thailand. It is cultivated in these areas because of the commercial value of lac resin. Shellac is the refined form of lac. The word, derived from shell-lac specifically refers to refined lac in thin plates. The table below gives the distribution of lac production among the major production states in 1951-52:

Geographical Distribution of Lac Production in 1951-52:-

| States | Estimate of Production of stick lac. | (Maunds of 82 2/7 lbs)<br>Percentage of total production. |
|--------|--------------------------------------|---|
| Assam  | 30,000                               | 2.5   |
| Bihar  | 6,66,000                             | 54.6  |
| Bombay | 16,000                               | 1.3   |

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|                 |                  |              |
|-----------------|------------------|--------------|
| Madhya Pradesh  | 3,57,000         | 29.3         |
| Orissa          | 15,750           | 1.3          |
| Uttar Pradesh   | 9,400            | 0.8          |
| West Bengal     | 59,000           | 4.8          |
| Vindhya Pradesh | 47,650           | 3.9          |
| Other States    | 18,600           | 1.5          |
|                 | <u>1,219,400</u> | <u>100.0</u> |

(Source - Indian Lac Committee Annual Report 51-52)

## 2. Stages of Manufacturing

Lac is collected by cutting off the encrusted branches which are then either scrapped to remove the lac, or chopped in to small pieces. The product is known as stick lac. It is collected in varying amounts at village markets and thence to larger centres in which the refining processes are established for example, Balarampur and Jhalda (Bihar) Gondia (Maharashtra) Mirzapur (Uttar Pradesh) Calcutta (Bengal) Regu (Burma) Chengmai and Bangkok (Thailand)

The principal crop in India is the Bysaki from Alas and Ber trees, collected in April and averaging 700,000 mounds annually.

## 3. Refining procedure

By fairly simple processes the crude mixture of tingo insect remains, dye and resinuous encrustation known as stick lac can be partially refined, first by crushing the lac and sieving off twigs then by washing in water, to remove the dye, then after drying, by winnowing to remove the smaller fragments of stick. Such processes are carried on by primitive methods in the villages, and with a varying amount of mechanisation in many small and a few large factories. The semi refined product is known as seed lac. Further purification is affected either by a primitive type of heat process in which the seed lac is squeezed through a cloth bag held in front of a charcoal fire, and known as the Hand process, or by modern methods in factories. The refined product is marketed in various forms, of the commonest in this flakes, is called shellac, a term generally applied now to all forms of purified lac, such as orange, leaf, lemon, button, garnet, dewaxed, bleached.

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#### 4. Industrial uses of lac

Shellac possesses a valuable combination of mechanical, thermal and electrical properties. It produces smooth, decorative and durable films, from alcoholic and alkaline solutions with excellent adhesion, to a variety of surfaces. It is a powerful bond in a thermo plastic applications and has excellent insulating properties. Some of the main industrial applications are listed below:-

1. French polishes and furniture finishes.
2. Gramophone records.
3. Electrical insulation.
4. Grinding wheels.
5. Lacquers in metal foil.
6. Leather dressing.
7. Hat stiffening.
8. Mirror backing.
9. Floor polishes.
10. Confectionery glaze.
11. Sealing wax.
12. Jewellery and bangles.

#### 5. Lac trade and commerce

Ever since the development of the lac industry which resulted from industrial expansion in western countries, India has held a pre-eminent position in lac trade. It produces on the average of the last 10 years about 70% of the total world supply of stick lac, the remainder being collected in Thailand and Burma. In the years before the 1939 war, practically all the lac collected outside India, in the region from Burma to Indo-China was exported as stick lac to India, which had a monopoly of the processes of refining and the world received its supplies of lac in all forms from India.

Since the war the position has been changing considerably. Whereas cultivation in India has made no progress. Thailand has developed cultivation and entered the field of refining. The speciality of the lac industry is that very little proportion of refined lac is consumed in India, and near about 85% is exported. This industry was not properly organised due to several complications and the scattered nature of the business of collecting

sticklac. But after Independence some Associations were formed for the improvement of trade. The Calcutta Shellac Trade Association is one of them which was founded in 1948, and has done good service in regulating quality, arranging for arbitration among its members and in general attempting to lift the trade on to a more reputable basis. Recently All India Lac Growers and Manufacturers Association, Gondia (Maharashtra) is also established for the improvement in lac trade.

According to the report published by the above association the statement showing exports of all kinds of lac from India to various countries for the year 1956-57, 1960-61 is mentioned in Annexure-I.

#### 6. Present position of lac industry.

The present position of lac industry is far from satisfactory. The total production is also decreasing. Due to various alternatives recently invented, the export of lac and the internal sale of lac is reduced considerably. The Indian Lac Cess Committee with the help of Govt. of India, the minimum export prices of lac were fixed from June 1958. As however, minimum selling prices for lac in Calcutta market were not announced a wide disparity resulted in the minimum export and internal prices. As a consequence the Indian Lac Cess Committee proposed to fix maximum prices also from Nov. 59. Afterwards the Indian Lac Export Association decided to set up a limited Buffer Stock under its own aegis during Oct. 1960. This is one of the measures practised for the general improvement in lac market. In 1961, the Govt. of India has made further improvements in the buffer stock scheme, and considered more steps to arrest the worsening situation regarding exports and internal selling prices of lac to devise a remedy for future. The factual data regarding the production range of prices and exports of lac is noted in Annexure-2.

For the survey of lac industry Bhandara district in Maharashtra was selected. In Maharashtra some few units of lac industry are still working regularly in Gondia as the seed lac is easily accessible from the surrounding areas. Twenty years before near-about 26 industries were working regularly. Day by day the number of units were

decreased and nearabout 16 units were working in 1955. The list of the prominent units is noted in Annexure-3.

At present out of 16 only 6 units are working and for survey work 4 units were selected. The names of 6 workings units are:-

1. M/s. Sukhdeo Agrawal lac Factory, Gondia.
2. M/s Bajaj Chemical Industries, Gondia,
3. M/s Achhruram Sohanlal Shellac Industry, Gondia.
4. M/s Agrawal Shellac Factory, Gondia.
5. M/s Prakash Lac Works, Gondia.
6. M/s Kalikaprasad Chambhe Lac Factory, Gondia.

The first four units were selected for survey work. The general findings are mentioned below:-

7. Seasonal nature

At present this industry is working mostly in unorganised state. The special feature of this industry is that it is seasonal. The working season is from October to June. The manufacturers who are generally Marwaris, Gujarathis and Sindis are not much hopeful regarding the future prospects of the industry for the following reasons:-

- i) The market condition for lac is not bright.
- ii) Some other chemicals are being replaced for lac in India and abroad.

Unless Govt. takes some firm steps to give necessary protection to this industry, the present manufacturers may not take more interest for the production of shellac in future. The All India Manufacturers Association have submitted several memorandas to Govt. and suggested few ways and means for the protection of lac industry.

8. Marketing

Lac is distributed and marketed mainly through export agents who often lift the produce at a price which is not generally conducive to the interest of manufacturers. The unorganised form and financial weakness of the manufacturers account for the monopolistic control exercised by the export agents. The growing competition of lac exports

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from such countries as Thailand also contributes to uneconomic prices received by the manufacturers in this area.

#### 9. Organisation and finance

As the lac manufacturers carry on their operations on individualistic lines and on unorganised basis, they always suffer from shortage of funds for use as working capital as well as for the purchase of improved equipment. Out of the 4 units listed, three expressed need for financial assistance specially for acquiring additional capital equipments. These three units employ power operated crushers and washers while other processes are carried out by hand. All the units are aware of the need of improved machinery and equipment and are anxious to mechanise their operations to the possible extent.

#### 10. Subsidiary industry

Out of 4 units only one has started the French Polish industry some 5 years back. Others are not interested to start any other subsidiary industry for want of sufficient funds and technical hands.

#### 11. Labour condition.

In four units mentioned above, the total number of workers in each factory is not more than 30. Out of them one or two staff members and very few technicians are permanent in each factory. Others are all temporary. Being the seasonal working of the factory the manufacturer has to pull on with the same workers in every year by hook or crook. The number of skilled workers is also not more than 5 in each factory. In some units contract labour is employed for melting the seed lac.

#### 12. Classification of workers

The total number of workers employed in each factory visited is not more than 25. The number of skilled and permanent workers in each factory is below 5. Contract labour is employed for melting seed lac. The contract system can be avoided if the firm steps are taken, but due to seasonal nature of the factory the manufacturer prefers to give contract for melting the lac. The statement showing the classification of labour in these four

industries is mentioned in the Annexure-4.

13. Wage payment

The old M.P. Govt, has fixed the minimum wages in March 1951. The same were revised in Feb. 1956, by Labour Department notification No.569 451-XXIII dated 23.2.56. The rate of the minimum wage payment is as follows:-

| Category.           | Minimum rate fixed.  | Actual rate paid. | Per head |
|---------------------|----------------------|-------------------|----------|
| <u>Skilled</u>      |                      |                   |          |
| Karizas             | 3.6.0                | 3.62              | "        |
| Balwaiya            | 2.8.0                | 2.94              | "        |
| <u>Semi-Skilled</u> |                      |                   |          |
| Pherwaiya           | 1.2.0                | 1.37              | "        |
| Stitchers           | 0.4.10 $\frac{1}{2}$ | 0.37              | "        |

The contractor is paid Rs.8/- for 40 killogram for shellac and Rs.8.50 for 40 kilograms for button lac. These rates are revised recently. The contractor pays the workers at the above rate in the factories where contract labour is employed.

Unskilled

Male 0.15.6 per day Rs.2.50 per day.  
Female 0.11.6 per day Rs.1.75 per day.

D.A. Payment

No separate D.A. is paid to the workers in any industry. When more questions were asked to the management regarding D.A. payment, it was reported that the actual payment is inclusive <sup>of</sup> D.A. and other allowances.

14. Bonus payment

Except in one or two factories no separate bonus is paid to workers in other factories under payment of Bonus Act. But separate Diwali and Holi payments are made to regular workers towards the special parents in each year. For these extra payments no rate is fixed but it depends upon the whims of the management.

15. Payment to permanent staff

The permanent members in each factory under survey is paid consolidated amount in each month. No separate D.A. is paid or no other separate allowances are paid or facilities are provided except in few cases a free accommodation is provided. The maximum salary paid to Manager of the Factory is Rs.275/- P. . and minimum salary fixed to other members is Rs.65/- P.M.

16. Provident Fund

It is noticed that provident fund is not deducted even from the salary of permanent staff members. When enquiry is made the reply is given that due to seasonal working of the factory no provident fund is deducted.

17. Accidents

It is noticed that no major accident is occurred since the inception of the factory hence the question of compensation payment has not arisen so far. For minor accidents the special leave for day or two with pay is granted to the concerning worker.

18. Leave

No special leave with wages is granted to worker. In some factories weekly holiday is also not granted. Only on Bazar day after half day working the factory is closed.

19. Absenteeism

As the majority of workers employed in these factories in local the percentage of absenteeism is very less. It is not more than 5% . Each worker is having one or two acre cultivated land in nearabout areas except in few cases, hence the rate of absenteeism does not arise as the factory itself is closed from June to September end.

20. Factory Act facilities

In no factory separate canteen or rest place for workers is constructed as the manufacturer does not find any necessity of it. But water tap, lavatories, urinals,



first aid treatment and all other facilities are provided by Management.

#### 21. Job security

Being a small scale and seasonal nature of the factory there is no job security as such in writing for even permanent staff but the permanent members in general are having a feeling that their job is secured due to good relations with the manufacturer. Moreover the ordinary worker whose services are not at all required after June uses to return to the same manufacturer in the next October without the issue of any notice. Only in the case of machinist or skilled worker whether permanent or temporary may be appointed from other parts of India as the local worker being illiterate is not interested to learn the technical work.

#### 22. Training facilities

Neither technical nor any other type of training facility is given to worker as the manufacturer does not find any necessity of it.

#### 23. Over time

In all factories under survey there is provision for the payment of over time. The rate is double of daily wages, but since last two years over time is paid only in one factory. Others do not find any necessity.

#### 24. Industrial relations

Due to close contact between labour and management generally the relations are good. If there are some disputes or grievances they are solved by the employer without any delay. Employer has got full control over labour. There is not a single instance of workers strike in any industry so far. Workers do not find any necessity to go on strike. As the labour is totally unorganised they do not know their rights properly. Employers' tendency is to discourage the workers to come together for the formation of union. He tries to solve all individual problems of workers personally, and always try to main-

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tain harmonious relations with workers. Workers seem to be happy in what they are getting. In one case only, workers have demanded more wages and D.A. but employer concerned tackled them properly and explained the position. Hence there does not seem to be any major labour problem which will create trouble and spoil the relations. The number of male and female workers is near about equal in each factory and management gives all facilities to all of them by realising their difficulty.

25. Working hours.

While interviewing one or two workers in each factory it is noticed that all workers are working for 8 hours in a day with one hour rest in between. They are getting the payment weekly, regularly. Sometimes temporary advance is paid by the employer and further it is adjusted at the end of the month.

26. Working of trade union and labour problem.

Workers being illiterate and unorganised, no unions are formed and registered. No outside leadership has taken interest so far to register a union for these workers. Workers in general have still no clear idea regarding the benefits of union so far. While discussing with workers it is noticed that they are afraid of to form a union. They are unable to explain their difficulties to a third person. While discussing with the employer it is understood that skilled workers of lac industry in Gondia tried to form a union 4 years back but could not get success.

27. Problems of manufacturer

The lac industry in Gondia run with a small margin of profit. As such the financial condition of local manufacturers does not seem to be sound. They are, therefore, not in a position to increase the existing rate of wages. The rates paid today are revised voluntarily by the manufacturers in 64-65. Now in future they may not be able to pay more to workers. In other states the rate of wages payment is lower than Maharashtra. Hence the skilled labourers from Bihar or U.P. prefers to come to Gondia in Maharashtra as he gets more rate. The lac industry in Maharashtra which produces only 3% of lac

Contd.....

has to compete with the lac trade in Bihar (60%) M.P. (25%) where the rates of wages are lower than in Maharashtra. Manufacturers in India have to face the following problems at present:

1. Decline in production.
2. Competition from other countries.
3. Instability in prices.

1. The production of stick lac in pre-war period was 14.12 lakhs maunds while in 51-52 it was 12.19. Year by year its production is decreasing.

2.A) Thailand (Siam) has succeeded in producing high grade shellac and her direct export to U.S.A. and 6 other countries has been increasing.

B) Synthetic resins are replacing lac in the manufacture of gramophone records and electrical insulations.

3. Fluctuations in the price of shellac has been the third major problem besetting the lac industry.

The another important problem for these small manufacturers is of export of the finished products. Many times the products are dumped in local storage or at Calcutta where with the help of middleman the manufacturer tries to dispose it off very quickly for getting the ready cash. He is not bothered about local taxes which are normal but due to deteriorating market condition he can not dare to produce more than his need. The local Association of Manufacturers has sent several memorandas to Govt. of India for creating the new market for lac and they fully believe that Govt. will definitely come to their risk in near future.

## 28. Future plans

Out of four units contacted no one could explain the future plans. They only narrated the difficulties but only one manufacturer has some plans to contact public sector industries like Heavy Electrical Bhopal and to supply to them the quality of lac according to their demands. Otherwise the convention is to sell the shellac and other products to export agents.

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## 29. Suggestions

For the general improvement of the lac industry, the following suggestions are noted for kind considerations:-

- 1) Large number of trees suitable for the lac cultivation in the reserved and protected forests in different states should be fully exploited for the production of lac.
- 2) Internal marketing system has to be reorganised on a rational basis. For this purpose creation of internal demand for the lac should be increased. The internal market will provide scope for exploitation in case its product is processed further for industrial use, which are being indicated under industrial utilisation of lac as a candidate industry. If some direct export facilities are granted to the manufacturers organisation by avoiding export agent, it will be incentive to industrial manufacturer to increase the production and to accelerate the export of lac and shellac of standard quality.

## 30. Conclusion

The individualistic character of the industry as it exists today may be replaced by cooperative organisation which is expected to facilitate the flow of requisite finances, operational efficiency and introduction of improved marketing.

### Small scale industries and National Commission on Labour

From the information collected above the National Commission on Labour is requested to consider the following points for making the general progress of these industries .

#### 1. The unorganised sector.

Both the industries mentioned above are completely unorganised. A predominant section of rural labour in surrounding areas is employed for a limited period of year only. The speciality is that though the labour is engaged in some other work according to its choice in off period he expects requests and demands his lean on

on the post for the next year with the financial gain of unemployment from the management concerned.

The management cannot consider this request on the ground that financially it is out of question. The management cannot do more than to show the sympathy to their demands and grievances. At the most they give oral assurance regarding the employment in the industry concerned for the next session.

2. Level of technology.

The level of technology is very low. Due to lack of sufficient capital, management cannot think to adopt the new technical methods for increasing the production. Naturally the workers cannot get a chance to acquire a knowledge of new techniques in spite of their curiosity to learn new process of techniques of the industry concerned.

3. Capital investment, and marketing condition

The manufacturers are not ready to invest more capital unless they are sure of better prospects to their produced material in the local market.

4. Planning.

A progressive outlook is totally lacking in the private entrepreneurs. Many of them are satisfied in what they are getting but no one has prepared any plan regarding the development of the industry for want of sufficient finance. They are not ready to raise the capital and find out new market at their own risks except in some few cases. Many times they appeal the Govt. through their organisation but no joint efforts are made to find out new ways and means for the future prospects of their industry with the minimum help and guidance from Govt.

5. Industrial relation, wage fixation etc.

The industrial relations in the above small industries are harmonious only because workers are not organised and they are completely ignorant. Many times they cannot explain their difficulties to the employer individually or jointly. Sometimes the employer is totally ignorant of their grievances. Workers in both

industries have not gone so far on long strike. Even though the wages are paid more than the minimum wages fixed by Govt. still they are low as the D.A. and other allowances are not included in it. Permanent staff members cannot get provident fund and other facilities to which they are entitled only because they feel that their services may be terminated if they put up these demands to the employer concerned either directly or through the Govt. In some cases it is noticed that individual manufacturer has become rich. His own prospects seem to be good but the general condition of his industry is far away from satisfaction though not deteriorating.

#### 6.. Implementation of labour acts.

In many cases the concerning acts are implemented on paper but in practice it is noticed that implementation is <sup>haphazard</sup> half hazard. These small manufacturers have still the feeling that lunch shed or rest places are not at all necessary as the workers may not like to take the advantage of it. Regarding medical care of the workers or cleanliness in the factories it is noticed that the employers have no time, money and energy to ponder over these difficulties.

#### The future of lac industry:-

I propose to invite the attention of the Commission Members on the difficulties of lac industry. It is in deteriorating stage. Manufacturers specially in Gondia have no hopes of its prospects. Commission may request the Govt. to look into the following suggestions.

1. Govt. may form the Cooperative Societies and also find out new market for lac in India and abroad.
2. Govt. may help the private enterprenuers to keep up at least the present production.
3. For the protection of small scale seasonal industries as well as labour working in it a simple labour legislation may be made at an early date.

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ANNEXURE - I

STATEMENT SHOWING EXPORTS OF ALL KINDS OF L.C FROM INDIA TO VARIOUS COUNTRIES FOR THE YEARS 1956-61.

| COUNTRIES.      | (Quantity in quintals and value in rupees) |                    |                 |                    |
|-----------------|--|--------------------|-----------------|--------------------|
|                 | TOTAL 1956-57                              |                    | TOTAL 1960-61   |                    |
|                 | QUANTITY                                   | VALUE              | QUANTITY        | VALUE              |
| U.S.A.          | 84,299                                     | 2,65,11,183        | 98,224          | 2,06,81,108        |
| West Germany    | 38,217                                     | 91,46,880          | 38,481          | 67,03,520          |
| U.K.            | 53,435                                     | 1,85,25,801        | 33,460          | 79,92,153          |
| U.S.S.R.        | 23,100                                     | 82,87,307          | 17,553          | 44,38,544          |
| China           | 45   | 16,200             | 14,133          | 40,70,945          |
| Brazil          | 6,886                                      | 26,43,689          | 7,497           | 20,20,658          |
| Japan           | 4,559                                      | 16,07,919          | 6,047           | 14,46,845          |
| France          | 7,886                                      | 28,20,476          | 5,519           | 14,37,652          |
| Italy           | 14,061                                     | 41,70,098          | 5,504           | 15,33,852          |
| Australia       | 5,291                                      | 22,30,851          | 4,520           | 15,53,864          |
| Canada          | 3,534                                      | 11,43,532          | 3,812           | 7,71,810           |
| Indonesia       | 2,856                                      | 10,82,911          | 3,656           | 9,52,744           |
| Argentina       | 7,844                                      | 29,17,628          | 2,710           | 6,38,708           |
| Singapore       | 1,763                                      | 6,83,315           | 2,264           | 5,96,311           |
| Hongkong        | 2,849                                      | 10,87,646          | 2,103           | 5,50,113           |
| Mexico          | 1,897                                      | 7,14,757           | 1,939           | 4,98,559           |
| Netherlands     | 2,955                                      | 9,39,052           | 1,874           | 5,10,321           |
| Sweden          | 1,988                                      | 7,78,902           | 1,629           | 5,07,710           |
| Phillipines     | 1,578                                      | 5,90,217           | 1,526           | 4,12,478           |
| Belgium         | 2,843                                      | 10,06,210          | 1,076           | 3,44,368           |
| Egypt           | 1,092                                      | 3,92,332           | 632             | 1,84,929           |
| Other countries | 21,100                                     | 74,90,675          | 19,901          | 54,71,651          |
|                 | <u>2,87,078</u>                            | <u>9,47,06,581</u> | <u>2,74,060</u> | <u>6,33,18,843</u> |



ANNEXURE - 2

Table giving comparative position of production, Range of Price and Exports of Lac for the last six years.

(Figures are in metric tonnes, those in brackets in maunds)

| Years   | Production of sticklac                                      | Range of prices in rupees per maund |                                 |              |
|---------|---|-------------------------------------|---------------------------------|--------------|
|         |   | Shellac Std. I                      | Ordinary Baisakhi C.P. under 5% | Seedlac II.B |
| 1       | 2   | 3                                   | 4                               | 5            |
| 1955-56 | 46,575<br>(12,48,000)                                       | 120-175                             | 89-158                          | -            |
| 1956-57 | 49,076<br>(13,15,000)                                       | 84-140                              | 72-124                          | -            |
| 1957-58 | 42,563<br>(11,40,500)                                       | 76-97                               | 56-81                           | -            |
| 1958-59 | 37,828<br>(10,13,500)<br>Minimum export price from 23.6.58. | 66-82<br>80                         | 57-63<br>62                     | 60-67<br>70  |
| 1959-60 | 43,258<br>(11,58,980)<br>-do-                               | 68-88<br>80                         | 55-75<br>62                     | 59-82<br>70  |
| 1960-61 | 52,795<br>(14,14,498)<br>From April, 1960                   | 68-86<br>84                         | 52,65<br>62                     | 54-69<br>70  |

| Years   | Exports of all kinds of lac |              | Remarks.  |
|---------|-----------------------------|--------------|---|
|         | Quantity                    | Value        |   |
| 1       | 6                           | 7            | 8   |
| 1955-56 | 28,879<br>(7,73,814)        | 11,71,12,282 | On the whole satisfactory conditions. Effects of ban on speculation with effect from 27.12.54 steadied the prices.                  |
| 1956-57 | 28,704<br>(7,69,147)        | 9,47,06,581  | Heavy accumulation of stocks due to consecutive good crop year fall in prices.  |
| 1957-58 | 27,524<br>(7,40,055)        | 6,86,00,355  | Heavy stocks good crops, low prices due to general recession.   |
| 1958-59 | 26,637<br>(7,13,651)        | 5,74,34,075  | Lowest level in post war years touched in April. Formation of I.L.E.A. and voluntary fixation of minimum export prices from 23.6.58 |
| 1959-60 | 27,406<br>(7,34,268)        | 6,32,79,231  | Good Kusmi Crop. Entry of a firm of leading Industrialists imports certain amount of financial backing to the trade.                |
| 1960-61 | 27,406<br>(7,34,268)        | 6,33,18,843  | Biggest Baisakhi Crop recorded so far. The gap between internal prices was wide.  |

List of members of Lac Association, Gondia. (1955)

| <u>Sr.No.</u> | <u>Name</u>   |
|---------------|---|
| 1.            | Bajaj Chemical Industry, Gondia.                    |
| 2.            | S.N. Agrawal, & Co., Gondia.                        |
| 3.            | J.J. Lac works, Gondia.                             |
| 4.            | Prakash Lac Works, Gondia.                          |
| 5.            | Shivshankar Lac factory, Gondia.                    |
| 6.            | Mulchand Rampratab, Gondia.                         |
| 7.            | Vijaynagar Lac Factory, Gondia. (Sukhdevji Agrawal) |
| 8.            | Kalkaprasad Chowge & Co., Gondia.                   |
| 9.            | Kundanlalji Agrawal, Gondia.                        |
| 10.           | Onkarlal Agrawal, Gondia.                           |
| 11.           | Hetramji Agrawal, Gondia.                           |
| 12.           | Vinod Lac Industries, Gondia.                       |
| 13.           | Om Prakash Sohanlal, Gondia.                        |
| 14.           | Prahlad Bhagat Agrawal, Gondia.                     |
| 15.           | Thannulal Agrawal, Gondia.                          |
| 16.           | Patiram Agrawal, Gondia.                            |

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ANNEXURE - 4

Classification of Labour

| Sr. No. | Name of industry   | Perma-<br>nent. | Tempor-<br>ary | Con-<br>tract | Skill-<br>ed | Male | Fe-<br>male | Total |
|---------|--|-----------------|----------------|---------------|--------------|------|-------------|-------|
| (1)     | (2)  | (3)             | (4)            | (5)           | (6)          | (7)  | (8)         | (9)   |
| 1.      | Shellac Corporation<br>of India, Gondia.<br>(Bajaj Chemical<br>Industry) | 1               | 19             | 6             | 1            | 12   | 8           | 20    |
| 2.      | Agrawal Schellac<br>Factory, Gondia.                                     | 1               | 3              | 6             | 3            | 5    | 4           | 9     |
| 3.      | Ashuram Shohanlal<br>& Co. Gondia.                                       | 5<br>lac        | 23             | -             | 4            | 19   | 10          | 29    |
| 4.      | Sugdco Agrawal Lac.<br>Factory, Gondia.                                  | 1               | 10             | 12            | 2            | 17   | 6           | 23    |

SA/-

ANNEXURE - 5

Percentage share of different states to total  
production.

| Sr.<br>No. | States.        | 64-65 | 63-64 | 62-63 | 61-62 | 60-61 | Ten years<br>average<br>(1954-64) |
|------------|----------------|-------|-------|-------|-------|-------|-----------------------------------|
| (1)        | (2)            | (3)   | (4)   | (5)   | (6)   | (7)   | (8)                               |
| 1.         | Bihar          | 50.7  | 54.6  | 53.1  | 46.9  | 45.7  | 46.0                              |
| 2.         | Madhya Pradesh | 23.3  | 19.4  | 20.2  | 28.0  | 34.0  | 30.0                              |
| 3.         | West Bengal    | 11.8  | 13.8  | 15.2  | 12.8  | 8.9   | 12.0                              |
| 4.         | Maharashtra    | 3.0   | 3.4   | 3.6   | 4.9   | 4.2   | 4.5                               |
| 5.         | Other States   | 11.2  | 8.8   | 7.9   | 7.4   | 7.2   | 6.7                               |
|            |                | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0                             |

The above table is copied from the annual report of India Lac Cess Committee Ranchi.

SA/-

ANNEXURE -VI

Table below gives the trend in the price of shellac (T.N. variety) from 1938-39:-

Price of shellac (T.N.) in Rupees per moud of 82-2/7 lbs.

| <u>Period</u> |     | Rs. | <u>Prices</u> |     |
|---------------|-----|-----|---------------|-----|
|               |     |     | as.           | ps. |
| 1938-39       | ... | 15  | 0             | 0   |
| 1939-40       | ... | 21  | 3             | 0   |
| 1940-41       | ... | 25  | 0             | 0   |
| 1941-42       | ... | 56  | 0             | 0   |
| 1942-43       | ... | 62  | 0             | 0   |
| 1943-44       | ... | 69  | 0             | 0   |
| 1944-45       | ... | 71  | 0             | 0   |
| 1945-46       | ... | 71  | 0             | 0   |
| 1946-47       | ... | 135 | 0             | 0   |
| 1947-48       | ... | 127 | 0             | 0   |
| 1948-49       | ... | 144 | 0             | 0   |
| 1949-50       | ... | 130 | 0             | 0   |
| 1950-51       | ... | 136 | 0             | 0   |
| 1951-52       | ... |     | ....          |     |

( Today the prices of all varieties are very low)

MA/

INTRODUCTION The district of Indore comprises the tehsils of Indore, Mhow and Depalpur. Indore tehsil has the city of Indore in its jurisdiction which is the biggest town in the State of Madhya Pradesh. Similarly, Mhow is having the military establishments such as Army Training School and regiment.

Among the important small scale industries, which are being persuaded on hereditary basis, the sheet metal industry has its own place. In various localities of the town like Champabag, Hathipala, Luhar Patti, Malharganj, there are different small units carrying on this cottage industry from sufficient long time.

The various items of household and domestic utility, are being manufactured under this industry. Similarly, various items of trade and profession are also included. The household utensils, baltis, ghamelas, iron furniture and various items used in different industries are being manufactured.

Upto the year 1955, the manufacture was being carried on the indigenious methods adopted since olden days and industry was not mechanised, but subsequently the government launched various schemes to promote the small scale industries. Contemporarily three industrial estates were emerged in the town having all modern facilities for a small industrial unit. The small industries service institute was also set up. The other corporations to help small industries financially and otherwise were set up.

All these phenomena led to the influx of some small units to avail the facilities offered by government and hereditary workers of sheet - Metal industry started coming to have the unit with mechanised means and modern set up.

With the help of semi-mechanised process the range of manufacture was widened. and now the items of manufacture include, balti, ghamela, iron-bed, iron safe, sofa-cum-bed, almirah ward robs, grills, colleosable gates, doors and windows etc., etc.

In the town of Indore itself now there are over 200 units of Sheet Metal Industry. Some of these are very small while other are fairly big one, to have the separate workshop facilities with lathe work etc.

The industry is now placed on the sound footin s but for the last two years or three, the recession is being faced by nearly all the small scale industries in the state of Madhya

Pradesh. It is firstly because of the failure of monsoon for the last three years and secondly because of the shortage of desired raw-material.

The industry is facing various handicaps and difficulties. Firstly, the recession was there for the last three years. Now it is hoped that position shall improve because of the favourable monsoon this year, which indirectly help to create the demand.

The other problem before the industry is raw material. As the small industrial unit have limited <sup>funds</sup> at their disposal to stock the sufficient raw materials they are to depend upon the available stock at the time of purchase and the sheets are not in abundance and not available in the desired quantity.

In case of Sheet Metal Industry the problem of raw material is acute. The sheets are supplied by the indigenous manufacturers i.e. steel plants etc. in the country or by imports. The distribution is through Mineral & Metal Trading Corporation (M.M.T.C.) who in turn gives stock to Small Industry Corporation.

The difficulty for the small industrialists is either they do not get the sufficient raw material to meet their demand or they are given the quality which is available. Take for example. If sheet of 18 gauge is available on a fixed day the small industrialists will have to manufacture his items with that sheet, irrespective of the fact that cost may increase or the quality may defer.

This necessarily entails upon the efficiency and productivity of the units. Either the industries capacity to produce is limited or the product manufactured is not of the standard quality as to gauge etc.

The efforts in this direction are being made and though the present is not so bright, future seems to be bright and promising.

The conditions of labour consequently are not so good. However, we shall study these in the subsequent paragraphs.

RECRUITMENT The recruitment is done by the method of introduction through the existing employees. As some workers are having this industry as source of livelihood on hereditary basis, the extra labour is recruited when introduced by any existing or known employee.

These small units generally do not adopt the method of advertisement nor they are compelled by heavy demand to utilize the services of jobbers or contracts nor they prefer to consult the employment exchanges and hence recruitment is generally of a particular sect of peoples who are working since long in the trade.

In the units where large number of workers are there the apprentices are there as per apprenticeship Act. They are generally employed on a fixed stipend, which is generally below the usual rate of wage and on the completion of apprenticeship period, they are absorbed as normal workers.

In one of the units surveyed it was found that alongwith 49 workers 4 apprentices were working.

There is no unit which has its own training programme and facilities. These small units generally utilize the services of small scale industries institute for the training in certain trades.

Absenteeism in the industry is 10 to 15% and workers remain absent on the usual causes of social function or gathering, the sickness and other family reasons. On enquiry it was found that the absenteeism is not of the nature that the day after pay day is having more absenteeism.

EMPLOYMENT In this industry, mostly the local labour is employed and rarely any outsider is engaged. Out of 49 workers engaged by one unit surveyed, I found that only one man was from outside Indore. He being specialised for particular job was called far while in other unit which has now the labour strength of 220 (though this unit is on Small Scale and started with employment of 40 persons) not a single outsider is employed.

The labour in the industry thus being local, the facilities for housing etc. is not thought of by the employers. In one of the units, I surveyed, the employers are eager to provide the houses for their workers provided facilities from municipal corporation, loan from State and subsidy from Central Government is provided to. But as the fact remains, none of the units at present has any housing facility for workers nor even there is any scheme so far.

The contract labour is found in abundance. In one unit out of 200 workers, 180 workers were on regular



rolls while 40 as contract labourers. In other out of 49, there were 12 on contract basis, the piece rate wage system do prevail in industry, but it is where work can be ascertained and where the job requires higher wage-payments, such as semi-skilled or skilled performance.

The labour is contracted for a specific time to avoid the impact of labour laws. In many units the labourer is employed keeping in mind the bare minimum to have exemption from the labour laws. When it was asked why the employers do so, a few employers opined that the present complicacies of the law and the various returns which have to be submitted under the different laws compel the entrepreneurs to keep the labour force to minimum and avoid the law burden.

In order that contract labour system may be avoided it is desired that if the 'Contract Labour' is so defined as to be included in the ordinary terminology of 'Worker' the benefit which is generally being given to permanent workers shall automatically be accrued by the contract workers.

Secondly, the employers should be required to give the same treatment to the contract workers as they are giving to regular workers, the system of contract labour shall automatically be discouraged. This can be enforced by making it obligatory on the part of employers.

CONDITION OF WORK The condition of work in small scale industries is not satisfactory itself. It is obvious because the resources at the disposal of the small industrialist is limited and not sufficient enough to provide excellent working condition to the workers.

However, it has been observed that small industrial units which are operating in Industrial Estates, have fairly good working conditions as to comply the various welfare provisions of the Factory Act. as the industrial estate emerged with, keeping these points in view, but it is not the case with the units, which are scattered. It is because they have to operate within the given accommodation and facilities.

The working in industrial estate is in accordance with the provision of factory act as regards hour of work and recess are concerned. Similarly, the common canteen is provided at the estate. The excellent medical facilities are provided to in in the vicinity.

The provision for first aid, the rest place etc. are there. The common need of urinals, latrines and bath-rooms are met with.

Majority of the units in the estate are covered under Employees State Insurance Scheme and hence medical aid and compensation for accident is provided to.

But the condition at the scattered units is different. Barring a few exceptions, most of the scattered units are not having even the common facilities. They are working under the uneconomic conditions and hence even cannot afford to. Most of the units employ less number of workers to avoid the labour laws. Here the bare minimum necessities to the workers, by way of working conditions, are provided to. These units are covered under Commercial Establishment Act of the State, which has no lavish provision for condition of work as mentioned in Factory Act.

The provision of weekly off is found commonly accepted principle as this facility is provided to in practically all the units.

The provision of the paid leave was found where Factory Act was applicable. The employers of the units surveyed emphatically told about the compliance of the provisions of the Factory Act.

This shows the tendency of the employers to comply what they are required to, under the provisions of the act, and they do not imagine for the welfare of the workers beyond it.

To consider the establishment of a fair price shop for workers or separate canteens etc. is an ideal state of affairs for the small industrialist and in this region none of the units in the industry, has such beneficial scheme for workers.

One of the units surveyed, was managed by the State Government under Laghu Udyog Nigam and conditions here should be considered as ideal which are prevailing at present in the industry. But here also it was found that obligatory provisions of the factory Acts were complied to and nothing has been done beyond this.

No casual leave except the Republic Day and Independence Day is provided to. the paid leave as per Factory Act is provided to. Similarly, canteen etc. is not there at all. In most of the cases in this industry the sanitation and cleanliness is neglected to. The hygienic conditions are ignored. Barring a few big units many of them have un-scientific ventilation inadequate lighting, improper arrangement of work and unsatisfactory condition these may lead to deterioration of health of the workers.

Such state of affairs is attributed to the nature of work which does not require exact conditions of sanitation and hygiene and moreover process involve dust and filthy injurious to health.

ORGANISATION OF WORKERS A minimum estimate of workers engaged in small scale industry in the town exceeds ten thousand. Most of them is now concentrated in three industrial estates of the town i.e. Pologround, Luxminagar and Sawyer Road. A rough estimate of the workers employed in various units situated at three estates is over 6000.

Prior to emerge of these industrial estate (1956) no efforts was made by any workers organisation to cover the workers in these units in a trade union, but when the units were centralised in the industrial estates, the efforts were made and two unions sprang up. One of which has fraternity to INTUC and other to AITUC. The union affiliated to INTUC is 'Laghu Udyog Karmachari Sangh' and that to AITUC 'Laghu Udyog Majdoor Union'.

Discussion with a few workers revealed that AITUC affiliated union has more following but similar is the claim put forward by INTUC union. As the number of units is large and exact memberships is not ascertainable.

The unions have the recognition in the units having more than 100 workers under the M.P. Industrial Act.

Discussion further revealed that main problem before union is the question of bread and butter to workers. i.e. due to recession the workers either do not have sufficient work or are retrenched from time to time and hence their primary demand is of existance. The union wants that the workers should get regular job thereby the wages.

The union officials assert that there is favouritism in disposal of the raw material (i.e. metal sheets) quota, which compel the genuine units to close the shift. These who do not require the raw-material/  
/and get  
it, sell  
it  
in the black market and make illegal profit out of it, at the cost of other units. This improper distribution should be avoided.

However, it may safely be concluded that unionism is not so popular in small industries in general because here the industry is not so organised. The workers in general are sceptical about the utility of it in the context when they are to work under the nose of employer.

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Employers being in direct contact of workers it becomes very difficult to operate under the tense relationship in case union activities are there.

It is observed that under the pretext that everything is smooth, the employers do not want any set of union activities. It is only when the difference of opinion is there and a tense situation created and major issue erept in, when union is sought by workers of a particular unit, but when the issue is subsided the union activities there is also liquidified and normal work prevails.

Under such conditions, the union cannot be expected to go beyond the primary duties of protecting the right of workers and to fight for these.

The help of the union in case of unemployment, sickness and injury cannot be thought of. In the industry under survey, neither of the two unions has such amenities to its members.

These unions contribute little towards the welfare of their members to develop their personalities, physically, mentally and socially.

WAGES The wages in most of the daily rated units are payable monthly and it varies from Rs.1.75 per day to Rs.330/- p.m. or Rs.11.00 per day. The average daily rate of workers according to skill required is as follows:-

|              |                             |
|--------------|-----------------------------|
| Unskilled    | Rs.1.75 to Rs.2.25 per day. |
| Semi skilled | Rs.3.25 to Rs.4.00 per day. |
| Skilled Job  | Rs.5.30 to Rs.8.50 per day. |

These wages are inclusive of dearness allowance as there is no separate provision of dearness allowance in any of the units in the industry.

The industry is at recession and hence though in the preceeding years bonus was declared upto 15% of wages in same unit, in the year under study no unit is paying over a bare minimum of 4% which is obligatory minimum under the Act.

The system of incentive payment is prevelant in many units. In some units simple piece rate is also there. In a few units the production bonus is there and in other target bonus is given.

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In one of the units surveyed I found that when an employee is recruited say on Rs.1.90 per day, he is kept on probation for six months. On expiry of this period and completion of probation, he can be entitled to production bonus i.e. after the prescribed workload is reached. After two years he can compete in target bonus that is a target is fixed which is higher than the production limit, besides the production bonus, he becomes entitle for target bonus also.

The provident fund is there on contributory basis in the units which befall under the Employees Provident Fund Act, but as most of the units/employ less than 20 persons, the Act is applicable in a few cases only.

In the units surveyed by me, the overtime wages are paid at double the usual rates, but instances are not lacking where the employers extract overtime work at the usual rate only.

The wages are paid as per Payment of Wages Act within the prescribed period i.e. the 7 days after the wages become due. The payments in majority cases are on monthly basis.

The wage rates in the industry are very poor. Unlike the organised industry the wages more or less are static since a decade. The worker in 1958 was getting Rs.1.50 in this industry as minimum while today it is Rs.1.75. Moreover, there is no dearness allowance, being paid separately to workers.

The reason for wage differential to be static or having only slight change is that this small scale industry is not having the sufficient margin of profit. On the contrary, the cut-throat competition sweeps away the profit and workers get the minimum.

INDUSTRIAL RELATION Unlike large scale industries, in the small units the employers have direct contact with the workers which gives the chances to clear any difference of opinion or understanding directly and thus the atmosphere is more congenial for the better relationship in the industry.

Most of the units in sheet-metal industries are small and in many cases it is only a cottage industry, but the modern technique of mechanisation and business

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management compelled some industrialists with resources to organise these on modern lines and hence the units employing large number of workers are also growing speedily.

The problem of industrial relation is tackled at the floor level. The demand of workers are discussed directly by the workers and in some cases by union representatives, with the employers and settlement is reached. In case if no settlement is arrived at, then union is referred to.

In one of the units surveyed it was found that the representative of the recognised union tries to redress the grievance in case he fails, then the matter is taken upto the union who negotiates with the employer and settles it.

But in most of the cases what has been found, that employers openly support the union in their establishments but actually they are against it and do not wish to have any such activities in their units. A few employers have been heard saying that the relationship in their units is so congenial that they do not require any union representative or any union activities in their establishment.

The proprietor or partner of the industry is always available in case of any grievance of workers. Even the minor floor level grievance can be put before the manager directly and in case of unsettled grievance the usual result is either the union intervention or break of service in the case of worker because the surety of service is quite meagre in small scale industries and under pretext of one thing or a other the services of a worker might be terminated in case management does not approve his action.

The management in no case openly victimise the worker if he takes part in any union-activities. The malpractices are not tracable there.

The demand of workers, which has been agreed to, are generally fulfilled, except in rare cases when management is helpless to do so. In short management try to avoid the situation whereby they are exposed to be non-cooperative with the union activities but in action many employers do not want that union should flourish and have the stronghold in their establishments.

LABOUR LEGISLATION In the industry under review the units are covered under the Factory Act or Shop &

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Establishment Act. The Minimum Wage Act, 1948 is applicable in 13 trade notified by State Government. While Payment of Wages Act is applicable to all units.

M.P. Standing Order Act, 1961 is applicable where number of permanent workers is over 20, while Industrial Relations Act is applicable where number of workers is 100.

No doubt now the small scale industrialists are conscious of various enactments but they are not so enlightened as to provide willingly the various benefits intended therefrom. Barring a few employers, most of them try to evade the provisions by keeping the lower limit of employment to the extent where the Act shall not be applicable. Many units employ 8 to 9 workers to avoid majority of labour laws.

The second drawback is that enforcement machinery is inadequate. While discussing the issue with the officials of labour and industry department, it was revealed and that was also candidly admitted by them that the enforcement of the legislations is not to the extent it should be for want of adequate staff.

The Minimum Wages Act is applicable in the industry for certain trade, but again it suffers from the following drawbacks:-

1. The implementation machinery is inadequate.
2. The nature of employment is quite scattered.
3. The strong unionism is absent in the industry.
4. Illiteracy and poverty of the worker prevent him to come out with the complaint and hence the enforcement machinery cannot do anything.
5. The surplus labour force is available, which is willing to work on lower wages than the prescribed minimum. Hence the wages below minimum is with the consent of workers.

All these facts mentioned above, virtually nullify the very intention of the Act and further the enforcement to the desired extent is not there.

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Chemical Industry, Indore, Madhya Pradesh.

The labour condition in Chemical Industry is good in comparison to the Sheet Metal Industry which we have discussed in detail. The main reason for good labour condition is high margin of profit in this particular industry which is of very recent growth in the district. It comprises the pharmaceutical, chemical and plastic manufacturing and reprocessing units.

Before the establishment of Industrial Estate and the enforcement of Central Drug Act in Indore i.e. 1954 hardly there were half a dozen units but now the number runs in hundreds.

The Chemical Industry mainly is of reprocessing nature, it is the manufacturing of the plastic articles or patent and the common pharmaceuticals in the shape of tablets, liquid paste or injectables etc. The industry mostly depends upon the imported material for which the lavish import quotas are distributed by the appropriate administration and hence these small units can stand in competition to their counterparts in big cities such as Bombay, Calcutta and Delhi etc.

The industry has a bright future in Indore because of town's central situation and early access to Bombay port. The huge hinterland and the facilities of conveyance etc. are also available to Indore district.

The Drug Act compels the small pharmaceuticals manufacturing concerns to have excellent working conditions and first class sanitation and hygiene. Wages here are already good and hence labour is satisfied having good wages, good working conditions and also the congenial atmosphere let us see the labour conditions in details. Here only these conditions are being discussed which differ from sheet metal industries.

RECRUITMENT.

Drug Act prescribes that working should be in accordance with the Act and under the expert supervision of a qualified chemist. Contd....



Chemist is always a qualified person and other workers engaged are for manual operation. Here again the local labour is employed. The recruitment is direct at the factory gate and generally by the introduction of the existing employees.

The plastic units are running on similar line the technical personnel guide the production in plastic industry.

In these industries the production is under the qualified chemist and hence ordinary worker does not require any kind of specialised training.

The rate of absenteeism is 10% to 15% with the usual reasons prescribed to it as discussed in case of Sheet Metal Industry.

#### EMPLOYMENT.

The local labour is employed as in case of sheet Metal industry. The contract system prevails but most of the workers are made permanent seeming to the regularity in demand of the products manufactured. The contract labour might be given the benefit of the permanent one on the similar line as discussed under Sheet Metal Industry.

The Chemical Industry has its vast scope in the district because of ever increasing demand of products and because of invention of its uses etc.

#### CONDITION OF WORK.

Condition of work in Chemical Industry is fairly good. The first class premises are used with adequate sanitary and hygeine conditions. The units have the latrin, bathrooms, rest place and lunch sheds etc. The drinking water in summer is invariably there.

The first aid facilities are provided to workers and usually ESI Scheme is applicable to various units. Otherwise Workmen Compensation Act, 1947 is in operation. The compensation is given to workers but very rarely such occasions arise. No accident in any of the units surveyed was occured.

The hours of work are generally 8 hours per day and working of 6 days a week is in a vogue. Thus weekly off is given. The paid holidays as per Factory Act is in practice i.e. one day for every

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20 days work performed. Moreover, the National holidays are also provided i.e. Independence day and Republic day.

### ORGANISATION.

The Laghu Udyog Karmachari Sangh or Majdoor Union has little membership in these units. The unionism is absent in Chemical Industry. The reason might be the good working conditions over there. I have not found the members of any union in the units I surveyed.

### WAGES.

The wages of the worker ranges from Rs. 60 to Rs. 400 per month. It is generally the packers or manual worker who gets Rs. 60 p.m. and Rs. 300-400 to the chemist who is responsible for the production, which is entirely technical. I found the following wages in two units surveyed.

|   |                         |
|---|-------------------------|
| Unskilled                               | Rs. 60/- p.m.           |
| Semi skilled<br>(Machine operator etc.) | Rs. 120 to 150 p.m.     |
| Skilled<br>(Chemist)                    | Rs. 300 to Rs. 400 p.m. |

One of the units surveyed has adopted the annual grade increment system.

The wage period is monthly and wages are regularly paid i.e. within 7 days on completion of wage period.

The dearness allowance is not in vogue. The provident fund system is there but most of the units are excluded to it. Firstly because the units have not completed 3 years of existence or workers are less than 20.

Bonus is given 4% to 6%. In one of the units surveyed it was 10% in 1965 by 6% in 1966-67 because of recession.

In this industry the question of wage differential at 5 or 10 years earlier arise as most of the units are within 5 years. Previously ordinary worker was getting Rs. 40 to 50 as minimum.

### INDUSTRIAL RELATION.

The industrial relation situation is also cordial and no major conflict in any of the unit is reported for the last 5 years.

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In case of any grievance the direct meeting with the manager or partner or proprietor of the concern is there and redressal is sought at the floor level.

The workers being very few in number have direct contact and hence relationship is personal. In the industry it is found that the relation are cordial otherwise the worker changes the service.

LABOUR LEGISLATION.

The position of labour legislation and there implementation is the same as it has been discussed in case of Sheet Metal Industry. The lack of implementation machinery, absence of strong trade unionism, the units being scattered, the prevalence of illiteracy and poverty of the workers/the supply of labour being more than demand and hence they not coming forward with complaint all there factors non-imp  
/and mentation./non-enforcement of labour laws including Minimum wages Act, 1948.

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RC/

INDUSTRIAL RELATIONS

Engineering Products Industry, District Durg Madhya, Pradesh

The Engineering Products Industry of Durg district developed during the period 1959-64 in order to meet the various demands of cast-iron, castings and spare parts etc. of the Bhilai Steel Plant. During 1963-67 the expansion Scheme of the plant from 1 million tons to 2.5 million tons was in progress and there was a lot of work for the local industries. With the completion of the expansion programmes and proper utilization of the machine shop and foundry units within the Plant the volume of orders now being placed to local small industries has fallen down sharply and thereby causing lot of idle capacity and cut-throat competition in securing whatever little work the Bhilai Steel Plant has to order. Another cause of the problem faced by the industry is improper way of distributing the work by the B.S.P. These units are not sure of getting a regular flow of same type of orders. It depends upon the officers of the Plant who approve the tenders. Under the circumstances if once a unit gets the order for X type of work the other time B or C unit may get it. Then A will be allotted another type of work. Thus these small units cannot specialise and improve the quality. Moreover, payments for the work are generally delayed and as reported by the owners of the units this has created another trouble. While discussing the problems with the Vice-President of the Bhilai Industries Association another factor that came to my notice was the sudden increase in Octroi rates. An increased rate of Rs.25/- to Rs.30/- per ton has to be paid towards Octroi in Durg district as compared with Raipur district (M.P.) or Nagpur (Maharashtra). Thus future prospects of the industry mainly depends upon the Bhilai Steel Plant i.e. if it gives preference to ancillary industries and allows various units a reasonably fixed quota so that they can remain sure of their capacity not remaining idle.

Their main source of raw material is B.S.P. Whatever order is booked materials are also supplied accordingly. Process of manufacture is not very zig-zag. Products are given the desired shape as per order. The difference between cost and selling prices does not include any commission to middlemen but certainly the "pleasing sum" for the article approving authority and the payment making officials is indirectly included.

Finances are generally secured from Government and when production reaches a certain limit, State Bank of India has also helped in a few cases here.

If the demand is increased by better marketing facilities, the process of production can be improved as well as prices also can be reasonably kept up and production proportionately increased. At present there is no subsidiary industry to utilize their scrap here.

However for increase in facility following suggestions were put forth. Firstly, policy of the Labour Department is pro-labour due to

appointment of a trade unionist as Labour Minister. Similarly if an industrialist can be given encouragement, because the industries department is a promotional one, some sort of promotion to industries will be there. Secondly for a small unit, as it becomes a factory, legal obligations are much and this has given a general feeling that not more than 10 persons should be employed directly by the occupier. So coverage limit should be increased to give certain exemptions to these industries, say, Provident Fund Act should be made applicable for over 50 persons. Supply of electricity was also reported to be a problem.

Recruitment of labour is generally made at the gate itself. The managements feel that persons recruited through Employment Exchange do not stick to their jobs. However, in this area some unemployed people are there and so there is not much difficulty in getting labour force. No system of keeping apprentices is there not there is any local arrangement for spare time training for the workmen. Moreover, lack of promotional cadre in small industries and lack of chances in large scale units (only 4 in this district) are the discouraging factors in getting advanced training. Rate of absenteeism was not reported to be very high.

Both local and outside labour are employed in the units and housing facilities to some extent are provided for the outsiders. However, they generally remain out of the factory premises. Some legislative action for not employing contract labour is necessary. It is only this category which is deprived of almost all facilities including even job security. It is also strange that a small scale unit employs a contractor to complete the work which the unit itself has got on contract to complete. It seems that all this is done to get rid of legislative obligations. They get their wages at daily rate, paid generally at the week-end or fortnightly. Although productivity was reported to the factor for ensuring job security to the workmen yet it is not possible at the present juncture due to slump in the market. Increase in demands is the only way to increase the employment opportunities.

Conditions of work are generally kept in such a way that legal obligations are fulfilled. In none of the units, canteens, fair price shops, rest places, lunch shed etc. are available. However, first aid and drinking water facility can be found. If some worker falls victim of accident, he is sent for treatment to the private doctor. He is not sent to a Government hospital because no good attention is paid there to the patients. Some compensatory wages are also given. Hours of work are 8 per day and the period of recess is between 12 noon and 2 p.m. Only 5 paid holidays are allowed during the year, Sundays are weekly holidays.

In this industry due to closure of some units, workers are more than demanded by the existing units. So they are more after securing work somehow or other than in organising themselves. There is no organisation for them whereas the employers have formed the Bhilai Industries Association.

Wages of the workers are consolidated. No D.A., incentive bonus etc. is paid. Provident Fund is there for only permanent workers, say for 3 to 4 persons in one unit. Bonus is also given to them in some units. Payment of overtime wherever in vogue is double the rate of wages per day.

Minimum wages of the workers are Rs.2/- to Rs.2.50/- a day and the maximum goes to Rs.7/- or Rs.7.50/-. In the beginning, these limits were only Rs.1.50 and Rs.4/- per worker per day of work. The following table will show the present rate of wages paid to the workers:-

| <u>Category</u> | <u>Rate per day of work per worker</u>         |
|-----------------|--|
| Moulder         | Rs.7.00 (In force in the highest paying unit). |
| Turner          | Rs.7.00  |
| Welder          | Rs.7.00  |
| Blacksmith      | Rs.5.00  |
| Helper          | Rs.2.50  |

Payment of wages are weekly and monthly and they are paid regularly.

The present state of industrial relations in the units was reported good. Problems of industrial relations are settled either at the unit level or through the Labour Department. Mutual differences of employers are settled through their association. Differences amongst the workers are the least. Procedure for redressing grievances is very simple. Worker can directly approach the manager or employer whose residence is inside the factory. As the number of permanent staff is kept at the minimum and the workers are employed either on daily rate or through some contractor, if some strike or humbug is there the worker on the other day is refused work on the simple ground that there is no work that day. So the bargaining capacity of the workmen is very weak. Moreover, they are least educated and fully ignorant of legislative provisions for them.

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Metallurgical (Metals) Industries,  
Distt. Durg, Madhya Pradesh.

These industries of the district under study came into existence during 1959-62 i.e. after the setting up of Bhilai Steel Plant. Three units have so far been established but all of them are engaged in rerolling works. The main raw materials are steel billets and rerolling mill scrap, the major source of the same being Bhilai Steel Plant. The main problem as faced by the industry is the general recession during the present time. The Bhilai Steel Plant is not giving any priority to local industries in respect of the raw materials and this has created some problems for these units. As the industries have hardly completed even decade of their existence no noticeable change can<sup>be</sup> mentioned except the fact that the investment in these industries have still grown to, say, one and a half times or even more. However, prospects of the industry in future are reasonably good keeping in view their steady growth during 1959-64. Improvement in labour situation is also a necessity for improvement.

No regular methods of recruiting labour force could be seen here because of difficulties in getting the skilled labour. Skilled labour of this industry are tongsmen, welders, etc. Their job is hard and for this local people are not fit. They have to be recruited from outside areas like Calcutta, Punjab, U.P., Bihar etc. No system of keeping apprentices are there neither any training facility inside the factory in spare time is there. Outside the unit I.T.I. is there but for part-time training arrangements are to be made. Rate of absenteeism is not high in this industry.

For outside labour, housing facilities have been provided. But a major portion of the work of the units are done through contract, work shall have to be abolished. This will help the workers to enjoy the benefits of various legislation. They will have an opportunity to become permanent. Potentialities of increasing employment opportunities exist provided demands are higher.

The state of conditions of work are to be improved.

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Rest shelters with adequate facilities are necessarily to be provided. Although first aid, drinking water and bath room facilities were reported, the facilities of cheap canteen, fair price shops, lunch shed etc. were found lacking. Cool drinking water to the workmen simply means water in a earthen pitcher which cannot remain cool for the whole period of work of the day. Accident compensation is limited to treatment of the workmen with some private physician who can certify the major cases as minor ones and payment of some partial remuneration for the days of his absence. Hours of work are eight i.e. from 8 to 12 and 1 to 5, yet the workmen may be found working for sometime more. Recess period is 12 noon to 1 P.M. Weekly holiday is Sunday but not paid one for all. Only a few who are employed to take work can enjoy this facility. Paid holidays <sup>of</sup> the year are not more than 12 including casual leave.

In this industry workers have been organised by labour contractors and MITUC unions but both of them are not very strong. They are not able to render any help to the workers during their personal difficulties. Maximum of their work is concerned with creating disturbances over the wages paid, etc.

The wages paid to the workers are not very encouraging keeping in view the nature of their hard work and comparing with what other workers of the same rank get in large scale industries. Excluding the supervisory, such as foremen (two or three in one unit) and similar other workers wage rates for the workmen are fixed for their daily work and thus facilities of D.A. incentive bonus etc. are not there. Yearly bonus and provident fund is given to the permanent staff i.e. to a significantly low number of workers, say, 10-15 workers in a unit. Wage period is weekly, fortnightly and monthly and regular payment is made after the wage period because the various troubles that occurred in this industry were mainly related to this factor only. The minimum wage that a worker of this industry gets is Rs.2.35- per day of work whereas the maximum goes to 7.50 paise also. In one unit the minimum limit is a bit higher i.e. Rs.3/- per day of work. Rate of overtime payment varies from  $1\frac{1}{2}$  times to double the daily rate. Increment



in their wages is 00.05 to 00.10 paise per month as reported. This is also subject to their regular work. The prevailing wage rates are increased ones. Five years earlier they were less by one rupee.

The state of industrial relations in this industry is at present not encouraging. In both the units very recently there were strikes over wage rates; in one case for 3 months. State Labour Department is the only machinery to attend to it. Any grievance is generally directly reported to the Manager or Superintendent of Works. But disputes have never been settled through mutual negotiations because of the instigating elements. Labour Department had to come up and settle. Contract labour or labour on a daily rate is the most exploited worker of the industry. In order to remain in job he has to work much more hardly as well as keep away from asking for any more facility than the graciously given one by the employer. Victimisation for participation in strikes or demonstrations is not uncommon. But the ground for removing them is cooked as something else. However weaker relations can be improved provided outside interference is not there. Some sort of impartial vigilance on the payment of wages to workers is also necessary.

M/S

(Electric motors and pumps)

Introduction: The industry which has been enjoying a period of boom when others are facing a recession is the motor pump manufacturing foundry industry. The phenomenal growth of the industry owes much to the Grow-More Food campaign of the Government, the importance given to agricultural sector in five year plans, the rural electrification and the growing awareness amongst the agriculturists to make use of electricity for irrigational purposes. Further the loan given by the Government to the agriculturists in all the sectors towards the purchase of motor pumps, has increased the demand for the product.

Coimbatore has established a name for its products in the South. Although the first foundry was started in 1924, it was only after World War II, and more particularly after 1956, that this industry began to develop. Today more than 200 foundries function in and around Coimbatore. Last year alone 50 units have sprung up. Reasons for the spurt in the activity of the industry are many. Apart from the growing demand for the pumps the crisis in textile industry also accounts for the tremendous growth of the foundry industry. Factories which were formerly producing textile machinery have to retrench large number of skilled personnel. Such of the industrialists who were engaged in the textile ancilliary industries like Cotton ginning have now invested their capital in foundries making use of the retrenched technical personnel. Apart from these, many ex-employees of big foundries after acquiring the required technical skill, have started their own units, as the capital requirement is not much. Further Coimbatore sand is best suited for moulding and the climate also is favourable for casting. The capital investment has gone up from Rs.1 crore to 3 crores during the last 10 years. To-day 1500 pumps and 7000 motors are manufactured in Coimbatore employing 3000 workers. With all this, excepting very few units, major number of the units are small units employing less than 49 workers.

Before the decontrol of pig iron and coal coke, the raw-material shortage was felt by the industry. Now there is no difficulty in securing raw material. The only handicap is the delayed arrival of the raw-materials from Bhilai and Calcutta due to wagon difficulties. The manufacturers, have in fact their

own association known as "The Southern India Engineering Manufacturers Association" which secures the pig iron and coal coke in bulk and sells them to the member firms after allowing a margin of 5%. The Association which was started in 1952 with 11 members has to-day 144 members. Although it provides counselling service to its members regarding labour problems, taxation etc. its main activity is centered around making bulk purchase of raw-materials and distributing them to member firms.

The problem of finance is no longer there. State Bank and Scheduled Banks provide substantial financial assistance. The dependence on merchants and indigenous bankers for finances has become very negligible.

Although minor changes have been effected in the manufacturing process, there has been no marked technological advancement so far as the production technique is concerned. Wastage of raw-material has of course been gradually reduced.

Some of the foundries manufacture pump parts and supply them to big factories. Still others purchase castings in the semi-finished form, convert them into finished articles and assemble them. The former ones are at a disadvantage since the price for their products is dictated by the bigger units.

With the Government units manufacturing motors and pumps on a mass scale in States like Mysore, the future for the Coimbatore industry is not bright, unless diversification of production takes place. Some of the smaller units are bound to be eliminated in the unhealthy competition that is going on now in the market. The gross profit in the industry will be well 50%. But the discount that is allowed to the middlemen i.e. dealers ranges from 15% to 40%. The industry suffers for want of an organised sales programme. The bigger units which have earned a name and which could afford to wait for the realisation of sale proceeds allow the minimum discount. Further they sell their products through sales agents. The small units, pressed for finance, are forced to allow a higher discount of 35 to 40%, for what they require is ready cash. The middlemen cannot be eliminated altogether, as they have their field staff, who have direct contact with the agriculturists. The industry itself has progressed because of their canvassing in rural areas. The Manufacturers' Association has since dropped its proposal to sell the products through supermarkets and co-operatives, since they cannot efficiently discharge the after sale

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service. Further while the dealers might consider the selling of pumps in convenient instalments, the supermarkets cannot. Unless the manufacturers' association formulates a code of conduct and chalks out a sales programme, the discount that is allowed by the smaller units is likely to result in their own extinction from the field. As regards diversifying the line of production, it may be stated that almost all the factories are at present manufacturing motors and pumps from 3 H.P. to 10.H.P. only. They should begin to manufacture domestic pumps and special duty pumps like chemical pumps. Manufacture of deep well pumps could be undertaken. If these type of pumps are manufactured, the employment opportunity could be increased and the industry can not only survive but thrive well. Pumps being in the sellers market, no attention has been paid so far to scientific testing of motors and increasing the efficiency of the pumps. The consumer can get the motor and the pump for half its present price, provided the dealers concession is done away with and the efficiency of the small units is increased. Sizable excise duty on motors increases the prices of the pumpset by more than 10%. Sales tax at 7% enhances the price of the article further.

Recruitment: As already stated, skilled workers are available in large numbers. 3000 skilled workers of a big engineering factory manufacturing textile machinery are without employment. As and when vacancies arise, they are filled up by men recruited by the employer on the information given by his factory workers. No advertisement is needed. Boys below 14 years work as unpaid apprentices. Some of the units employ the I.T.I. trainees as paid apprentices and send them back after six months. But the number of unpaid apprentices is larger and the employees find it profitable to employ unpaid apprentices than paid apprentices.

Foundries require large number of unskilled workers and few semi-skilled workers only. Highly skilled workers are required in such of the industrial foundries with machine shops attached to them. In none of the factories, facilities for technical training exist. The rate of absenteeism comes to 10%. Although reasons given are usually sickness and private work, the workers find jobs in other foundries and earn on leave days also. In the foundry industry, usually moulding is done for six days and casting is done on one particular day when large number of workers would be required. The casting day may be different in different foundries and it is only for casting work, that the workers absent from their regular work. In bigger units where casting is done on alternate days, the rate of absenteeism will be very much less.

The industry, when it made a beginning, had only one caste of the Hindu Community i.e. Naidus in its employment. This is because of the fact that the industry was first started in their locality. Many of these, Naidus in course of time, started their own units and today the entire industry is financed and controlled by them. Almost all communities are now employed as workers. A sizable number of workers is from the neighbouring State of Kerala.

Housing problem has not been felt, since many workers come from the surrounding villages. In a particular plant, the owner of the plant was running the factory directly for two years. Then he appointed one of his close relatives as a labour contractor and discharged his employees from service. All the ex-employees were taken into employment by the contractor and two years passed. The owner again took charge of the affairs from the contractor. After a year the workers demanded increment. The owner's stand was that he took control of the plant only recently and that they could not claim increments as a matter of right. A labour dispute followed and in its wake all the workers were dismissed. The owner has once again appointed a labour contractor, putting the 'loyal employees', as he calls them, back into service. Such an unscrupulous practice of running the factory alternatively by the owner and contractor exists.

Foundry operations could be done either through labour intensive methods or through capital intensive methods with more automatic machines. So long as smaller units exist, there is no danger of retrenchment, as they cannot afford to acquire machines. Once the few big units introduce mechanised process, it will have an adverse effect on the smaller factories. That is why it is suggested that attention should be bestowed in the manufacture of new pumps instead of confining to conventional types of centrifugal pumps. Export market should be exploited in which case the employment opportunity is bound to increase.

#### CONDITIONS OF WORK:

Although the factories have been registered under the Factories Act, the conditions of work are lamentably poor. Construction of factories has not been done in accordance with plan specifications. Even the statutory obligation of having the roof at an height of 14' from the floor has not been fulfilled.

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The workers work under some sort of shelter instead of the open sky. The nature of industry is such that excessive heat is generated by the melting of pig iron with coal coke. Added to this, the heat radiation from zinc sheet or asbestos low roofing, causes discomfort to the workers. Although factory inspectorate had brought these things to the notice of the owners, nothing constructive has been done so far.

There are no rest sheds or bath rooms. In none of the units I visited, I could find even provision of urinals for the workers. This is a distressing state of affairs. When the statutory obligations are not fulfilled by the employers it is too much to expect such amenities like fair price shops, canteens etc. from them. Drinking water is placed in drums made of zinc or tin or copper without any tap attached to them. During summer, water has to be purchased and hence limited quantity only is available. First aid boxes are kept but in most cases, there are no trained persons to handle them.

Casting operation is an hazardous one, with sparks from the molten metal flying on all sides. But one will be surprised to note that the workers work without any protective garments gloves or gum boots. Minor injuries are quite common. Most of the units are covered by E.S.I. and compensation is paid by the E.S.I. The employer does not pay anything.

Eight hours a day and six days a week work is uniformly adopted. One hour recess is allowed. Sunday is a weekly holiday. But no pay is given for the weekly holiday. For overtime work, double rate as per Factories Act is not paid. Only single rate is allowed. Workers get 8 days of festival holidays and 15 days of earned leave in a year. Labour Welfare is a totally neglected field. It is not the paucity of funds as such but the total indifference on the part of the small industrialists that accounts for the lack of such basic amenities as urinals. The workers are also very apathetic in the matter. Their only interest is in wages. The conditions of work would improve, only if the workers become conscious of their welfare needs. Further there should be more periodic inspection of the factories by the factory inspectorate. If this is done there will be no need even to invoke the penal provisions of the Factories Act. The Employers' usual argument is that if capital investment is made by building urinals, bath rooms, canteens and lunch sheds etc.

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the cost of their products will go up and they cannot effectively compete in the market. Through the Employers' association i.e. The Southern India Engineering Manufacturers' Association, the Small Industrialists should be educated that any investment in the welfare of the workers is bound to pay rich dividends by way of increased productivity.

ORGANISATION OF WORKERS: Workers in this industry remain unorganised. There is no factory wise Union. This is true even in the case of bigger foundries. Five industrial unions function at the District level i.e.:

- (1) Coimbatore District Mechanical and General Workers' Union affiliated to A.I.T.U.C.
- (2) Coimbatore District General and Progressive Workers' Union run by D.M.K. leaders.
- (3) Coimbatore District General Labour Union affiliated to H.M.S.
- (4) Coimbatore District I.N.T.U.C. Workers' Union affiliated to I.N.T.U.C.
- (5) Coimbatore United Engineering Workers' Union Non-party union.

All these Unions embrace not only foundries but other engineering industries like machine tools. No organised effort has so far been made to enroll the foundry workers as Union members. Majority of workers are not members of any Union. In one unit, there is not even a single Union member. Peculiarly enough this unit is run by three persons who were one-time workers. Such small entrepreneurs do not tolerate their workers becoming union members. There are instances where the all the workers of the factory have enrolled themselves as union members. Inter- Union rivalries exist even in the smallest units. In a particular unit, where 35 men are employed, 20 workers belong to one Union and the other 15 workers belong to one Union and the other 15 workers belong to the other Union. When workers of the Union declared strike the members of the rival union reported for duty and became directly responsible for the failure of the strike. Victimization followed the strike and 10 workers were dismissed. When the workers of another factory went on strike on the issue of increment with the Union blessings, the owner dismissed all of them. The Union

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could do nothing to reinstate the dismissed employees. Such instances go to show that so long as the workers remain an unorganised lot even the job security is not assured to them. The finances of the unions do not permit them to undertake welfare activities for their members.

Although plantwise Unions may not be feasible in view of the fact that the majority of the foundries are small in size, it could be possible for the foundry workers to form a separate Union to protect their interests instead of joining with the other engineering workers. Further area wise Unions also could serve the interests of their members better. For example in Pappanaickanpalayam there are dozen foundries in a row. The workers of the area could join together and form a Union.

WAGES: Wages are paid to all categories of workers on time rate basis. Job time is fixed for each operation. Wages vary according to the skill of the workers. The skilled worker known as Head moulder gets Rs.5/- per day. The unskilled worker is paid Rs.1/- per day.

The wage rates for different categories of workers are as below:

|             |   | <u>Daily rate:</u> |
|-------------|---|--------------------|
| Moulders    | Ø | Rs.4/-             |
| Skilled.    | Ø | Rs.4.25/-          |
|             |   | Rs.4.50/-          |
| Moulders    | Ø | Rs.3.75            |
| semiskilled | Ø | Rs.3.50            |
|             |   | Rs.3.37            |
|             |   | Rs.3.00            |
|             |   | Rs.2.50            |
| Helpers     | Ø | Rs.1.50            |
| Unskilled   | Ø | Rs.1.25            |
|             |   | Rs.1.00            |

In industrial foundries, having lathes and other machines; the wage rate of machine operatives is as follows:

|          |   |                      |
|----------|---|----------------------|
| Turner   | - | Rs.4.50              |
|          |   | Rs.4.00              |
| Fitter   |   | Rs.4.50              |
|          |   | Rs.4.00              |
| Foreman: |   | Rs.190/- to Rs.280/- |
|          |   | per mensem.          |

There is no system of D.A. Workers are paid consolidated wages. Employers did not even relish the question 'whether any D.A. is paid to the workers?' They are so allergic to the very



use of the term D.A. Nearly half of the units is not covered by Employees' P.F. Act since they employ less than 50 workers. Further they have not completed 5 years of existence. In units where P.F. Act is applicable the rate of contribution is 6 $\frac{1}{2}$ %. An employer employing on an average 40 persons remits Rs.150/- to Rs.160/- p.m. as his contribution. This would give a rough idea of the employers' liability.

Bonus paid to workers vary from one unit to another. Disputes often arise as to/<sup>the</sup>percentage of wages that should be paid as bonus. Mostly such disputes are settled through direct negotiation between workers and employers or through conciliation officers. There are units which have paid 20% wages as bonus last year. 8 $\frac{1}{3}$ % appears to be the lowest.

Overtime work is extracted without paying the workers wages at double the ordinary rates.

Wages are paid monthly on 7th of every month. Delayed payment has been reported by any worker, since wages are paid on time rate, basis disputes regarding calculation of wages do not arise. Unauthorized deduction from wages of casual workers is made, if they do not complete the work assigned to them in time.

Wages have increased almost by 100% during the course of last eight years. The Head moulder who is/getting Rs.5/- per day was getting Rs.2.50 per day in 1960. A fitter who could get a pay of Rs.120/- p.m. was getting Rs.70/- only in 1958.

The Engineering Wage Board's recommendations will be not applicable to factories employing less than 50 workers. Hence a majority of factories escape from the Wage Board's awards.

INDUSTRIAL RELATIONS: Normally, one may expect a cordial employer employees relationship in small units, in view of the closer contact that exists between the two. But of late there are too many industrial disputes leading to strikes and lock-outs. Apart from the issue of bonus, the demand for the granting of annual increments and the reinstatement of dismissed employees, accounts for the large number of disputes. Work load is also a subject matter of dispute. The Employers' practice of entrusting the work to a labour contractor and then taking over the charge, after few years, simply to deny the workers the benefits of a continued service and periodic increments naturally irritates the workers. Most of the factories are sold proprietorship units or limited partnership units with the object of making

as much profit as possible in as short a period, so that they can consolidate their gains and establish new units or expand the existing ones. Hence when the workers demand increments, bonus etc. the owners feel annoyed. The instantaneous action of the owner is to dismiss the workers who are responsible for precipitating the trouble. As already stated, there is no strong union to deal with the small entrepreneur. The dismissed employee also after sometime finds job in some other foundry instead of agitating for his reinstatement.

Although the rules of Madras Standing Orders Act require the framing of Standing Orders in industrial establishments employing more than 20 employees, the Standing Orders have not been framed by the employers.

5% of the disputes only go to courts. 5% of the disputes are settled through conciliation. 90% of the cases are dealt at the plant level by the employer and the employees through direct negotiation. Although it might appear that the healthy practice of direct negotiation is followed, the fact remains that the workers are reluctant to face the consequences of the protracted delays inevitable in settlement of disputes through methods other than direct negotiation. Further they are handicapped for want of a separate union. In the absence of seasoned union leaders presence, the direct negotiations are often dominated by the employer with workers getting nothing out of it. If the demands are not acceded workers adopt the tactics of go-slow or indulge in acts of insubordination, resulting ultimately in their dismissal by the employer.

The state of industrial relations in the foundries owned by persons who were one-time workers is peculiar. Although the workers in such units have their own grievances, they have often to suppress them since they know that such employers having risen from the ranks are not broad-minded. Moreover, the owner appoints only such persons who are too well known to him. Out of these considerations, the disputes do not come to the surface. Further the employees in such units know well that if they agitate, the employer will not hesitate to adopt the ruthless methods to suppress them.

Instances of the employer not implementing the demands conceded by him are rare. Once they concede a demand, they have to carry it out, as otherwise they cannot face the workers.

LABOUR LEGISLATION:

Although all the factories are covered by the Factories Act, the benefits have not reached the workers.

The factories should be inspected more often by the factory inspectorate. Instead of recording the defects in a routine way, they should see to it that the remarks recorded in previous inspection are carried out before the next inspection. A separate wing to look after the small scale industries may be set up in each state in the office of the Chief Inspector of Factories.

Standing orders have not been framed in many establishments. The penalty contemplated in the Act might have to be imposed, in one or two cases. The employers should not think that the Government would not punish them even in case of gross violation of the statutory provisions. Any argement, that if labour laws are implemented strictly to the small industries they will perish, is wholly unfounded.

Employees' Provident Fund Scheme and Employees' State Insurance Scheme have been benefitting the workers. The number of workers benefitted by the Employees Provident Fund, would be small. This is because of the fact that the Act would be applicable to factories employing less than 50 after 5 years from the starting of the factory and since most of small units have been started only during the course of last two or three years.

Minimum wages Act is not applicable to this industry. But when we notice the consolidated wages of unskilled and semiskilled workers, we wonder why the foundry industry also should not be covered by the Minimum Wages Act.

Wage Board awards are not applicable to factories employing less than 50. Hence the workers of this industry are neither enjoying the benefits as the workers in organised and established industries are enjoying nor the statutory protection as the workers in unorganised sectors are getting.

The workers should realise that their salvation lies in their own hands. The nature of the industry is not such that it prevents them from joining a strong union. What they require is a determined effort in this direction. If the employers also get over the handicap of paying exorbitant commission to middlemen by formulating a sales programme of their own by utilising their association, they could divert their profits for the welfare of the workers.

Foot-wear and Leather goods Industry, Madras.

A study of the leather footwear industry and leather goods industry was undertaken excluding from the purview of the study tanning which is a separate industry by itself. Although tanned and senitanned leather had remained for more than a century a chief export item from India, footwear and leather goods like suitcases, belts, purses, travel bags, waist belts etc. have become the valuable foreign exchange earners since 1950. In 1966-67 the value of export of leather goods was Rs.9,51,500/- and that of footwear was Rs. 6,69,44,971/-. The value of raw skin exported for the same period was Rs. 15,68,19,413/- and that of tanned hides and skins was Rs. 56, 11,22,106/-. These figures would definitely indicate the important position the industry occupies in the national economy. It is also evident, that only 9% of the total export represents the value of footwear and leather products whereas the balance 91% represents the value of tanned and raw skin and hides. There is still vast scope to develop both the footwear and leather goods industries so that the tanned goods and skin would be utilized still further.

Tanning is a traditional industry and the methods adopted are still antiquated in several units. Thanks to the untiring efforts of institutions like Central Leather Research Institute, Madras and the Small Industries Service Institute, there is a good response to adopt scientific methods of tanning. From a stage when only raw hides and skins were exported, we have now reached a stage when the tanned leather forms the bulk portion of the export. The raw material position is very satisfactory, as Madras City is the international marketing centre for East India tanned hides and skins. Greater attention has to be paid to the quality of the raw material. If this aspect is neglected, the competition from products like P.V.C. plastic, rexine might become intense in course of time. Although for leather footwear units, P.V.C. products are the main competitors the leather footwear will also be in demand because of their durability. As regards the leather goods industry, it has to face stiff

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competition from rexine, plastic products, which are cheaper and attractive. The quality of the metal fittings in leather goods has to be improved.

Both the footwear and leather goods industries are essentially run as small scale industries. The industry does not require any sophisticated machine or heavy capital investment. With few simple hand tools the industry could be run. That is the reason why the industry is still being carried on as cottage industry in many places. The cottage units are in an advantageous position as compared to units organised on factory lines. The capital costs and the over head costs of the latter make their products costlier.

'Arundhudiar' community, i.e. Harijans is the traditionally employed community. Being a backward community, socially and economically its members are illiterates. Many of the employers prefer now-a-days other community people instead of Harijans. The reason given by some of the employers is that it is easier to get the work done by other workers rather than by the Harijan workers.

There has been no marked change in the manufacturing process during the last 10 years, except that adhesive chappals are manufactured and few operations like strap cutting, sole stitching and skiving are done by machines.

Finance is not a problem for the Government run units and industrial co-operative units. Institutional finance through state banks and scheduled banks are not available to the majority of the units run by private parties.

Middlemen are given 15% commission. If the sale price is Rs. 17.50, the raw materials cost Rs. 10/- labour gets Rs. 2/- overhead charges come to Rs. 1.40/- and commission comes to Rs. 2.80. The net profit would be Rs. 1.50

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The Internal market as well as export market are expanding day by day for footwear and leather goods. The products manufactured in the cottages are, although competitive in prices, lack marketing facilities. Some of the middle men who purchase the goods from those units derive the maximum profit. The factory type units suffer from a disadvantage. If they could instal few machines like name printing machine, cutting machines etc., they can bring down the price of their products. Unfortunately the taxation problem (Central excise is leviable for footwear if power is used prevents the entrepreneurs from adopting improved techniques. The metal fittings of the local make are inferior in quality and have necessarily to be imported. The condition that the units could import such fittings, only if they export and earn the foreign exchange acts as an impediment in the way of some of the units which receive orders from foreign countries. They should be allowed to import the metal fittings first to use them for sample orders and the conditions could operate thereafter.

The competition is keen and the marketing techniques vary as between the Government run units, Co-operative units and private units. In the Government run units, loss is incurred year after year. Lack of proper planning of production, accumulation of large stocks, excessive staff result in heavy losses. Government departments patronize the Government units. As regards co-operative units, they run their own sales depots. But the sale through such sales counters is poor. In spite of this, they are being run, resulting in the loss to the co-operative units. Further co-operative units never adopt new designs. One Co-operative unit has been incurring loss since its inception in 1957. If they are able to survive it is because of the fact that they get loans handy from Government and Industrial co-operative Banks.

Regarding private entrepreneurs, they sell their products through sales agents and dealers. The quality of their goods is good as compared to the goods manufactured in Government and co-operative units.

They introduce new designs. They employ limited number of workers and to some extent they also exploit the uneducated workers.

If the industry is to make progress, and face the stiff competition from plastic and rexine products and the cheap quality footwears from the North, the producers must reduce the price of their products, improve the quality of the products meant for export and chalk out an effective sales programme. The co-operative units in particular suffer for want of uniform orders throughout the year. Undue dependence on certain Government departments like police, municipal corporation and port trust must go. Open market sale alone is a dependable source. If a central co-operative marketing unit attends to the marketing work, the production units could concentrate on the manufacturing aspects better.

On the lines of Coffee Board, Coir Board and Tea Board, a Leather Board could be constituted to devote more attention on the quality of the products meant for export market. If quality control is not strictly enforced we may lose even the existing markets. The apprehension that materials like P.V.C., rexine etc. would capture the existing market is unfounded. Nothing could replace the quality leather products.

RECRUITMENT: The number of workers engaged in this industry on hereditary lines is large. Hence recruitment of skilled persons does not pose any problem. Apprentices are not recruited. Unskilled boys who are recruited for doing odd jobs, learn the work in course of time. Further no special skill is required for doing the work. This accounts for the recruitment number of persons from communities other than the cobbler community who after a few days work acquire the necessary skill.

Some of the employers deduct two days wages, if a worker takes a day's leave (leave other than the earned leave). This acts as a deterrant for workers from absenting from work frequently. Although deduction is unauthorized, this practice continues in many units.

Employment: Local labour is employed. For instance (the Madhavaram Industrial Estate for leather is located in such a place where the cobblers in and around that area have been traditionally carrying on their occupation.) Some of the workers own their houses.

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Contract labour has been in existence in this industry for quite a long period. The businessmen distribute the raw materials to worker-s who take them to their houses and deliver the finished products back to the businessmen. The entrepreneurs collect the products, sell them in the market and sometimes export them pocketing a sizable amount as profit. They prefer the contract system since they need not incur any establishment charges or overhead charges. The workers too find this system advantageous for they can unauthorisedly make use of power and carry on the work in their own houses without submitting to the factory rules and regulations. There is another system of contract labour where a skilled worker who acts as group leader exploits his co-workers within the factory premises. The factory owner employs 8 or 10 group leaders, supplies raw-materials to them and provides them with tools. The rates for various types of articles are fixed by the employer. When the articles are delivered to the supervisor, the quantum of output is noted in a separate sheet. The group leader takes the assistance of 2 or 3 semi-skilled and unskilled workers to complete his work. Names of these assistants are entered in the muster roll and they are supposed to receive their wages directly from the factory owner. In actual practice the factory owner obtains the signature of these workers but pays the total amount at agreed rates to the group leaders during every week end. The group leaders pay to their assistants at the rate of Rs. 3.25 or Rs. 2/- or Rs. 1.25 per day, depending upon the skill of the worker. The contract rate for making a dozen pair of chappals vary from Rs. 11.50 to Rs. 20/-. Three workers including the group leader could make  $1\frac{1}{2}$  dozens or atleast a dozen pairs of chappals in a day. On an average a group leader may receive Rs. 15/- per day. After paying his two assistants say on an average each Rs. 3.25 per day, the group leader retains Rs. 8.50.

The employer is not interested, as how much the group leader pays to his assistants. It is very difficult to abolish contract labour altogether. The workers in this industry are uneducated. Further they do not know any other trade, since they have been doing the work in leather industry, on hereditary lines. They have a sentimental attachment to the work, handed down



from generation to generation. Hence whatever legislative measure may be brought to regulate the contract labour, it may not be effective. Another factor that should be borne in mind is that the contract work that is carried on, in the cobblers house could not be easily abolished as the workers themselves prefer to have such a system. It is difficult to know whether the cobbler is doing a contract work or his own private work. The remedy may perhaps lie in organising co-operative units. The working of some of the co-operative units are far from satisfactory. Here the exploitation is carried on by the Secretary of the co-operative unit or some official. In one unit, thrift savings scheme was in force. 6% of wages was deducted from wages and credited to each worker's account. Unfortunately no pass book was issued to the workers. After the Secretary left the service the workers learnt to their dismay and disappointment that the ex-secretary never deposited the amount in any bank and that he misappropriated their entire savings. It never struck the workers, that they should insist on a pass book in the beginning itself. This points out a bare truth that unless the workers are educated and alert, exploitation is bound to be there, even if the factory is organised in the co-operative sector.

Regarding the potentiality for increasing employment opportunities, it was already stated that there is a large potentiality for the export trade. From the stage when the country was importing good quality footwear from foreign countries before 1950, it has gained an advantageous position in exporting footwear to other countries. We should try to capture more and more export markets and this could be achieved by putting good quality products in market. We have not so far paid any attention to industrial leather products like belts, washers etc. Moreover, mechanisation is not a source of threat to employment opportunities in this industry, as the bulk of the operation has to be carried on manually. If new designs are adopted, there will be still greater demand for leather products, thus affording greater employment opportunities.

Instead of making a complete shoe, some units may concentrate on the production of cut components, some on heels only and if cut components and heels are exported, the importing country can assemble the shoe and give it the finishing to its satisfaction.

Conditions of work: Amenities like canteens, fair price shop, bath rooms are still lacking. But basic amenities like urinals, drinking water are available to the workers. The industrial estate for leather at Madhavaram consisting of well planned factory units with adequate provision for lighting and ventilation, is an ideal one. If such estates are established for leather goods alone in centre like Salem, Dindigul, Tiruchy and Ambur, the workers would be assured of basic amenities. In the unorganised sector, the work is being carried on in cottages in the most unhygienic surroundings. Rest shelters in almost all the units are often used by the employer to stock the packing materials. As washing facilities are lacking, workers simply take their food in the work spot itself. The first aid box is available in all the units and serve the purpose for minor injuries. There is no scope for accidents as all the operations are done manually with the aid of simple hand tools.

The factories work for 8 hours a day from 8 A.M. to 12 Noon and 1-00 P.M. to 5-00 P.M. with one hour recess i.e. from 12 Noon to 1-00 P.M. Sunday is a holiday. Excepting one or two units, others do not pay wages for the weekly holiday. The workers are eligible for earned leave at the rate 1/20th of the duty and 8 days of festival holidays. In one unit wages are given for the weekly holiday also. But if a worker applies for leave in a particular week, he will loose his Sunday wages. The workers are not eligible for any casual leave. Some of the units pay overtime at double the ordinary rates and some units pay single rate only. Normally overtime work is not done.

Organisation of workers: The cobbler community being uneducated, generally does not favour the idea of forming a Union. There is one union by name "Madhavaram tanning workers' Union" with 500 members affiliated to A.I.T.U.C. Most of the union members are from tanneries

rather than from leather goods units. There is no factory-wise union. Lack of trade union consciousness among the cobblers stands in the way of organising a strong trade union. There is in fact only one union for the particular area. Yet it is not able to achieve anything for want of membership and funds.

Wages: Piece rate system for footwear and time rate system for leather goods like valet, suitcase etc. are generally followed. Leather goods industry is covered by the Minimum Wages Act. Further the Wage Board's award also is implemented by some units. Dearness allowance is not paid. Workers receive consolidated wages. Incentive bonus schemes are not in vogue. Wherever the Employees' Provident Fund Act is applicable, 8% of the wages are deducted and employers pay equal contribution. However as most of the units employ less than 20 workers, the act will not be applicable to them. Minimum bonus of 4% is being paid in all the factories. Some of the factories engaged in the manufacture of export items like clothing leather and leather goods like valets, pay a higher rate of 6 to 10% of wages as bonus.

Wage rates in leather goods, Time rate:

|                                |         |          |         |
|--------------------------------|---------|----------|---------|
| Maistry :                      |         | Rs. 7.50 | per day |
| Worker-skilled:                | Gr.I    | Rs. 4.50 | " "     |
|                                | Gr.II   | Rs. 4.25 | " "     |
|                                | Gr.III. | Rs. 4.00 | " "     |
| Asst. worker- (Q) semiskilled: | Gr.I    | Rs. 2.75 | " "     |
|                                | Gr.II.  | Rs. 2.50 | " "     |
|                                | Gr.III. | Rs. 2.25 | " "     |
|                                | Gr. IV. | Rs. 2.00 | " "     |
|                                |         | Rs. 1.50 | " "     |

The wage rates in the Government run unit manufacturing leather good are as follows:-

|           |         |          |                                     |
|-----------|---------|----------|-------------------------------------|
| Skilled : | Gr. I.  | Rs. 5.00 | per day                             |
|           | Plus    | 0.40     | As per wage Boards' recommendation. |
|           | Gr. II. | Rs. 4.50 | per day                             |
|           | Plus    | 0.40     |                                     |
|           | Gr.III. | Rs. 4.00 | "                                   |
|           | Plus    | 0.40     |                                     |

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|                    |      |  |
|--------------------|------|--|
| Gr.IV.             |      | Rs. 3.75 per day                       |
|                    | Plus | 0.40 "                                 |
| Semiskilled Gr. I  |      | Rs. 3.50                               |
|                    | Plus | 0.40 as per Wage Board recommendations |
| Gr.II.             |      | Rs. 4.50                               |
| "                  |      | 0.40 "                                 |
| Gr.III             |      | Rs. 4.00                               |
| "                  |      | 0.40 "                                 |
| Gr.IV              |      | Rs. 3.75                               |
| "                  |      | 0.40 "                                 |
| Seniskilled: Gr. I |      | Rs. 3.50                               |
| "                  |      | 0.40                                   |
| Gr.II.             |      | Rs. 3.00                               |
| "                  |      | 0.40                                   |
| Helper:            |      | Rs. 2.00                               |
| "                  |      | 0.40                                   |
| Helper: Gr.II      |      | Rs. 1.50                               |
| "                  |      | 0.40                                   |

In the Government run unit the following additional posts exist:

|                           |              |                 |
|---------------------------|--------------|-----------------|
| One production assistant: | Rs.np        |                 |
|                           | 225.00 Pay   | Rs. 368/- p.m.  |
|                           | 128.00 D.A.  |                 |
|                           | 15.00 H.R.A. |                 |
| One foreman mechinist:    | 130.00 Pay   |                 |
|                           | 84.00 D.A.   | Rs. 229/- p.m.  |
|                           | 15. H.R.A.   |                 |
| Foreman (Two posts):      | 125.00 Pay   |                 |
|                           | 84 .00 D.A.  | Rs. 224/-- p.m. |
|                           | 15.00 H.R.A. |                 |
| One time keeper:          | 70.00        |                 |
|                           | 59.00        | Rs.139/-        |
|                           | 10.00        |                 |

Piece rate for footwear:

|                      |                   |
|----------------------|-------------------|
| Oil chrome chappals: | Rs. 1.12 per pair |
| Sponge: -do-         | Rs. 1.17 "        |
| Bark: -do-           | Rs. 1.00 "        |
| 'U' Foam -do-        | Rs. 1.75 "        |
| Ladies plastic -do-  | Rs. 1.50 "        |
| Children -do-        | Rs. 0.80 "        |

Shoes:

|                        |                                 |
|------------------------|---------------------------------|
| <u>Upper:</u>          | Rs. 1.25 per pair - Ordinary.   |
|                        | Rs. 1.35 per pair - Ammunition. |
|                        | Rs. 0.93 per pair - Patton.     |
| 2. <u>Bottom shoes</u> | Rs. 3.00 per pair - Ordinary.   |
|                        | Rs. 3.45 per pair - Ammunition. |
|                        | Rs. 2.12 per pair - Patton.     |

Contd...

During peak season a skilled worker can earn Rs.50/- per week. In slack season he may not get even Rs. 25/- p.m.

In the contract system the rates are fixed for a dozen pairs of chappals or shoes. The labour charges for making a dozen pairs of chappals are fixed from Rs. 11.50 to Rs. 20/-. As already explained the group leader disburses the wages to his assistants which vary from Rs. 2/- to Rs. 3.75 per day. Helper boys yet Re.1/- to Rs. 1.50 per day.

The Wage Board's interim award at the following rates are implemented in Government unit and co-operative unit. Very few private units have implemented the wage Board's awards.

Relief:

|  |  |
|--|--|
| Upto Rs. 75/- p.m.                         | Rs. 12.50 p.m. subject to a maximum of Rs. 85/- p.m. |
| Above Rs. 75/- but not more than Rs. 150/- | Rs. 6/- p.m. subject to a minimum of Rs. 85/- p.m.   |
| Above Rs. 150/- upto Rs. 500/-             | Rs. 5/- p.m. subject to a minimum of Rs. 156/-       |

Weekly payment of wages i.e. on Saturday is the general practice. In some units payment is made once in a month between 1st and 6th.

The problem which agitates the minds of the workers who work at piece rates is the lack of uniform work order and consequent uncertainty about their earnings.

Wage rates in 1963 were as follows:

Chappals:

|                              |                          |
|------------------------------|--------------------------|
| Oil Chrome Rs. 0.81 per pair | } Now Rs. 1.25 per pair. |
| Bark : Rs. 0.90 per pair :   |                          |

Ten years back a skilled worker could get Rs. 12/- to Rs. 18/- only per week. He was getting Rs. 20/- to Rs. 25/- per week five years back. To-day he earns Rs. 30/- to Rs. 40/- per week.

Industrial relations: The union leaders meet the employees periodically and try to settle the disputes through direct negotiation. Although the Union has not been formally recognized by the employers, they never hesitate to discuss with the union leaders, for they are afraid of going to courts. The small scale industrialists

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adopt other tactics also to avoid too much union interference like closing down the factory and opening a showroom or sales depot in some other place.

The loss of man days through strikes and lock-outs is negligible. This does not mean that there is a contented labour force. The workers do not want to agitate since they know that if they press their claims, the management might close down the units. Further most of them are not members of the union. In the absence of the union, they jointly represent their grievances to the Foreman who in turn communicates them to the proprietor. Many a times the workers never come out with their grievances. On issues like wages and bonus only, they join together.

One of the malpractices commonly adopted by all the managements is the fixing of job time for the time rate workers. Often the timings are fixed arbitrarily by the non-technical supervisor. The wages are cut if the workers do not complete the work within the stipulated time. The managements' explanation is that when there is no work, the workers still get the wages and hence when there is pressure of work they should try to work hard and finish them.

Another malpractice is the deduction of wages for two days for a day's leave (leave other than earned leave). If a worker absents from duty for one day the muster roll entry will show as if the worker was on leave on loss of pay for two days.

These are some of the malpractices that came to notice.

Labour Legislation: Most of the factories are not covered by E.S.I. and E.P.F. schemes, as they employ less than 20 workers. Further E.S.I. will be applicable to factories run with power and as the factories do not make use of power, workers are not covered by E.S.I. Even the Factories Act is not applicable to many units. If power is used, the number of workers is kept at 9. If power is not used, the number of workers is limited to 19. Some owner runs two units side by side with such number of workers that the Act will be inapplicable.

If in one unit, wet process is carried on, in the other dry process of leather is done. Similarly, if in one unit footwear is manufactured in the other leather goods are produced. If the workers in both the units are put together, the Factories Act would be applicable. The provision in the Factories Act i.e. two factories may be treated as one should be applied to bring the factories within the purview of the Act. It is all the more surprising to note the co-operative unit started in 1957 and employing more than 20 workers has not yet been registered under the Factories Act. Still worse is the fact that even Employees' Provident Fund Act is not extended to the co-operative unit.

Minimum Wage Act: The Minimum Wages Act is applicable to the leather goods industry. But workers are getting more than the statutorily fixed wages. The wages fixed under the Minimum Wages Legislation for the semi-skilled workers come to Rs. 2.20 per day. In actual practice they receive Rs. 2.98 per day. 38 np. per day is given as a result of Industrial Tribunal's Award in addition to Rs. 2.20. Apart from this 40 Np. per day is given as per Wage Board's interim award.

Hence implementation of Minimum Wages Act does not pose any problem. Perhaps there may be few cottage units which do not pay even the minimum wages. But to bring them round is an extremely difficult task, in view of their large number.

Names of persons interviewed:

1. Mr. L.M. Baig, Manager - Onward Trading Company -  
Leather Goods unit.
2. Mr. J. Krishnanurthy,  
Supervisor - Onward Trading Company -  
Footwear unit.
3. Mr. P.M. Subramanian,  
Skilled worker - Footwear Unit.
4. Mr. D. Kannabiran,  
Skilled worker - Leather goods unit.
5. Mr. Mohideen, Helper - Footwear unit.
6. Mr. Venkateswaran, Sole  
proprietor - Sreenivasa Industrial  
Corporation.
7. Mr. Govindaswamy, Machine  
operator. -do-

8. Mr. C. Abdul Azeez, - Perambur Arundathiyar Leather  
Secretary Workers' Industrial co-operative  
Society Limited.
  
  9. Mr. C.V. Kanniah, Skilled worker and Director. -do-
  
  10. Mr. A.S. Hari, Skilled worker -do-
  
  11. Mr. David, General Superintendent, Common Facility Centre.
  
  12. Mr. K.T. Velu, Machine operator -do-
  
  13. Mr. Subbarayan -  
Administrative Officer Industrial Estate for  
Leather goods.
  
  14. Mr. Srinivasan Assistant-Small Industries (Leather).  
Director. Service Institute.
  
  15. Mr. E.N. Narayanaswamy-  
Deputy Director of Industries and Commerce.
  
  16. Mr. Kamalarathinan - Deputy Labour Commissioner.
  
  17. Mr. Muthuswami Pillai - Assistant Labour  
Commissioner.
  
  18. Mr. Veeraraghavan - Secretary of the Madhavaram  
Tannery Workers' Union.
-



Printing Industry, South Kanara, Mysore

1. Introduction :

Printing industry in South Kanara is as old as Tile industry. As in the case of tile industry, it was once again the German Missionaries who started the first printing press in Mangalore in the year 1850. Handloom, tile and printing industries were the gifts of Basel Mission to the people of South Kanara. It was due to their initiative and efforts that large number of units in all these fields later developed in the District. Though Handloom industry, after a long period of growth and boom had to die later, tile and printing are the major industries of the district for the present. Especially Printing industry is deeply indebted to the German Missionaries as the present strength of 110 printing presses in one way or the other are the offshoots of Basel Mission Press, the earliest to be started in the District.

The growth of the industry, when analysed makes an interesting study. It is only in Printing Industry that very large number of previous Press Workers have now become the owners of printing presses. Over 60% of the printing presses at present are owned by those who were workers at one time. Sharada Press which is one of the largest and most modern press was started by a former worker of Basel Mission Press. The proprietor of Modern Printing Press who was a worker in Sharada Press now owns three presses, 2 in Mangalore and the third in Bangalore. Probably as the initial capital required is hardly few thousand rupees, could they think of setting up their own printing presses. Large number of tile factories cashew processing and coffee curing works, number of banks and large number of educational institutions in the district necessitated opening of number of printing presses in all parts of the district in the years to come. In fact, at present we have about 110 printing presses in which a little over 2000 workers have been gainfully occupied. Nearly 50% of these presses are in Mangalore city alone and the remaining are spread all over the District. Probably Udipi, comes next with 13 printing presses. Among them is the Manipal Power Press which is not only the largest in the District employing over 100 workers but one of the best printing presses in the country. Their investment now exceeds 25 lakhs.

The very fact that more and more new presses are coming up shows that all the presses have work round the year. In fact these presses can be divided into two categories - those bigger ones mostly catering to printing of text books, bank cheques etc. in bulk and smaller

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ones attending to day to day job works. The presses belonging to latter category are more in number their investment is between 5 and 20 thousand employing 5 to 10 persons in all. In one case it was found out that a printer in one of the big presses works in his own press at home during the rest of the period. There is some competition in the trade but it is not due to lack of orders but every press owner wants to have more and more work. This can be made sure by going round any of the presses in the city of Mangalore. Larger presses are over burdened with the bulk orders especially from March to July. Mysore Government has nationalised text books in the primary stage and this work is distributed to almost all the big presses in the city. But other problem faced by the press industry - both small and big are with regard to machinery and finance. Except in one or two cases, all other presses have old and out-moded machineries. Some of them are as old as 50 years and more. Employers are reluctant to replace them by Indian Machineries but due to import and other restrictions difficulties are experienced in installing foreign machineries. The fact that those who have installed foreign machineries are experiencing difficulties in getting spare parts and other required servicing articles have further discouraged the press owners from going for foreign machineries. Under the circumstances, they are content to manage with old and existing machines which have already outlived their utility. Therefore, there is every need to look into this matter and see either import restrictions are liberalised or good quality Indian machines are built with strict quality control. In this connection, the employers have welcomed the move by H.M.T. Bangalore to produce printing machineries.

Finance is a major headache in this small scale industry. Those with a lakh and more investment are not even 25%. There is only one press at Manipal which has made an investment of about 25 lakhs. There are about a dozen presses with 4-7 lakhs investment. From this it is very clear that majority of the presses have a very small investment. There is plenty of scope for expansion. With more working capacity, there can be diversified activities on a large scale also. But expansion, though the owners would like to do, is faced with two problems. Firstly it is the finance. As printing is not considered as an industry, the Governmental agencies do not extend credit facilities with the result that they are kept at the mercy of the private moneylenders and commercial bankers. As the press owners with small working capital, cannot afford to pay the heavy interest, would naturally prefer not to take the loans on unfavourable conditions. Another problem that is

coming in the way of expansion is the space. We find most of the printing presses in Mangalore are situated in the most congested and busy localities. There is already so much congestion in almost all the presses that there is hardly any extra space for further expansion of any type. The only alternative is to move to the suburbs and to other more spacious places. As most of them do not like to move out, the question of expansion has never bothered them. Only one press has thought of moving out and it has succeeded in starting a most modern printing press with offset printing etc. Here, another aspect of concentration of printing presses may also be mentioned. Most of the presses are located in the commercial centre of Mangalore and incidentally large number of presses are owned by a particular community which is also the business community of Mangalore.

Mangalore, with its major Harbour Project on hand and when linked with Hassan by rail, is bound to spring into full of developmental activities. As its growth now is imminent there is plenty of scope for specialised works like Book work, packaging and colour printing etc. It is in this line that the entrepreneur in the printing industry should plan and formulate this immediate expansion programme. As this is one of those small scale industries where more and more people of smaller means can take to, the government should also come to their help by extending facilities for hirepurchasing machinery etc. There is scope for at least another 10-12 big printing presses in the District. Therefore, future of the industry is bright enough to attract larger amounts of investment than hitherto.

## 2. Recruitment:

No definite method or practice of recruitment of labour is being followed in any of the printing presses in the District. Invariably all presses engage young boys as learners on a monthly stipend of an amount ranging from 20 to 30 per month. These boys, in the beginning of some jobs, later assist the other senior workers and then pick up the regular work - may be printing, composing or binding. They were either made permanent or terminated after a year or two. There is no definite period of learning or no definite methods of training such boys. But labour turn over is more in the printing press than anywhere else firstly because more and more new presses are shooting up, and secondly because any extra monetary offer is real temptation to a worker who is not well paid in a printing press. No press is having its own training programme nor under Government Apprenticeship Training. The Industry is not experiencing any difficulty with regard to skilled

workers. Whenever a skilled worker absents from work or leaves the press, his assistant or a learner boy will do the job. Though labour turnover and absenteeism are very much on the highside, the work do not seem to suffer much mainly because of the above arrangements normally adopted to by the employers.

At present there is practically no facility whatsoever for technical training either with-in the industry or out-side the industry. There is some talk of starting a technical training programme at the local polytechnic in printing technology. This is yet to materialise. The sooner it does better it is for the printing industry. Two problems can be solved by starting such a training programme. Firstly, there can be regular supply of trained, skilled workers and secondly, with a systematic and regular training of short durations, young boys rotting as learners for 2 years on a paltry stipend of 20 or 30 rupees can be saved. Master Printers' Association of South Kanara, which is an employers association in the printing industry can take the lead in this matter. In fact, it is on the initiative of such organisations that these training programmes will have to be planned and executed. They must pressurise the government to open a faculty for the printing technology at the local polytechnic.

Now let us come to the twin problems of heavy labour turnover and absenteeism. Labour turnover, though quite much, does not affect the work but absenteeism does some time affect the presses. Especially the smaller units employing below 10 workers stand to suffer due to repeated absenteeism. One small press owner was telling that due to unauthorised absenteeism he had to close down his printing press at least 4 to 5 days in a month. Employers claim the absenteeism is the highest in printing industry in the District, ranging from 15% -20%. Owner of the smaller press referred to above said that it is as high as 30% during the months of March, April, May, and June. The reasons for this large scale absenteeism according to the employers are social customs and practises like marriage, funeral ceremonies, and chances of earning more during the peak seasons. Few of the employers reported that absenteeism is more the vey next working day following the pay days. Employees State Insurance Scheme has come in a handy way for more absenteeism. Concrete instances are not wanting when those workers on E.S.I. leave working elsewhere in those days. Trade Union leaders and workers though admit that the absenteeism is higher, they don't attribute it or E.S.I. scheme. It is on genuine grounds that the workers go on leave to remain absent from work and secondly it

may be a fact that during the peak seasons highly skilled workers may be attending to some contractual or job work elsewhere because it is much more lucrative than the salary they would get at their usual place of work. For this they say, it is not the workers who should be blamed but the employers for paying low wages.

### 3. Employment:

Entire labour force is local. They are mostly from within the city limits and remaining are coming to work from nearby villages. Anyway all of them have their own arrangements for housing as no housing accommodation have been provided by the employers. Question of appointing any contract labour does not arise as presses are small units which don't need any large scale labour intensive work to be carried out by contract labour. As already explained, there is plenty of scope for expansion of every unit in the industry. Diversified activities like offset printing, colour printing, book work, packaging etc. can be taken up thereby opening up more and more avenues for specialised callings. Also in the larger units, apprenticeship training should be introduced so that the industry gets a regular supply of suitably trained hands but also the present practice of engaging young boys on paltry stipend is discontinued.

### 4. Conditions of work:

As explained elsewhere, most of the printing presses in Mangalore are situated in the most congested business locality. Naturally one can imagine the state of presses inside. They are too hardpressed for space and every available and unable space is being occupied. This has resulted in lot of congestion inside. Light, air, cleanliness and other health aspects required to be urgently looked into. First aid boxes, urinals and drinking water facilities, in large number of cases are provided just to hoodwink the law rather than for the real benefit of the workers. Situation inside the units are most insanitary and the Factory Inspector has to really look into these aspects. Workers complaints are that the Inspectorate is not yet all helpful in these regards. In one case, the workers even made a representation and went on a 'jatha' to the factory inspector's office to draw his attention to the insanitary conditions in their press but they were sore that nothing happened except the fact that workers incurred the displeasure of the owners of the press. Rest place, canteen, lunch shed, fair price shops and things like that are far from realisation. Most of the smaller units are not covered under the E.S.I. or the

Provident fund scheme. In bigger presses both the schemes have been implemented and the workers get the facilities under the respective Acts. Sunday is their weekly off. As all the workers are on time rates and paid on monthly basis, Sunday is a paid holiday for them. The normal working hours in all the presses is from 8.00 A.M. - 5.00 P.M. with an hour's break for lunch. Another 15 minutes break is given for tea in majority of the units and this concession is given because of past practices. 14-16 annual festival paid holidays are given in all the presses. Each press decides in advance number of festival holidays to be enjoyed in a year and declares them in the beginning of each year and this is a practice followed for the last so many years. In fact, no other industry in the District offers such a large number of paid holidays in a year. In addition to these festival holidays and leave under E.S.I. every worker is entitled for one day earned leave for every 20 working days as per the Factories Act. No employer insists on a minimum of 240 days attendance as laid down in the law. They are quite considerate in this connection. There is no definite laid down or agreed procedure for applying for leave by the workers. It is found that workers take more and more unauthorised leaves resulting in dislocation of work in some cases.

##### 5. Organisation of workers:

There are about 2000 workers employed in this industry in the entire district of South Kanara out of which hardly 400 are organised into union. Only in Mangalore city do we find these 400 workers organised. In mofusil areas no attempt has been made to organise them nor the remaining workers in Mangalore city have joined the union. There is plenty of scope for organisation in the press industry. Even those workers who are organised are divided in their ranks. Till last year there was only one union affiliated to A.I.T.U.C. Split in communist party was also responsible for the differences in the press workers union resulting in a section of the workers forming a separate union. These differences before separation was the cause of an ugly situation last year. The union had raised an Industrial Dispute on various matters connected with wages etc. The matter was pending in the Labour Court. A dispute arose as to who should represent the workers in the Court. The Leftists claimed the right to represent but rightists objected to it saying that they are the leaders. The court gave them half a dozen adjournings but ultimately decided to dispose the disputes. At the last minute one leftist leader who was not well versed with the issues connected with the dispute made an appearance

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but the court had to reject the demands of the workers in toto. This was really a very big blow to the workers and also this incidence confirms the opinion that "dirty politics" has very much weakened the trade union movement in our country. At present, S.K. Press workers union has a membership of about 300 workers and is controlled by the leftists whereas Dakshina Kannada Press Kelasagarara Union with a membership of about 100 is controlled by the Rightists. However, both the unions are affiliated to A.I.T.U.C. Where the houses of the union are not in order, the question of their extending the benefits like unemployment, sickness, etc. does not arise. There is nothing at which the union can point its finger and say that it has secured it to the workers. No doubt, in one or two presses, there have been for the last 2-3 years constant troubles and stoppage of work but nothing by way of solution to the problem has come out so far. These presses continue to work in an atmosphere of suspicion and disharmony. The two factions are on warring path and in some presses, members belonging to minority union are afraid of talking to those belonging to majority union. It looks as though the main issues are between the two wings of workers but not between the employers and the workers. This matter was discussed with some of the trade union leaders. They explained that in smaller units employing less than 10 workers it is very difficult to organise them. Firstly because they will be changing their jobs too frequently and secondly the workers are not conscious enough to sustain their interest in the union and its activities.

#### 6. Wages:

It has been mentioned elsewhere in this paper that the learners start with a stipend ranging from Rs.20 to Rs.30 per month. They are to work with this amount for a period of one or two years depending upon the employer. With regard to other workers, there are mainly 3 categories - Printer, Compositor and Binder but there is no separate wage fixed for each category. All are paid the same salary on a regular scale. After the learning period is finished, a worker is either observed on a regular job, may be as a printer, compositor or as a binder or he may be appointed as an assistant to any of these jobs. But in either case he starts with 40 Rs. basic and ends up with a maximum of 80 rupees. There is no definite grade laid down and annual increments are given by the employer without any basis. In one year a worker may get 5 Rs. increment and the next year he may not get at all. However, in one or two big presses little higher wages are given. In one press there are some half a dozen workers getting a basic wage

of Rs.120/- per month but in all the remaining presses the uniform scale of Rs.40/-,80/- is given. There is no difference of wages in different category of workers and probably this is one of the peculiarities found in this industry. In addition to the basic wages all workers get some dearness allowance ranging from Rs.35 to Rs.40 per month. So a worker on regular appointment gets a monthly salary of Rs.75 or 80 depending on the press to start with and probably ends up with a maximum of Rs.120 in all if he has the patience to retire in that press. During the busy seasons overtime work is done in all the presses and in such cases workers are paid the normal over time rates as per the law. Certain works like binding are also given to the workers on contract basis. In such cases, workers attend to the work at their residences during their spare time. There is no other incentive system of payment prevalent in any of the presses in the District. Provident Fund Act is applied to printing industry and in the bigger units employing more than 50, rate of employers' contribution is 8% and in the remaining units it is 6 $\frac{1}{2}$ %. But units belonging to the latter category are over 80%. Bonus is paid by all the presses but amounts vary from press to press. It varies from one month basic wage to 3 months basic wages and in case of 90% of the workers it is more than 40Rs. as laid down by the Bonus Act.

Wages are paid once in a month but advances are given once in a fortnight. About 10 years back, printing presses were not even half of today's number and the wages paid was as low as 40Rs. a month all inclusive. Now a regular worker gets about Rs.75 to 80 per month and this rise is mainly because of competition among the newly started presses to engage experienced workers. Workers agitations have had some effect here and there though it can not be said that union was mainly responsible for the increase in wages. Minimum wages have been notified by the State Government for the printing press here but the present wage rates are higher than the minimum wages notified by the authority. However, the details of the same are discussed separately.

#### 7. Industrial Relations:

As already mentioned hardly 20% of the total workers are organised and large number of small units are untouched. The two unions have their membership only from the few larger units. But none of the units have recognised the unions though whenever problems arise, they talk over and try to settle. Strikes and stoppages of work etc. are quite common in the printing presses. In few units, there have been constant troubles. There is no laid down grievance procedure or machinery for settlement of day to day grievances.



The workers when aggrieved have to meet the owner or the proprietor direct. Two years back, the union (only one was there) raised a dispute with the various press managements on wages, bonus, leave and other items. As conciliation failed, the matter was referred to the Court for adjudication. In the mean time the differences in the union took an ugly proportion that each faction wanted to represent the workers in the court. These differences among union leaders later led to the dismissal of case thereby denying to the workers the benefits of some of the genuine demands. 2 years have already lapsed. The unions will have, now, to again raise fresh demands, go through all the formalities of conciliation etc. and then wait for the court award. This may take another two years and in effect, workers would be denied of any increase for almost four years. Employers are not antagonistic towards the union nor do they victimise workers for joining the union. Many of them have welcomed, good, well organised and well led union. No cases of victimisation have been reported any where though in one or two cases, workers complained of ill-treatment on account of union activities. But even these complaints were superficial and somewhat imaginary. Industrywise strike has not happened so far. Workers complain no doubt about low wages prevailing in the printing industry but no complaint has been made against any of the employers for any malpractices or victimisation.

No unit has any gratuity scheme and in one case strangely enough, it is found out that about 10 workers out of 27 workers employed in the unit, are over 60 years of age and some of them are even physically handicapped but the managements have continued to keep them lest they may have to pay retrenchment benefits. In fact, the managements want such workers to resign and go. This is one of the oldest presses, However, these are not very common cases.

#### 8. Labour legislation:

Almost all the labour legislations are applicable to the Industry. As already explained Insepectorate under Factories Act would do well to see that all the provisions as applicable to this industry are fulfilled by the employers not only in letter but in spirit also. Leave facilities are more liberal than what law has provided for. E.S.I. and Provident Fund Acts are applicable subject to the limits laid down in those Acts. But as the units employing less than 20 are in majority and therefore the provisions of E.S.I. and Provident Fund Act are not applicable, to them. So also is the case of those units employing less than 10 where factories Act does not

lay its hands. This means most of the workers do not get the benefit of these important labour legislations. As regards Bonus Act, the question does not arise as in all the cases more than the statutory minimum is being extended. Wages are paid with-in 7 days after the wage period is over and in all cases workers were given fortnight by advances also.

9. Minimum Wage Act:

Government of Mysore has notified minimum wages to the Press industry in November, 1967. No doubt the notification has divided the workers in the printing industry to various categories, but by grouping all of them mainly into 4 categories, only four wage rates have been notified. The present wages paid to the workers are in some cases better than the one notified in cases of category II and III (copy enclosed) though it is slightly less in case of category I. Even here it will be only in cases of those with just one or two years of experience after regularisation as two years experience would have earned their 5 to 10 Rs increments. With regard to category IV there is no definite wage scale in any press. Some pay just 50 to 60 Rs. per month whereas in bigger presses Rs.100-150 are paid, Therefore, minimum wages, when enforced, is likely to benefit this category of workers more than any-body else. But this notification has been challenged by the printers association in the High Court by way of writ. In the second category at serial No.8 apprentice is also included and the managements claim that apprentices are not workers and hence minimum wage cannot be applied to them. Well, however, logical their arguments may be, as far as printing presses in South Kanara District are concerned, every learner is for all practical purposes is a regular worker and it does not take more than 4-6 months for boys who have had 8-9 years schooling to learn the job and there is no justification to keep him on paltry sum of 20 or 30Rs. for any length of period as employer, liked. Hence it is justified that they are also included in this notification. However, the matter is not yet disposed and hence the minimum wages are not enforced. In the mean time the existing pattern of wages are continuing.

Enclosed: Minimum Wages notification.

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FOOD, CIVIL SUPPLIES AND LABOUR SECRETARIAT  
NOTIFICATION

Bangalore, dated 7th November, 1967.

S.O.2112 - In exercise of the powers conferred by clause (b) of sub-section (1) of Section 3 and sub-section (2) of section 5 of the Minimum Wages Act, 1948 (Central Act 11 of 1948) the Government of Mysore hereby revises with effect from 1 December, 1967 the minimum rates of wages for the classes of employment in any Printing Press specified in column (1) of the Schedule as indicated in the corresponding entries in column (2) thereof:-

S C H E D U L E

| Class of Employment<br>1       | All inclusive Minimum rates of wages<br>2 |
|--------------------------------|---|
| <u>I. Skilled</u>              |   |
|                                | Rs. np.                                   |
| 1. Compositor                  | Ø   |
| 2. Printer                     | Ø   |
| 3. Binder                      | Ø   |
| 4. Mono-Caster.                | Ø   |
| 5. Type-Caster                 | Ø   |
| 6. Block Maker                 | Ø 3.35 per day.                           |
| 7. Process Engraver            | Ø   |
| 8. Proof Reader                | Ø   |
| 9. Cylinderman                 | Ø   |
| 10. Treadle Pressman/Platemán  | Ø   |
| <u>II. Semi-skilled</u>        |   |
| 1. Ruling Feeder               | Ø   |
| 2. letter Press Feeder         | Ø   |
| 3. Checker                     | Ø   |
| 4. Packer                      | Ø 2.60 per day.                           |
| 5. Perforator                  | Ø   |
| 6. Cutter/Sowar/Folder         | Ø   |
| 7. Sewing Machineman           | Ø   |
| 8. Apprentice                  | Ø   |
| 9. Assistant to skilled worker | Ø   |

2. In cases where the stage carriages have to divert from their normal route for the sole purpose of picking up or getting down the postal mails, an additional amount at the rate of 62 paise for kilometre shall be charged; and

3. The weight of the mails shall be equal to the average of the mails weighed for all the seven days in a week on the routes where mails are carried on all the days of the month and for the six days in a week where they are not carried on Sundays. The freight rate per month shall be worked out on the basis of 30 days or 26 days a month as the case may be.

(No.HD.350 TMA 65)

By order and in the name of the Governor of Mysore.

Sd/- C. Rajanna,  
Under Secretary.

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III. Un-skilled

- 1. Peon/watchman/office boy    Ø
- 2. Sweeper                           Ø     Rs.2.25 per day.
- 3. Cleaner                           Ø

IV. Office Staff

- 1. Clerk,typist, cashier and storekeeper.    Ø     Rs.115.00 per month

By order and in the name of the Governor of Mysore.

Sd/ G.G. Purohit,  
Under Secretary.

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In cases where the above charges have to divert from their normal route for the sole purpose of picking up or getting down the postal mails, an additional amount of the rate of 50 paise for kilometre shall be charged; and

PERSONS AND INSTITUTIONS CONTACTED - PRINTING INDUSTRY

1. Sharada Press
  1. V.D. Kamath, Director.
  2. Ganapa Shetty - Printer and Secretary of S.K.P. Workers' Union.
  3. Venkappa Bangera - Printer and Member of S.K.P. K. Union.
2. Modern Printing Works
  1. K. Venugopal Nayak - Proprietor.
  2. A. Ramesh Suvarna - Binder and Secretary of the Union.
3. Mangalore Printing Works
  1. M. Babaraya Prabhu and his two sons.
  2. M. Baskara - Compositor and Asstt. Secretary of the Union.
4. Saraswathi Printing Works
  1. P. Keshava Bhandary - Manager
  2. M. Vittal Kamath, Clerk.
  3. B. Rajeeva Alva, Compositor and Union member.
5. Siddartha Printers
  1. K.S. Upadyaya - Proprietor.
6. A.I.T.U.C. Union
  1. Sri Ramachandra Rao.
  2. Sri Umanath Nayak.
7. Government Officials
  - As in the case of Tile Industry.

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Tile Industry, South Kanara, Mysore

1. Introduction:

Clay roofing tiles of the interlocking type were first manufactured in Mangalore, a century ago and hence the name 'Mangalore Tile' has come to stay. The credit of starting the first tile factory goes to a German Missionary, Mr. Flabot, by name, who in the year 1865 constructed the first tile factory at Jerpu, Mangalore on the banks of river Nethravathi. The utility and commercial prospects of the roofing tiles immediately attracted the attention of the local industrialists and the factories began to spring up one by one on the banks of Gurpur and Nethravathi rivers.

The Gurpur and Nethravathi rivers which surrounded the Mangalore town formed very useful frontages for the tile factories in Mangalore and this proved a major advantage for starting tile factories in this town. The rich clay deposits found on the banks of the aforesaid two rivers further attracted the attention of the local entrepreneurs to build tile factories in this place. Firewood, an essential raw material used for burning the tiles was found in the dense forests, about 30 to 40 miles away from Mangalore. Facilities for transporting this item was easily available. Manual labour which plays a prominent part in this industry was readily available there. All these factors were responsible for the growth of tile industry in Mangalore which later spread to other parts of the District. Today there are about 68 tile factories all over the District out of which as many as 42 are clustered in and around Mangalore. About 8000 workers are engaged in producing 15 crores of tiles annually. In addition to these thousands of workers are engaged in clay quarries, jungles and forests for cutting firewood, transportation etc.

Next to Mangalore, Coondapur, at a distance of about 100 K.M. from the former, is the main tile manufacturing place in the District. Easy availability of clay and firewood and cheap labour easily attracted the local people to start tile factories at Coondapur.

Mangalore tile is known for its quality and it has earned world wide reputation. It is the most economic roofing material. It has provided roof to the common man

at a cost bearly a third of RCC and compare favourably with asbestos roofing. It is easily replaceable as the units are small unlike asbestos sheets. Tile roof is elegant, cool and permanemnt. Mangalore tile is an ideal and life time roofing material that is serving the needs of the common man since last 100 years. In fact this is one of the important industries on which the major econon of the District depends.

In spite of its long tradition and hoary past, the tile industry in Mangalore is at present in doldrums. It is faced with numerous problems, and these problems are partly the making of the owners themselves and partl due to circumstances beyond their control. Let us now examine some of the problems faced by the industry at pre

Finance is a very important requisite for any industry and it is more so in case of tile due to peculiar ies inherent in it. It is a seasonal industry where at least for 3 months during the rainy season the factories are either closed or work only for 2 or 3 days a week because of lack of sufficient space for drying and raw tiles take longer period to dry. Secondly all the raw materials required for the factory i.e. firewood and clay will have to be stocked firstly because of difficult of transportation during monsoon and secondly because cla needs to be seasoned at least for 6 months before it is used for manufacturing tiles in order to get good quality tiles. Thirdly, tile is brittle and heavy and hence transportation is always a big problem. Mainly tiles are carried by sea in country crafts and this is only possible for about 6 months in a year as Mangalore port is closed from middle of April to October for vessels and country crafts. Fourthly, the selling season or the business season for tiles generally starts from March to June and as such the agent who stocks the tiles mostly does so on credit.

In short, for the purpose of running a tile factory in the course of one year, raw materials required will have to be stocked with-in 6 months, tile manufactur will have to be shipped with-in 6 months and sales will have to be done with-in 3-4 months. From this it is very, clear for the day to day working of the factory, the tile manufacturer will have to depend upon borrowed capital. Generally most of the units were borrowing money from the local commercial banks; but at present due to various

restrictions put by the Government as well as by the Reserve Bank of India, commercial banks are not advancing loans liberally, with the result that the most of the units especially the smaller and the marginal ones have to depend upon the money lenders who charge heavy interest. Though the manufacturing cost has gone up considerably, the selling prices could not be increased and many a times smaller units have to undersell their tiles far below the prevailing market price or sometimes even below the cost price.

Though the industry is 100 years old, age old age methods of production are still continued. Except for a couple of units, mechanisation is yet to find its way in this industry. Quality control and quality testing are alien to the tile factories in Mangalore. Research laboratory or technical training facility do not exist. No attempts have been made to diversify the products either. Due to lack of technical knowledge on the part of many of the tile factory owners, there is a lot of wastage which could be avoided by having technical information with regard to proper mixing of clay, processing, efficient technique of firing, improved machinery and designs of tiles and allied products and various production problems besetting the tile industry in common.

Another important problem faced by the industry is marketing. The cost of production has gone up considerably. Due to very little mechanisation, the industry is still labour intensive and hence the cost of labour is the highest of all the factors. A decade ago tile factories were few in the District; there was foreign market and the internal market was also plenty. In short it was a sellers market. Slowly, the foreign market dwindled almost to nothing, and the internal market is being slowly captured by the tiles from Kerala, which has the highest number of tile factories in the country (about 250) and large many of them have introduced latest machanisation thereby reducing their cost of production. Within the District, there is a sort of unhealthy competition among the tile manufacturers / have been able to sell their tiles to their clients in Gujarath, Konkan and other areas at far lesser rate (sometime as much as 25% less) due to short distance, cheap raw materials like clay and firewood and lesser commitments on labour. / specially between those in Mangalore and those in Coondapur. Coondapur Manufacturers



Moreover, in places like Gujarath and Maharashtra which are the traditional markets for Mangalore tile, new tile factories have come up. Also due to heavy rains and other natural calamities for the last few years, the number of country crafts shipping tiles to distant places have been reduced so much, many manufactures find it difficult to lift their tiles in time. Tile factory owners are reluctant to transport their tiles in open railway wagons as they were afraid of large scale breakage and theft but even when they want to do so, supply of wagons is not sufficient. These adverse conditions have hit hard the tile manufacturers in Mangalore especially those smaller units who do not have regular markets.

Regarding raw materials, Mangalore tile factories vis-a-vis mofusil ones in the dist., have to face certain special problems. The cost of raw materials such as clay, firewood etc. is mounting day by day. The quality of these items is also deteriorating. Formerly clay was available within a distance of 4 to 5 miles from Mangalore and the quality was also good. But now the Mangalore factories are getting their supply of clay from far away fields located at a distance of 15 to 30 miles, which means also additional cost of transportation. On account of deforestation the supply of firewood has become a problem. All the closeby forests have become barren and the suppliers have to come from far away forests in the interior. Coal which is used in some factories in the place of firewood is a controlled commodity and supplied through permits. But the supply is very irregular and unfortunately the manufacturers cannot rely on this material which is not only more economical than firewood but also gives fine colour to the finished product.

Last but not least in the competition thrown by other roofing materials like asbestos and other galvanized sheets, R.C.C. etc. Though costlier than tiles, more and more people are going for these modern materials.

On the whole, unless some urgent remedial measures are taken to meet the above challenge, the tile industry in the District is in great danger of liquidation which may have devastating effect on the economy of the entire district.

2. Recruitment: Tile is a labour intensive industry. In the absence of any large scale mechanisation, it requires only manual labour and all of them are unskilled and illiterates. There has not been any difficulty in getting the labour force required locally though large number of factories have come up lately. There is no definite time or procedure for recruitment of labour force. Whenever the employers feel the need for workers, he employs them from among those who present before him. There is no practise of employing them either through Exchange or through advertisements in the newspapers. The scientific methods of interview and recruitment are unknown to the owners of the tile factories. Here it may be mentioned that majority of the tile factories are the proprietary concerns or partnership firms of the family members. There is only one limited company which runs 3 factories in the district ( Commonwealth trust Ltd inc. in London). Initially the new recruits are kept for a year or so as temporary and later they were made permanent. There is no apprenticeship or any training programme conducted.

It is estimated that the absenteeism is about 10-15% and this percentage is comparable with the absenteeism in other industry in the district. As the D.A. is linked to cost of living index the workers in tile get highest wages when compared with other industries in the District. Naturally their temptation to abstain from work is not very deep. Moreover, during the peak season say from Nov. to April, all most all the factories provide extra work and hence their earnings will be more. However, it is a common feelings and very much resented by the employers that E.S.I. has given rise to increase in absenteeism. It is also observed that during Jan. to May, incidence of absenteeism is more due to marriages, festivals and other local activities. Employers strongly feel that the sense of productivity is totally absent in the workers as they would absent from duty on very flimsy reasons like death in some relative's house and so on.

3. Employment: As already mentioned earlier about 8000 workers are directly engaged in these tile factories and the entire labour force is local. Large number of them live near about the factories and the rest come from nearby villages 5 to 6 miles away from the town. They have

made their own arrangements for houses as no housing facilities are provided by the employers. Supply of clay, firewood and other raw materials are mostly carried on contract basis and all works inside the factory are done by the regular labour employed by the owner himself. However, still in vogue in large number of cases especially in Mangalore are contract system of tile manufacturing. Under this system the entire responsibility, say starting from seasoning of clay to classification of finished tiles is given to one contractor. It is his responsibility to give account of the finished tiles to the owner who pays him some commission on the basis of total number of tiles manufactured. Whatever money required for the purpose, is given by the employer to the contractor as and when required by him. The employers do not bother about the production aspect at all. In such cases the workers though regular employees under the employer are many a times at the mercy of the contractor on whom they have to depend upon for advances, work distribution etc. This practice has its advantages as well as disadvantages. This practice is followed in large number of cases though the smaller units are run by the owners themselves.

4. Conditions of work: Production in tile factories involves mainly manual labour requiring hard/physical exertion. The idea of a modern factory with proper light and air, clean floor and walls etc. are unknown in these factories. As Century old practises are still followed, one can easily imagine how a factory which has clay and firewood as main raw materials would look like.

Except for office and supervisory staff, the wages are paid on the basis of what is called "day's task". Each category of worker is assigned certain quantum of work say a group of 12-16 workers in a hand press will have to take out 2600-2800 raw tiles per day. This is called the "day's task". For each category of work, the task is fixed and they are expected to finish this work in 8 hours time. Normally all factories work from 8 A.M. to 5 P.M. with an hour's break for lunch. However, it is observed that the workers in all departments finish their work in about 4 to 6 hours time. Managements think that because the work loads are too low, the workers finish their task well in advance whereas the union and the workers observe that the work load is not low and

the workers do their work very quickly. In fact the nature of work is such that when once work started it must be carried on in quick succession with great physical strain and exertion to the workers. Any way this is a point of dispute between the two and in the absence of any scientific study on the problem, it is difficult to give any opinion.

Minimum statutory obligation with regard to drinking water facilities, latrines and urinals, rest sheds etc. are being extended by the employers. In majority of the cases it is observed that these are provided only in letter but not in spirit of the law. Consumers' stores or fair price shops are totally absent. Only in one factory do we find a canteen and a creche and both are run by the management fairly well. Accidents, sickness etc. are dealt with as per the provision of the Employees' State Insurance Scheme. Sunday is the common weekly off for all the factories but it is not a paid holiday. Apart from earned leave of one day for every 20 working days as per the factories act, workers get 7 paid holidays and these holidays are given to the workers as per the Mysore Festival Holidays' Act.

5. Organisation of Workers: Till 1944 the workers in tile industry in the District were not organised. However, in 1944 S.K. Tile Workers' Union came into being and as far as membership is concerned it embraces the entire District. This has been one of the strongest and united union in this part of the State, and is affiliated to A.I.T.U.C. However, with the rift in communist party, we find a faction in the union has come out and formed a separate union. At present there are four unions in the tile industry. 2 are affiliated to A.I.T.U.C. one to I.N.T.U.C. and the last one to Bharatiya Mazdoor Sangh. The original union is still the majority union with a membership of about 5000 whereas other unions put together have a membership of about 2000. The unions are mostly engaged in litigation and court work. Except for the majority union which has a good building of its own, others are of no consequence. But no union has any scheme of its own to extend welfare and social security measures to its members. The union has been able to demonstrate its organised strength through strikes and demonstrations on number of occasions.

Wages and other terms of conditions have been governed by the successive collective agreements, the last one coming to an end on 31st Dec. 1967. However, the same union has a separate understanding and collective agreement with the 9 tile factory owners at Coondapur. The workers in tile factories are more union minded and more conscious about their rights. When compared with workers in other industries in the district. Mostly the leadership is also in the hands of the rank and file though President and Secretary of the union are former tile factory workers. There is a feeling on the part of the most of the workers to have one union for the whole industry, but political ideologies coming in the way. However, the union movement in the mofusil areas is not as strong as we find <sup>in</sup> the Mangalore city. But employers feel that the union has become more and more agitational minded and not very realistic in its attitude when grave problems have confronted the industry.

6. Wages: With regard to wages, the tile factories in the district can be divided mainly into two categories- factories paying statutory minimum wages and those paying higher than the statutory minimum wage. In the former come those new factories which are in the mofusil areas and which have not entered into any of the two agreements with the union. The details of latest minimum wages prescribed is enclosed to this report. (Annexure II)

In the latter category, we have 9 Coondapur tile factories paying wages to the workers as per the bipartite agreement and another 35 tile factories in Mangalore town bound to their workers by succeeding collective agreements. Till 1947, workers in tile factories were not having a definite wages structures. In 1944 workers combined into a union and later went on a strike urging for better working conditions. Finally an arbitration award fixed the wages of workers as follows: Adult male worker-6 annas, Female workers 5 annas and adolescents 4 annas respectively and these basic wages were given in addition to D.A. based on cost of living index with 1939 as the base year. This was the first time not only in the long period of existence of tile industry in the district but also in the history of all other industries in the district that D.A. was linked to the cost of living index and this was a major gain for the labour.

1939 was taken as the base year and the total wages that a worker would get was basic wage multiplied by the prevailing cost of living index for each month. After 1947 award, basic wage of the worker was raised as a result of different collective agreements and at the end of the last agreement period in Dec. 1967, the basic wages ranged from 37 paise to 81 paise with slight variations in different factories. Whereas in Coondapur the same union entered into an agreement with local employers in 1964 on a more liberal terms and conditions vis-a-vis Mangalore factories. The total daily wages payable to workers as per the agreement was ranging from 1-50 to 2-60 all inclusive. Unlike in Mangalore, D.A. was not linked to the cost of living index nor any separate D.A. was paid. In fact one of the strong arguments by the tile manufacturers in Mangalore is that due to lesser cost of labour for Coondapur factories, they have been able to sell their tiles at cheaper rates whereas Mangalore Tiles are priced out of the market. The last agreement came to a close on 31-12-67 and a new agreement was signed by the parties at Coondapur. As per the new agreement which will be in effect for a period of 3 years (up to 1970 Dec.) the employers agreed to give to all permanent workers an increment of 65 paise over the daily wages existing on 31-12-1967 or an increment of 20 paise per day over the daily wages existing on 31-12-67 which ever is advantageous to the workers.

Illustration:

| <u>Wages on 31-8-1967</u> | <u>Wages on 31-12-67</u><br>(after implementation of<br>minimum wages as per the<br>notification) | <u>Wages on 1-1-68</u> |
|---------------------------|---|------------------------|
| Rs. 1.50                  | Rs. 2.25  | Rs. 2.45               |
| Rs. 2.22                  | Rs. 2.25  | Rs. 2.87               |
| Rs. 2.60                  | Rs. 2.50  | Rs. 3.25               |

Now the workers at Coondapur get the wages shown in the right extreme column and this is slightly better than the statutory minimum wages. Other two important concessions or gains to the workers are with regard to a bonus of 10% of total earnings and a gratuity of  $3\frac{3}{4}$  days of wages on every completed year of service subject to a maximum of

3 $\frac{3}{4}$  months wages. A copy of the agreement is enclosed to this report (Annexure No.II in Mangalore)

Coming back to the tile factories, we find the last agreement came to a close on 31-12-67 and efforts to renew the fresh agreements failed as both parties refused to give out, the contention of the employers were that the cost of living index has gone up to a fantastic pitch. It was 470 in Jan. 1964 at the time of signing the agreements and was 840 in Dec. 1967. Naturally in the course of this truce period there was 100% increase in the daily earnings of a worker. The employers, therefore in Mangalore wanted the D.A. to be reduced by certain amount, but the workers were not prepared for any reduction. Workers went on strike, conciliation proceedings failed and finally the dispute was referred for adjudication. At present the workers are being paid as per the old truce agreements as till the adjudication awards are forthcoming, the status-quo has to be maintained. Here also workers get a bonus of 6 $\frac{1}{4}$  of their total wages and a gratuity of 15 days wages for every years of completed service subject to a maximum of 15 months wages in all. A copy of the last agreement is enclosed to this report (Annexure I).

No factory has any system of incentive schemes. But as mentioned earlier, all categories of employment are done on the basis of tasks already fixed, - clay mixing, slab making, raw tile making, firing the clin, loading and firewood splitting. All of them finish of their work in about 4 to 6 hours time. In majority of the factories, workers are given extra work during the remaining period and it is common practise that the workers finish of 1 $\frac{1}{4}$  task during 8 hours period. Now as the index number has gone up resulting in extra burden on them, employers are reluctant to get extra work done. It is interesting to find that a peculiar way of calculating wages for certain key posts like fireman is being followed in the tile factories in Mangalore. To illustrate this by an example, let us take the case of a fireman, whose basic is 78 paise per day if 840 is the index number, his total earnings will be  $78 \times 840 + (78 \times 840 + 1.50)$  special pay for hard job and this comes to little over Rs. 11 per day. Well, there will not be more than 2 or 3 persons in each factory receiving the above wages.

Supervisors and other office staff are paid on time rate. They don't have any union and as such they do not come under any truce agreements. Their salary varies from factory to factory and from employer to employer. Lay off compensations are being paid to the workers as per the industrial Disputes Act though subject to certain conditions as per the truce agreement both in Mangalore and at Coondapur. As per the agreements, the workers are not entitled for any lay off compensation during the monsoon months of June, July, August and September. However, workers are entitled for the lay off compensation if laid off during the rest of the period in the year.

7. Industrial Relations:

Except for one tile factory, the rest are all either proprietary concerns or partnership firms. Most of them were inherited as a family property. Modern management practises are unknown to them and hence, it is found that in all most all the factories day to day grievances are more. There is no definite laid down procedure for settlement of grievances in any of the factories. For every worker has to see the proprietor himself as whenever factory managers have been appointed, they are just nominal devoid of any power worth mentioning. However, with regard to the major disputes, there is a provision to refer them to a Arbitration Committee as laid down in the collective agreements referred to above. This clause is found in both agreements (Mangalore and Coondapur). However, the arbitration committee has not been seriously tested by both the sides at any time during the truce agreement period. Though some of the minor disputes in individual factories have been settled at the conciliation levels, major ones have invariably been fought in the labour courts. Majority of the employers from the heart of heart do not relish the idea of workers organising themselves though they know fully well that it is unavoidable. Their attitude towards workers' Education Scheme and other welfare schemes have been always lukewarm and half hearted. The result has been one of suspecion and distrust. The employers take up their issues with unions with the assumption that the union is unhelpful and rigid. Whereas the majority union thinks that no purpose will be served by talking to the



managements. Such rigid attitude and closed minds on either side will never be able to see either peace in the industry or the growth of the industry. An attempt on the part of the employer to introduce some change in the factory say introducing a trolley for conveying clay etc. is being resisted by the workers. This is exactly why the industry, though is hundred years old, has not been able to make and change technical marketing or financial aspects. It is in this background that we have to view the circumstances under which the failure on the part of the unions and the managements to enter into a fresh agreement in Jan.68. Though the majority union entered into a fresh agreement for a further period of 3 months covering 9 tile factories in Coondapur, it could not do so in Mangalore. Employers claimed that as the cost of production has gone up mainly due to terrific increase in wages (clay 20%, firewood 25%, wages 53% according to Management source) the industry cannot afford to pay the wages based on cost of living index. The union would not agree for any decrease though at one time in the course of protracted negotiations at the conciliation stage were prepared for status-quo.

Oil 2%,

The managements did not agree for this proposal and without further serious attempts on anybody part to settle the issue the workers were allowed to go on strike and it continued for about 35 days (Jan.29 to March 5 in 1968). On referring the disputes to the Industrial Tribunal by the State Government, the workers withdrew the strike. To sum up, the entire ambit of industrial relations in the tile industry in Mangalore is shrouded with rigidity and lethargy on the part of the employers and too much reliance on the ideology on the part of the union and mutual suspicion on either side:.

8. Labour Legislation: Provisions of Factories Act are followed only in letter rather than in spirit. State labour inspectorate is also not giving due attention to these problems especially with regard to health and sanitary aspects. Except for new factories that have come up recently in the mofusil areas, the wages are higher than the statutory minimum wage fixed for the industry. There is a common standing orders certificate for all the 35 members of Western India Tile Manufacturers' Association, a tile manufacturers' Association in Mangalore. As per the festival holidays Act, the workers

are now entitled for 7 days paid festival holidays per annum. Bonus for last year was 6¼% of the total wages which is higher than the statutory minimum as per the Bonus Act. Workers are paid their wages once in a week and also advances in the middle of the week in few cases. Saturday is the common wage disbursement day in all the factories. Though there are number of Government circulars with regard to opening of fairprice shops and cooperative stores, none of the units have opened any such thing so far. Non-payment of provident fund and E.S.I. deductions are very common and cases of convictions on this account are not uncommon. Though a small scale industry, all most all the labour legislations are being applied to this industry unlike other small scale industries. No doubt employers feel that the burden of labour legislations is too much for them to bear and especially the filling of statements and returns are a constant headache and nuisance.

9. Minimum Wages Act: All most all categories of employments in the tile industry have been covered under the latest minimum wage fixation notification - the detail is given in the annexure No.III. As already explained earlier in majority of the factories, wages are already higher than the minimum wages notified. Only in those cases where factories are newly started and in cases of new recruitments do the employers pay minimum wages as notified by the authority. Hence, implementation of Minimum Wages as fixed under the authority does not arise in case of tile industry, in South Kanara District.

10. Conclusion: Mangalore Tile is famous all over the country. It is 100 years old. But its finances are weak, traditional methods of production are still followed, mechanisation and rationalisation are not attempted to, traditional markets are dwindling, though plenty of scope, attempts to explore and popularise in new markets are not made, products are not diversified, monopolistic tendency in the trade continues resulting in the closure of smaller units and no organised attempts to overcome some of these problems have even been seriously attempted by the employers. As far as labour is concerned, they are fairly well organised, have been able to bargain effectively but they should not be too rigid in the

attitude as at present especially with regard to certain problems which are likely to wash out the entire industry from this district and if it happens so, it is definitely not in their own interest.

... Saturday is the common day... with regard to opening of factories... Non-payment of... wages are very common and cases of... on this account are not... industry, all most of... applied to this industry... ind... labour... especially the filling of... constant headache and...

9. Minimum Wages Act - All... of employees in the... under the latest... detail is given in the... which in majority of the... higher than the minimum... cases where factories are... new recruitments do the... notified by the... Minimum Wages as fixed... in case of this industry...

10. Consolidation -... the country. It is... work, in... traditional... attempts to explore... these... tendency in the... of... and... by the... and fairly well... effectively but they should...

THE WESTERN INDIA TILE MANUFACTURERS' ASSOCIATION, MANGALORE.1.

## AGREEMENT ENTERED INTO BETWEEN:

The Managements of the Tile Factories in Mangalore specified in Schedule herebelow, represented by the Western India Tile Manufacturers' Association, Mangalore, of which they are the Member of the one part, hereinafter called the "EMPLOYERS" and

The Workers employed in the said Tile Factories of Mangalore specified in the Schedule herebelow, represented by the South Kanara Tile Workers' Union; Mangalore, of the other part, here-in-after referred to as "WORKERS" Witnesseth as follows:-

WHEREAS the Workers have been agitating and demanding for higher wages, amendment of gratuity scheme and other demands;

and WHEREAS the Truce Agreement in respect of Wages, Bonus, Lay-off, Etc., dated 10.8.1961 has come to and end;

and WHEREAS the parties are satisfied that for ensuring increased production in the Industry which is in the interests of both the parties, Industrial Peace is necessary;

now THEREFORE, this Agreement entered into between the parties for the said purpose WITNESSETH as follows:--

1. The Employers agree to give all Workers an increase of THREE paise in their daily basic wage with effect from 1st July 1964.
2. The Employers agree to pay the workers dearness allowance on the basis of the Mysore Cost of Living Index as announced by the Mysore Government PLUS THIRTY POINTS. The aggregate figure will be rounded to the nearest multiple of five. The figure for each month will be the latest figure available on the first wage payment day of each month. This dearness allowance rate will be in force during the whole period of this Agreement.
3. The Workers agree not to claim Lay-off compensation if they are laid-off during the months of June, July, August and September in each year during the period of this Agreement. If the Workers are laid-off during the other months of the year they shall

Contd.....

be entitled to Lay-off compensation for the period of Lay-off not exceeding fortyfive days as per the provisions of the I.L. Act.

4. In supersession of the Bonus Commission Report, the Employers agree ... to pay the Workers and the latter agree to accept a Bonus equivalent to 6½% of the total earnings of the Employees for each year commencing from 1-7-1964 during the period of the Agreement. The Bonus will be paid on the eve of Deepavali immediately following the year ending 30th June in respect of which Bonus is payable.

5. During the period of this Agreement the Workers agree that work-laod and wage rates in individual factories as on this date to remain unchanged.

6. The Parties agree that during the period of this Agreement there/shall be S P HOLIDAYS during the year as under:--

|                     |     |           |
|---------------------|-----|-----------|
| GOKULASHTAMI        | ... | TWO days. |
| VINAYAKA CHATHURTHI |     | ONE DAY.  |
| INLLPENDENCE DAY    |     | ONE DAY.  |
| DASARA              |     | ONE DAY.  |
| CHARISTMAS          |     | ONE DAY.  |
| REPUBLIC DAY        |     | ONE DAY.  |

TOTAL: SEVEN DAYS.

The Employers will have option to declare a number of days not exceeding TWO DAYS as unpaid HOLIDAYS provided they are unconnected with Industrial breakdowns.

7. Employers agree to pay Gratuity to such Workers who qualify for the same under Clauses (a) and (b) herebelow:

(a) a Worker shall be entitled to Gratuity on Superannuation irrespective of the number of Years of service/has put in, /he

(b) a Worker shall be entitled to Gratuity in case of permanent incapacity to work and his heirs in case of his death irrespective of the number of years of service he has worked in the Factory.

(c) the Gratuity payable shall be fifteen days basic wages of the Worker at the time of his being entitled to claim the same for every year of continuous service and in any even gratuity payable shall not exceed fifteen months basic earnings of the Worker,

(d) a Worker shall not be entitled to claim gratuity on voluntary resignation, dismissal for misconduct or on being retrenched,

(e) the Employers shall have the right of retiring a Worker when he attains the age of Superannuation.

EXPLANATION:

- 1) It is clearly understood that the basic daily wages referred to above is the one payable for one day's task and it shall not be the total basic earnings of the Worker during a day.
- 2) For purpose of this scheme, continuous service means continuous service as defined in the Industrial Disputes Act.
- 3) It is also understood that for purpose of this scheme the age of superannuation shall be the age of SIXTY years except where the age is specified in a prior Agreement between the Managements and the Workers. The age proof available in the P.F. Records or any other valid proof will be taken as the proof for purposes of this scheme.

8. It is agreed that an Arbitration Committee consisting of TWO representatives of each of the Western India Tile Manufacturers' Association and the South Kanara Tile workers' Union shall be constituted and all disputes arising between the parties during the period of the Agreement shall be referred to the said Committee for settlement. In case of disagreement between the parties the dispute is to be referred to an UMPIRE and the decision of the UMPIRE shall be final and binding on both the Parties.

9. It is agreed that during the period of this Agreement the workers shall not resort to stoppage of work, Go-slow, Illegal Strike or refuse to do the customary duties, such as loading of tiles and unloading of firewood etc., where such custom exists. The Managements also agree not to resort to Lock-outs.

10. Any violations of the Clauses of this Agreement by the workers will be deemed to be a Misconduct and suitable action will be taken under the Standing Orders, copy of which is attached herewith and the same shall apply to all Tile Factories specified in the Schedule herebelow:

11. This Agreement is for a period of THREE AND A HALF YEARS beginning from 1st JULY 1964 to 31st DECEMBER 1967.

12. This Agreement shall be ratified by the General Body Meetings of the Western India Tile Manufacturers' Association and the South Kanara Tile Workers' Union and a duly authenticated copy of such Resolution shall be given by the one party to the other within a period of 45 days from date of signing this Agreement. Till then this Agreement shall have no effect.

FOR WESTERN INDIA TILE MANUFACTURERS' ASSOCIATION.

FOR THE SOUTH KANARA TILE WORKERS' UNION.

sd/-J.H.M.NORONHA ... PRESIDENT.

sd/-B.NARAYANA ..PRESIDENT

sd/-F.M.LOBO ... VICE-PRESIDENT

sd/-B.KORAGAPPA .. VICE President.

sd/-T.H.BHANDARY ... VICE-PRESIDENT

sd/-K.NARAYANA SETTY.

sd/-F.X.D.PINTO

sd/-J.KOTIAPPA.

ABOVE SIGNATURES ARE DATED 17th FEBRUARY 1965

ABOVE SIGNATURES ARE DATED 17th FEBRUARY 1965.

SIGNED BEFORE ME.

sd/- J.VARADA BHAT.

LABOUR OFFICER.

"C O P Y"

ANNEXURE II

AGREEMENT ENTERED INTO BETWEEN

The Managements of the Tile Factories in Coondapur and other places in Coondapur Taluk specified in the schedule herebelow, represented by the Tile Manufacturers and Industrial Employers' Association, Coondapur of which they are the members on the one part, hereinafter called the "EMPLOYERS" and

The workers employed in the said factories of Coondapur Taluk specified in the Schedule herebelow, represented by the South Kanara Tile Workers Union, Bolar, Mangalore, of the other part, hereinafter referred to as the "WORKERS" witnesseth as follows.

Whereas the workers have been agitating for/and/demanding higher wages and whereas the workers have been demanding other amenities such as increased number of paid holidays, gratuity scheme, bonus etc., and Whereas the Truce Agreement in respect of wages, bonus, lay-off etc., dated 22.12.1964 has come to an end; and

Whereas the parties are satisfied that for ensuring increased production in the Industry which is in the interest of both the parties, Industrial peace is necessary,

Now, therefore, this Agreement entered into between the parties for the said purpose witnesseth as follows:-

1. The Employers agree to give to all permanent workers an increment of 65 (sixty-five) paise per day over the daily wages existing on 31.8.1967, or an increment of 20(twenty) paise per day over the daily wages existing on 31.12.1967, whichever makes the total daily wages of a worker higher.

Illustrations:-

| Wages on 31.8.1967 | Wages on 31.12.1967<br>(after implementation<br>of Min.Wages as per<br>the Min.Wages Notifn.) | Wages on 1.1.68 |
|--------------------|---|-----------------|
| Rs.1.50            | Rs.2.25   | Rs.2.45         |
| Rs.2.22            | Rs.2.25   | Rs.2.87         |
| Rs.2.60            | Rs.2.60   | Rs.3.25         |



2. The workers agree not to claim lay-off compensation if they are laid-off during the months of June, July, August and September in each year during the period of this agreement. If the workers are laid-off during the other months of the year they will be entitled to a lay-off compensation for the period of lay-off not exceeding 45 days as per the provision of the Industrial Disputes Act.

3. The Employers agree to pay the workers and the latter agree to accept a bonus equivalent to ten percent of the actual total earnings of each-worker who has an attendance of 265 days or more during the year in question, and a bonus equivalent to eight percent of the actual total earnings of each worker who has an attendance of 228 days or more during the year in question, for each year commencing from 1.7.1967 during the period of this agreement. The employers agree to pay the workers and the latter agree to accept a bonus equivalent to 5 per cent of the actual total earnings of each worker in all other cases subject to the minimum attendance of thirty days. This bonus shall be paid each year not later than 15th August immediately following the year ending 30th June in respect of which bonus is payable.

4. The parties agree that during the period of this Agreement there shall be seven paid holidays during the year as follows:-

- |                               |      |         |
|-------------------------------|------|---------|
| 1. Gokulashtami               | .... | One day |
| 2. Vinayaka Chathurthi        | .... | One day |
| 3. Independence day           | .... | One day |
| 4. Deepavali                  | .... | One day |
| 5. Christmas or any other day | .... | One day |
| 6. Republic day               | .... | One day |
| 7. Local Car Festival         | .... | One day |

Total...Seven days

The employers will also have option to declare a number of days not exceeding two days in a year as unpaid holidays, provided they are unconnected with the Industrial breakdowns.

5. Gratuity. The employers agree to pay gratuity to such workers who qualify for the same under clauses

(a),(b) and (c) herebelow:-

- a) A worker shall be entitled to gratuity on superannuation irrespective of the number of years of service he or she has put in;
- b) A worker shall be entitled to gratuity in case of permanent incapacity to work due to leprosy, tuberculosis, cancer or paralysis as certified by the Doctor declared by the Factory, irrespective of the number of years of service he or she has put in;
- c) On death of a worker while in service or permanent incapacity due to mental disability, gratuity shall be paid to him or her legal heirs or representatives or assigns irrespective of the number of years of service he or she has put in;
- d) The gratuity payable be  $3\frac{3}{4}$  days wages of the concerned workers at the time of his or her being entitled to claim the same for every year of continuous service and in any event the total gratuity payable to any worker shall not exceed  $3\frac{3}{4}$  months wages of the said worker;
- e) A worker shall not be entitled to claim gratuity on voluntary retirement, dismissal for misconduct or on being retrenched

EXPLANATION. Daily wages for the purpose of this clause means the wages payable for discharging a day's task where such day's task is prescribed or agreed to.

6. The employers agree to give all workers engaged in the following categories of work the increment shown against each category as follows:-

|   | <u>Increment.</u> |
|---|-------------------|
| a) Firewood splitting per chowk                             | Rs.1-30           |
| b) Loading of tiles per 1000                                | Rs.0-25           |
| c) Sorting per 1000   | Rs.0-12           |
| d) Stacking in Country craft per 1000                       | Rs.0-12           |
| e) Fireman and helper per chamber for a period of 24 hours. | Rs.1-30           |

7. It is agreed that an Arbitration Committee consisting of two representatives of each of the Tile Manufacturers and Industrial Employers Association, Coondapur, and the South Kanara Tile Workers' Union, shall be constituted and all disputes arising between the parties during the period of this Agreement shall be referred to the said Committee for settlement. In case of disagreement

between the parties the dispute is to be referred to an Umpire and the decision of the Umpire shall be final and binding on both the parties.

8. It is agreed that the minimum speed in revolving Press shall be 15 tiles per minut. It is also agreed that during the period of this Agreement the Press workers shall do  $1\frac{1}{4}$  days task during a working day of 8 hours on all week days except Saturdays as and when required by the employers if the speed is kept accordingly.

9. It is agreed that during the period of the Agreement the workers shall not demand overtime wages for loading work done during the working hours of the factory. It is also agreed that during the loading season the Press and the kiln workers shall load 12,000 tiles in a day after the usual one days task and on exceptional occasions when the employers want loading to be done after half a days normal task, revolving press workers shall load 26,000 in a day and hand Press workers shall load 20,000 tiles in a day. But in such cases full attendance shall be given to the workers doing half a days normal Press work, for the purpose of calculating bonus and leave with wages.

10. It is agreed during the period of this agreement the workers shall not resort to stoppage of work or refuse to do the customary duties such as loading of tiles and unloading of firewood etc., where such custom exists. The Managements also agree not to resort to lock-outs. In the event of any dispute between the parties the same shall be referred to the Arbitration Committee for its settlement as provided in clause 7 above.

11. This Agreement is for a period of three years from 1st January 1968 to 31st December 1970. Notice of renewal of the agreement with fresh demands if any, shall be given by the Union on or before 30th June 1970.

12. This agreement shall be ratified by the General Body Meeting of the Tile Manufacturers and Industrial Employers Association aforesaid and the General Body Meeting of the South Kanara Tile Workers' Union, Coondapur Branch, and a duly authenticated copy of such resolution shall be given by one party to the other within a period of 30 days from the date of signing this Agreement. Till then this agreement shall have no effect.

Contd.....

In witness whereof the parties have put their signatures  
this sixth day of January 1968.

For the Tile Manufacturers' and  
Industrial Employers' Asso-  
ciation, Coondapur.

President, S.K.T.W.U.M'lore  
Vice President -do-

Schedule of Tile Factories in Coondapur Taluk mentioned  
in the Preamble.

1. The Mangalore Tiles Limited, Coondapur, S.K.
2. Prabhakara Tile works, Coondapur, S.K.
3. Prabhakara Tile Works, Branch, Gulvady.S.K.
4. Kamath's Tile Works, Coondapur, S.K.
5. Mukamika Industries, Coondapur. S.K.
6. Udaya Industries, Gulvady, S.K.
7. Karanataka Industries, Coondapur. S.K.
8. Seetharama Industries, Coondapur, S.K.
9. Shree Shakthi Tile Works, Kavarady.

"C O P Y"

Persons and Institutions contacted - Tile Industry

- |   |  |
|---|--|
| 1. Matpadi Brothers                             | 1.G. K. Pandit }<br>2.I.R. Pandit } Partners   |
|   | 3.Balakrishna Shetty - worker and member of the union  |
| 2. Sujeerkar Tile.                              | 1.S.C. Nayak - Proprietor.<br>2.Raghuveera Shetty - Clerk<br>3.A. Sanjeeva - Press worker & treasurer of the Union |
| 3. Joe tile works                               | 1.Joe Britto - Proprietor.<br>2.Lakshman Naik - Press worker and Union Member                                      |
| 4. Cascia Tile Works                            | 1.F.M. Lobo - Managing Partner<br>2.Nagappa - Press worker & Union Member  |
| 5. Satyanarayana Tile Works.                    | 1.B.M. Hegde - Proprietor.<br>2.Janardhana - Press Worker and union Member   |
| 6. S.K. Tile Workers' Union.                    | 1.B. Narayana - President.<br>2.Koragappa Rai - Secretary.   |
| 7.D.K.H.K. Union                                | 1.B.V. Kakkilaya - President.<br>2:B. Sheena - Secretary.  |
| 8.Western India Tile Manufacturers' Association | 1.Ramaswamy -Manager   |
| 9.Govt. Officials                               | 1.Asstt. Director of Industries.<br>2.Asstt. Labour Commissioner.<br>3.Govt. Labour Officer.                       |

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## Machine Tools Industry

### Batala, Punjab.

The manufacture of machine tools was started before partition at Batala. In 1954-55, 120 units were engaged in the production of Machine Tools. After partition the industry made remarkable progress. This was greatly facilitated by the availability of evacuee buildings and the necessary raw-materials coupled with suitable soil for foundry work and climatic conditions. This industry exhibited signs of vigorous growth and resembles in many respects the growth made in Japan.

Political consideration and liberal grants of quotas, licences and permits (import licences) added to the rapid growth of this industry. Mention should also be made of the enterprising Rangarhia Community for accelerating the rate of growth.

Most of the industrialists of Batala came from West Punjab. The Government gave them liberal loans. At present machine tool industry constitutes an important part of industrial activities in the State. There are nearly 400 units manufacturing machine tools at Batala. The industry has witnessed an accelerated rate of production, since the inception of Second Five Year Plan. During the last decade the industry has improved greatly but for recent recession.

There has been standardisation of products and rationalisation of production methods. Different units are engaged in the production of two kinds of machines graded and ungraded.

Since last one and a half year the industry is experiencing recession. There is a continuous fall in the orders, as the development and expansion in the other industries have been very badly affected by the recession. Besides, the India-Pak conflict of 1965 gave a very severe blow to the economy of Batala being a border town.

(i) This industry enjoyed a boom period in 1964-65. However that period is over and industry is in the grip of crisis. It is stated that machines produced at Batala may be cheap but are not up to date and precise with the result that they are failing in competition with more refined and precision machines.

(ii) The industry started at Batala is not due to natural advantage but primarily due to Govt.'s allurements with quotas, licences and liberal grants.

(iii) The sale of ungraded machines is not organised. National small scale industries' corporation now does not purchase ungraded machines.

(iv) The industry also faces problem of raw-materials and acute shortage of molesis. The Govt. of Punjab launched "Batala operation" in 1967 to save the industry from the crisis by offering long term loans and other facilities. However, nothing has been done to promote

sale of graded and ungraded machines which is the real problem of this industry.

(v) As this industry has to face competition from the Public Sector machine tools industries it has little chances to regain the lost market.

(vi) As most of these units are engaged in the production of complete machines rather than specialising certain parts it is difficult for them to compete with machines produced by big establishments.

(vii) Lack of public investment on large scale in Punjab is also a factor for the recession of this industry. Punjab does not have large scale public sector undertakings which can help these industries by purchasing their machine tools.

(viii) The remedy to save this industry lies in diversification towards consumer goods and agricultural implements, as well as specialisation in certain parts rather than production of complete machines.

For the purpose of this study three units were selected, representing different categories of machine tools industry. These units were selected in consultation with District Industries Officer, Batala.

These units are:

(a) Atlas Engineering Industries, Batala

(b) Ranjit Technical Works

(c) Rajpal Aggarwal Engineering Works.

Atlas Engineering Works was established in 1952. The reasons for starting the unit at Batala are that the soil is good, cheap labour was available and liberal Govt. help in the form of import licences and loans were given.

This unit was started with 1 lakh investment which has grown up to 10 lakhs. In the initial stage there were only 10 workers. At present there are 80 workers employed in this unit. The total production of the last year was of the value of Rs. 10 lakhs. Machines produced by this unit have been registered as grade one by D.G.S.&D. This unit produces Hacksawing Machines, Clipper Lathes, Extra Heavy Duty Roll, Turning Lathes, Wood Turning Lathes, Planning Machines, Clipper A.G. all Gear Head. Previously D.G.S.&D. used to purchase machines from this unit but it has stopped now. The unit has to make its own efforts to promote the sale of its machines. It exports machines to philipine, Ceylone and Middle East.

(ii) Ranjit Technical Works.

Their history of this unit is a story of a dashing entrepreneur who established a little workshop in 1950 with one old machine, which he purchased locally. With his entrepreneurial ability and technical skill which he acquired after many years of practical experience in the field he expanded his workshop gradually by working hard. With imagination and organisational ability he designed and planned new machines and improved the old ones. When

he started his workshop he was doing job work employing only 2 workers. During these 18 years he turned his workshop into a Factory with installed machinery worth 4 lakhs. At one time he had 34 workers. But the recession has hit his unit and the strength of the employees has gone down to 18.

At present this unit produces various types of lathes machines, hacksawing machines, planning and drilling machines. These machines are manufactured with I.S.I. specifications and have been certified and stamped as Grade I by the D.G.S.&D., Govt. of India.

(iii) Rajpal Aggarwal Engineering Works.

This unit was established in 1955 as a little workshop with two workers. The owner used to work with his own hands. The unit was turned into a small factory and at present it gives employment to 10 workers. At present the value of installed machinery is 1½ lakhs.

This unit produces ungraded machines which do not fall under I.S.I. specifications. The unit produces 3 to 4 lathes per month. The production has fallen due to the recession in the industry.

These ungraded machines are sold locally. There are no fixed rates. The owner is satisfied with moderate profit. The machines do not find now a ready market.

Recruitment:

Machine tools industry at Batala has been lucky to have cheap and skilled labour. The methods of recruitment of labour is simple. Generally workers already employed in the units are asked to bring required number of semi-skilled or skilled workers. Now-a-days the units display vacancy notices before their factories and by this method they recruit labour. Due to recent recession in the industry the demand for skilled as well as unskilled labour has decreased. There are no difficulties in getting skilled and technical personnel. Last year the biggest large scale machine tools factory styled as Batala Engineering Co. has retrenched many workers with the result that at present many skilled and technical personnel are without job.

Machine tools industry at Batala secures labour by recruiting the I.T.I. diploma holders. There is an I.T.I. at Batala which turns out 40 to 50 diploma holders every year, who had acquired elementary skills in mechanical work. Besides this various units train workers themselves. Usually young boys undergo unpaid apprenticeship and after acquiring skills they join other units as skilled workers.



All the three units, where the study was undertaken had retrenched some workers last year due to recession in the industry. All these used to recruit labour directly. Skilled persons are available easily. I.T.I. diploma holders are preferred by these units.

Atlas Engineering Industries and Ranjit Technical Works Batala keep two to three apprentices. Generally these apprentices are unpaid.

Absenteeism is not very high. However, during harvesting seasons rate of absenteeism goes up. Workers go to their villages to help their people during the harvesting season.

#### Employment:

Majority of the workers employed in this industry is local. Outside labour is employed only for unskilled work. Local labour stays in the adjoining villages and also in the city. Outside labour makes its own arrangement for housing. No housing facilities exist for the workers. The study in three units reveals that only in Atlas Engineering Industries some five outside workers have been employed for unskilled jobs. Majority of the skilled workers are Ramgarhia Sikh.

In Atlas Engineering Industries, out of 80 permanent workers 55 are skilled workers and 25 are unskilled. Contract labour is used in Atlas Industries and in Ranjit Technical Works for casting of iron. The owners of both these units were of the opinion that casting work is of irregular nature. Hence they cannot employ permanent labour for it. At present there are no potentialities for increasing employment opportunities in these units. As already stated two out of three units have already retrenched many workers and they do not envisage any chance for increasing employment opportunities in Machine Tools industry at Batala. If, however, diversification takes place in this industry, it may provide more employment opportunities.

#### Conditions of work:

Majority of the units are housed in most unsuitable ill-ventilated slum like lodging. Work rooms are crowded with machines and raw-materials. These work rooms are inadequately furnished. Working conditions are not satisfactory. Congestion is general rule. Most of these units have come up from small workshop. Machines and men have increased but not the work-room.

All the units covered in the study come under the Factories Act, but all these units have grown small workshop to Factories. Except Atlas Engineering Industries other units have not increased

the covered space of their factories. More and more machines are added in the small work place which has resulted in over crowding of machines. Technically this arrangement is also not satisfactory. Atlas Engineering Industries has increased its covered area, but there too congestion is there. The owners are not very much conscious about improving the working conditions in their units. Atlas Engineering Industries provides drinking water facilities and a urinal, which are not provided by other units. No unit has provided Canteen, fair price shops, rest place, lunch shed, bath room, facilities. As these are very small units they are not statutorily expected to provide all these facilities. Even compliance of statutory provisions is rather ineffective.

The prescribed hours of work are generally observed. All these units work in single shift. Previously the units used to resort to overtime but currently over time work is not resorted to. Period of recess, weekly holidays with pay during the year etc. are provided as required under the Factories Act.

#### Organisation of Workers:

Workers of machine tools industry (small scale) are loosely organized. Though there are three trade unions in Batala namely (1) Foundary and Metal Workers Union (2) Iron and Steel Workers Union and (3) Ekta Mazdoor Union who were interviewed at Batala were of the view that lack of trade union consciousness on the part of Batala workers is due to many factors. In almost all units owners prefer the workers from their own caste and some of the workers are their relatives. Thus due to pressure of the owner the workers do not join the trade unions.

Employers are much united. Many establishments have common walls. They jointly suppress trade unions activities.

Another major factor for lack of trade union consciousness is that piece rate system of wage payment is prevailing. With the result wages are higher and workers do not feel the need of joining trade union.

There is no Union in Atlas Engineering Industries or Ranjit Technical Works. Neither the workers are the members of any union. Two workers of Atlas Workers' Union who were interviewed for the study admitted that they do not need a union. They also expressed the view that unions have not solved any major problem in Batala. Workers of Ranjit Technical Works are not joining any union out of fear of the owner.

Contd...../-

Some of the workers of the Rajpal Aggrawal Engineering Works are the members of Ekta Mazdoor Union.

In Atlas an 'informal Committee' exists which comprises of representatives of workers and supervisors. This committee settles differences between the employer and the workers.

All the owners of the three units are of the opinion that trade unions are trouble creators and they mislead the workers.

It can be concluded that the workers lack trade union consciousness and the owners suppress trade union activities in their units.

Wages:

Minimum Wages have been statutorily fixed in the machine tools industry. As a result of latest revisions the minimum rate of wages is Rs. 75/- P.M. In this industry this sum is paid to the unskilled labour. Skilled and semi-skilled workers get much more than this rate. Both piece rates and time rates are prevailing in different units.

In Atlas Engineering Industries a skilled worker earns between Rs. 150/- per month and Rs. 200/- per month without overtime. No Dearness Allowance is paid. There are no incremental scales in this unit. Wages are paid on monthly basis. No rational increment system exists. Increments are paid according to the sweet-will of the owner. Provident Fund Act is applicable in this unit. Bonus Act also applies in this unit. Generally wages are paid immediately after the wage period. Workers also get advances from the owners.

In Ranjit Technical Works majority of the workers are paid monthly wages which varies from Rs. 100/- per month to Rs. 200/- p.m. for semi-skilled and skilled workers. As per Minimum Wages Act unskilled labour gets Rs. 75/- per month.

It may be noted that these owners find it difficult to engage any local person for Rs. 75/- per month as the prevailing wage rate in other industry is high. Generally out-side labour is engaged for unskilled work at this minimum rate of Rs. 75/-.

In Rajpal Aggrawal Engineering Works, workers are paid on daily rate ~~for skilled~~ which currently is Rs. 5.50 paise per day ~~to~~ Rs. 4/- per day for worker and unskilled labour. In this factory also no dearness allowance is paid. Rs. 3.50 per day.

From the study of these three units one can conclude that non-incremental wage rates exist in these units. No dearness allowance is paid in any unit. Increments are given without any rational scheme. Employees Provident Fund Act is applicable in the first two units but not in the third unit. The First two units also pay bonus to their employees under the Payment of Bonus Act, 1966.

Wage rates as they were prevailing five years earlier were very low. For unskilled it was Rs. 50/- to Rs. 60/- and for skilled workers the rate was Rs. 75/- to Rs. 100/- per month. Ten years earlier these rates were still low. An unskilled labour used to get Rs. 40/- to Rs. 50/- per month and skilled labour was getting upto Rs. 80/- per month.

#### Industrial Relations:

In the absence of effective trade union in the Industry it is difficult to say what is the state of industrial relations in the industry. It has been stated earlier that most of the units were started as small workshop which, in the course of time became factories. In many factories the workers belong to the same caste to which the owner belongs and some workers <sup>are</sup> owners' relatives. Many owners are themselves skilled workers. They still act as leaders. They guide and supervise their work-ers themselves. Thus on the one hand the absence of an effective trade union and on the other hand the role of the owner in the unit has changed the entire pattern of industrial relations in this industry.

Some five years earlier there was a strong union. It had a large membership but after a long strike the influence of the union decreased and maximum number of workers left the union.

It has been stated earlier that workers of two units namely Atlas Engineering Industries and Ranjit Technical Works are members of no union. However the workers of Rajpal Aggrawal Engineering Works are members of an Industry Union. In Atlas there exists an 'informal committee' which settles grievances and other matters but the trend is that the owner deals with every worker separately. This informal committee can discuss any question. The workers feel that the employer does not like the members to join any union so they do not do so.

In Ranjit Technical Works the owner deals separately with each worker. There is more closer contact and communication between workers and the owner. It can be stated that the owner wants to secure and maintain peace by a paternalistic attitude and he imposes his will upon the workers.

In the third unit though workers are members of a union, but their relation with the owner are cordial. The atmosphere in all these units is entirely different from one prevailing in large scale industry.

(i) Owners are also the supervisors and leaders of the workers.

(ii) They have face to face relations with the workers.

All disputes or difficulties are solved by them personally.

In spite of certain legislations these owners have created an atmosphere of their own liking. After long years of service workers know the attitude, behaviour and whims of the owners. They have adjusted themselves accordingly. The workers restrain from taking collective action and they approach the owner individually for their difficulties. The workers are aware of the problems of the units. The owners always honour any commitment made by him as they do not have to refer to a higher authority.

From the above facts we can not conclude that relations are harmonious and workers are satisfied with this type of industrial relations. On the contrary workers of all the units feel that the owners do not show full regard and do not treat them on equal basis. They create atmosphere of their own liking. They resist collective action by the workers. They actually have suppressed Union activities of the workers in the past. Thus in this period when prices are rising workers are at the mercy of the owners. The recent recession has further strengthened the position of the owners and has adversely affected the trade union movement.

Our discussions with the owners bring to the light certain significant facts in the sphere of industrial relations in small scale machine tools units.

The owners once themselves workers. They had known different conditions of work. When they were workers, the plight of workers was different. No Labour law or statutory safeguards were available to them. Trade Unions were un-known. Now as owners, they feel irritated about these things. They are in the habit of getting maximum work from the workers. They are also against any interference from out-side which may be from the Government or from the trade unions.

#### Labour Legislation:

In the two units which were covered by this study the following legislations are in force:

- (i) Factories Act, 1948.
- (ii) Employees State Insurance Act, 1948.
- (iii) Provident Fund Act.
- (iv) Minimum Wages Act.
- (v) Payment of Bonus Act.
- (vi) Punjab Labour Welfare Fund Act.

In the third unit only Factories Act, Minimum Wages Act and Punjab Labour Welfare Fund Act are applicable.

Thus the workers of the first two units enjoy many benefits provided under these legislations.

The workers are happy about the application of these legislations. They enjoy limited hours of work, rest interval, leave with wages etc. The workers of both these units are not happy over the working of implementation of Employees State Insurance Act. They say that they do not get proper care and useful drugs in this Scheme.

As there is no Union which is effective, the implementation of these legislation is not effective. Workers are not aware of the benefits of these legislations. The enforcement is also slack.

The attitude of the owners is not favourable towards various labour legislations. They are very critical of the Factories Act. According to them small units should be totally free from these legislations. More legislations means extra financial burden on the units, which add to their manufacturing cost.

Owners of the first two units strongly advocated that in the recent recession they should be exempted from these legislations and that will greatly enable them to regain their lost position.

On the whole various labour laws have greatly helped the workers employed in machine tools industry in Batala. However, if the enforcement of these laws is made more effective and inspections are more regular and frequent, things can improve further.

The President of Batala Industries Association expressed the views that the small units are over burdened with labour legislations. More laws mean more cost of production and less profit. The Government should evolve a different labour legislation policy for the small units. A single law or a scheme should be framed to replace many laws operating at present. This will be easy to administer and will cost less.

#### Minimum Wages Act:

All the three units are covered under the Minimum Wages Act. According to this Act Rs. 75/- p.m. has been fixed as the minimum.

The wages paid to different categories of skilled workers are higher than this rate. Only unskilled labour is paid Rs. 75/- p.m. Here also only outside labour works on this rate. The workers as well as the union officials are of the view that the minimum provided under the Act is very little, in the face of increasing prices.

However as workers are already getting more than this rate this Act is of little benefit to the workers.

Cycle Parts Industry: Ludhiana, Punjab

In the rising tide for industrialisation which has followed in the wake of independence, Ludhiana has covered several more industries to its credit of which cycle parts ranks as the most important. Though it existed as far back as 1936 when certain repair shops took up the manufacturing of some accessories which were used for replacement, the industry assumed significant importance after independence. Cycle stands, carriers, axles were the first items to attract the attention of the local manufacturers. The scope for this industry widened with restriction on imports in 1939 /the on account of the War. Out of sheer necessity most of the parts came to be manufactured locally. After partition in 1947 the Government of India adopted a new industrial policy which restricted import and fixed Assemblage quota for full cycle of small scale and cottage industry vis a vis the large scale establishments run with modernised equipments. Cycle parts manufacturing now stands as full sized industry and a leading engineering trade in small scale sector in the Punjab. In the matter of Cycle parts it not only meets the local demand but also cat-ers to the need of several bigger units such as Atlas Cycle, Sonapat ; Hind Cycle, Bombay; Hercules Cycles, Madras and Sennaleigh Cycles, Calcutta. These big units find several Ludhiana parts as competitive in price and equally good in quality. As per survey of the small Industries Service Institute, Ludhiana the number of units, their production capacity, actual production and employment number in Cycle & Cycle Parts Industry is as follows:

| <u>Year</u>                     | <u>64-65</u> | <u>65-66</u> | <u>66-67</u> | <u>67-68</u> |
|---------------------------------|--------------|--------------|--------------|--------------|
| No. of units                    | 638          | 671          | 669          | 665          |
| Production Capacity             | 1069         | 1092         | 1120         | 1110         |
| Actual Production (Lakh rupees) | 843          | 832          | 835          | 3615         |
| Employment number               | 8390         | 8437         | 8339         | 7974         |

As per the latest report of the State Industries Department, Punjab, there are 558 cycle parts units and 9 cycle units. Cycle parts units provide employment for 5715 persons with annual production of Rs.385 lakhs. Cycle parts units use various types of machines which are both power and manually operated: Lathes, Presses, Drilling, Machines, Milling Machines; Forging Machines, Grinders, Shapers, Enamelling Plants, foundry, electroplating-equipment, Tempering furnace. Most of these machines are manufactured in the Punjab, either locally or at Batala. Forging machines have





cycle parts industry, the prevailing wage rates are much higher. On an average a skilled worker earns between Rs.150/- to Rs.250/- per month. Even an unskilled worker earns more than Rs.100/- P.M., though the Minimum Wage fixed is Rs.75/- In spite of the last recession and its aftermath, the industry has a bright future.

For the purpose of this study three units were surveyed. Each one of the units represents a different category. These units were selected in consultation with Conciliation Officer, Ludhiana.

These units are:

- M/s (i) Murari Engineering Works.
- (ii) Deepak Cycle Industries. &
- (iii) Raghur Cycle Works.

Murari Engineering Works is situated in Civil Lines, Ludhiana. It was established in 1950 at Gurayan as a small workshop, to manufacture Shaft Machines with a total investment of forty thousand rupees. It started manufacturing activities with 8 to 10 workers. However, in 1955 this unit started manufacturing cycle parts such as handles, pedals and saddles and the works was shifted to Ludhiana where skilled labour and raw material and other facilities were available. In 1959 the Government of Punjab allotted import quota and permit to this unit for importing raw materials. National Small Scale Industries Corporation also provided loan to this unit to purchase a forging plant at the cost of rupees one lakh and fifty thousand. In 1963 this unit purchased a second forging plant from U.S.A. With the importing plants the unit started producing chain wheels and Cranks of Bicycle and it has now specialised in these parts. This unit supplies wheels and cranks to many well known concerns such as A-Von, Sen Releigh, Hero, Atlas and Hind Cycles. The demand for its parts is increasing. Last month the unit produced 12,000 chain wheels and cranks. During all these years improvement in quality has been achieved. Due to non-availability of standardised raw materials, I.S.I. specifications have not been adopted. However, the owners feel that if I.S.I. takes the responsibility of supply of Standardised raw materials the unit will certainly adopt I.S.I. specification and standards.

At present this unit employs 40 workers and majority of them are skilled.

Raghur Cycle works is situated in Industrial Area 'B'. It was started in 1961 as a small workshop with a total investment of Rs.20,000. This unit manufactures chains wheel, hubs and handles. The unit gives employment to 60 workers but most of them workers have been engaged through a contractor.

The present investment of the unit is nearly five lakhs. It has different types of machines such as lathe machines, presses, grinders, shapers etc. The unit does not follow any quality standard or specifications. Its products are purchased mainly by the spare parts dealers.

#### Deepak Cycle Industry

This unit is located in Industrial Area 'B'. This unit was established in 1954. Its owner had no business experience or background. He was motivated to start manufacturing of cycle parts when in 1954 the Government gave manufacturing licenses for assembling cycles to the small scale units. In the beginning this unit manufactured parts of cycle frame and frame sets. Delhi assemblers were the major buyer of this unit. In 1955-56 the Development council for Bi-cycles allowed the small scale units to assemble 1/4 of the total cycles to be produced in the country (large scale units were allowed to assemble 3/4 of the total cycles) in 1957 small units produced 3 lakhs cycles. Though 75 small scale units were set up to assemble whole-cycle, only 10 units are producing whole cycle and Deepak Cycle Industry assembles whole cycle.

This unit manufactures various parts such as Frames, forks, brakes, pedals, etc. It buys rims, Tyer. and Tubes, Hubs, Free Wheel, plain steel, tubes from other larger units.

In 1967 this unit assembled 21,000 bicycles. It has a total investment of 10 lakhs. 95 workers are employed in this unit.

This unit has to compete with large scale units. Economically its cost of production per cycle is higher and margin of profit narrow.

#### Recruitment

As stated earlier there has been no increase in the number of workers employed in the Cycle parts industry since 1964-65. On the contrary the number has gone down during 1967-68. One of the reasons is that most of the employers are mechanising their production methods. Labour cost has been increasing due to high wages. The industry does not require highly skilled workers. Workers are not recruited through Employment - Exchange. Whenever an employer needs he puts up a 'Vacancy Notice' near the gate of his factory. He may also ask his workers to get extra hands. All the units studied by us follow this method for recruiting workers. Generally workers with experience in similar trade are preferred. Employers do not prefer people with merely technical qualifications without experience.

Lately employers are recruiting extra labour through labour contractors. This practice is followed in Raghubir Cycle Works and Deepak Cycle Industries.



workers on piece rate basis.

In Raghbir Cycle works and Deepak Cycle Industries 75% of the work is carried out through contract labour. The employers are of the opinion that this system reduces their labour cost and they are relieved of the labour troubles. Nothing has been done to check this unfair labour practice.

Conditions of work.

The state of conditions of work is not satisfactory in the majority of the units of the industry. Majority of the units are covered under the Factories Act. In all the three units studied by us the Factories Act is applicable. All these units provide the minimum facilities provided under the Act. There are no canteens, fair price shops, rest rooms, lunch sheds etc in any unit. The working conditions are fairly satisfactory in Deepak Cycle Industries. This unit has provided drinking water facilities, electric fans, first aid facilities and bath room facilities. In other two units except drinking water facility, no other facilities exist. In all these units hours of work, holidays are regulated under the provisions of Factories Act. In Raghbir Cycle works there is much congestion and overcrowding. Bits of waste material are scattered every where. However, the position in other two units is not so depressing. Both these units are comparatively clean and there is less of congestion and over crowding.

Organisation of the Workers.

Our enquiries ~~reveal~~ that workers of cycle parts industry are loosely organised. There are three industry wise trade unions in this industry namely:

- (i) Loha Mazdoor Panchayat - Affiliated with H.M.P.
- (ii) Iron and Steel Workers Union - Affiliated with A.I.T.U.C.
- (iii) Mechanical employees Union - Affiliated with I.N.T.U.C.

All these three unions claim a membership of only two thousand. The lack of trade union consciousness on the part of the workers of cycle parts industry is due to many factors.

(i) The employers have a tendency to suppress trade union activities and for this they do not hesitate to adopt unfair labour practices.

(ii) The majority of the workers are employed on piece rate basis, and this stands in their way to take part in trade union activities. They are more particular about their earnings. Wages are higher and the workers do not feel the need of joining trade unions.

(iii) Another factor which is detrimental for the growth of trade union is on account of their belonging to the same caste as that of the employers.

(iv) Since the industrial relations are based on personal contract, therefore, most of the differences and problems are settled at the personal level and thus little scope is left for any collective action.

(v) Employers are united and they help each other to tackle labour problems.

There is no Union in Raghbir Cycle Works. Some workers of Deepak Cycle Industries and Murari Engineering Works are the members of different unions. Some workers of these two units who were interviewed for the study admitted that they do not have time to participate in Union activities.

It can be concluded that the workers lack trade union consciousness and the owners suppress trade union activities in their units.

#### Wages.

Cycle parts industry does not have a rational wage structure. There are no grades or incremental scales of Pay providing for annual increments. Majority of the workers are engaged on piece rate basis. Even standardised rates are not there. They vary from unit to unit. However, higher rates have been secured in big units as compared to the small units. This industry is covered under the Minimum Wages Act, 1948 but the employers face difficulties in securing workers on the rates stated in the Act. Workers are getting much higher wages than what is provided under the Act. In the minimum wages Act Rs.75/- have been fixed as the minimum wage. But even unskilled labour is not available at this rate. In Deepak Cycle Industry the direct workers are paid on piece rate basis with minimum guaranteed. This minimum is Rs.85/- Different piece rates have been fixed for different categories.

In paint shop a skilled worker gets Rs.165/- P.M. and unskilled gets Rs.90/- P.M.

Different rates for different operations are as below:

|             |                   |
|-------------|-------------------|
| Frame:      | Rs.36/- per gross |
| Pedal:      | Rs.26/- per gross |
| Frame Legs: | Rs.18/- per gross |
| Brake:      | Rs.28/- per gross |

The welder earns between Rs. 250/- to Rs.300/- per month as per last three months wage bill. On an average a skilled worker earns between Rs.200/- to Rs.300/- per month depending on the rate and nature of work.

Workers engaged through labour contractor earn between Rs.150/- to Rs.250/- per month. All these workers are on piece rate basis with no fall back minimum.

For monthly rated workers overtime is allowed at single rate. No. D.A. is paid in this unit.

During the last 4 years this unit has paid Bonus (Only to the direct workers) varying from 12 to 14%. Provident Fund Scheme is applicable for direct workers. Wages are paid on monthly basis.

In Murari Engineering works all the workers are direct employees. Unskilled labour is paid Rs.85/- to Rs. 100/- per month. The categories which fall under unskilled labour are watchmen, helpers, and mazdoors.

The skilled workers engaged on machines are paid on piece rate basis. For these workers minimum work load is fixed and for this minimum work load the rates vary from Rs.100/- to Rs.150/- P.M. Over and above the minimum work load fixed workers are paid on piece rate basis.

Workers engaged on Lathe machines, forging plant and grinders earn on an average Rs.150/- to Rs.200/- P.M.

The earnings of workers engaged on presses, shapers, boring machines vary from Rs.125/- to Rs.150/- per month. No over time is paid to the piece rated workers. For monthly rated workers it is paid at the single rate. No. D.A. is paid in this unit also.

Provident Fund Scheme is applicable in this unit. Last year this unit paid 10% bonus to the workers. Besides this the unit allows advance to the workers to the extent of 1/4th of the total monthly wages per month. Wages are paid on monthly basis.

In Raghubir Cycle works, where majority of the workers are engaged through a labour contractor, no fixed monthly wages are paid. For direct workers this unit fixed piece rates individually for each worker. Unskilled workers are employed on monthly basis and are paid fixed wages. At present this unit pays Rs.80/- P.M. to an unskilled worker ,

The average earnings per month for different categories of skilled workers are shown against them: :

|           |               |
|-----------|---------------|
| Turner    | Rs.250/- P.M. |
| Fitter    | Rs.200/- P.M. |
| Pressmen  | Rs.150/- P.M. |
| Mechinist | Rs.175/- P.M. |

All these skilled workers are employed on piece rate basis.

Contract labour also earns, to some extent the same wages as stated above.

Overtime rate is single. Provident Fund Scheme is applicable in this unit. Last year this unit paid 4% of the wages as bonus to the direct workers. No D.A. is paid.

#### Industrial Relations.

From our discussions with the owners of all the units we got the imp-reSSION that the owners are disturbed with the emergence of trade unions in this industry. The owner of Raghubir Cycle Works complained that the labour troubles have become so complicated that he is compelled



the employers do not observe the rules regarding overtime, leave, working hours etc. They divide their work places into many small units in order to escape from the provisions of the law.

Another unfair labour practice adopted by the owners to escape from the liabilities placed on them by various legislations is employment of workers through contractors.

Though the Minimum Wages Act is applicable in all the units, it is meaningless as the workers are getting more than what is provided under the Act.

The Union officials and the workers interviewed by us stated that the Government machinery should be made effective and all the unfair labour practices should be stopped and the workers should be provided the legitimate rights and benefits envisaged in all the legislations.

Owners of all the three units are critical of the labour legislations. They advocated that small scale industries are treated on equal footing with large scale units in regard to labour legislations. Economically small scale units are much weaker. Thus all these legislations mean extra-financial burden on them which add substantially to their manufacturing cost.

Thus according to them the Government should evolve some simple comprehensive and compact Scheme incorporating essential features of these legislations. While evolving such Schemes the Government should favourably consider the weaker economic position of small sector industries as compared to the big units.

#### Minimum Wages Act.

It has been stated earlier that this industry is covered under the Minimum Wages Act. According to this Act Rs.75/- has been fixed as the minimum wage. But actually at this rate no worker is willing to work. So the owners have to pay more than what is provided under the law. The trade unions officials as well as workers are of the view that the minimum wage provided under the Act is very less in the face of increasing prices. It is far from reality. The Minimum Wages Act in the present situation, when the wages are already more has little importance. The Act should be revised and higher wages should be fixed at higher rates.



Sports Industry, Jullundur, Punjab.

Sports industry of Jullundur occupies a unique position in the small scale industrial sector of Punjab. It has attained a monopolistic situation as it produces more than 75% of sports goods and equipments produced in India. With the influx of entrepreneurs from Sialkot after partition the sports industry took a root at Jullundur. In the initial stage it had the limitation of raw material and skilled labour which for greater part fell to the share of Pakistan. The existence of leather and tanning industries was responsible for this localisation in the initial stages. Most of the entrepreneurs were themselves skilled workmen and they started very small units employing themselves as well as members of their families. The industry has made considerable headway and Jullundur town could boast of a well developed sports industry, the products of which compare well with foreign manufacturers and are in demand from all the principal markets of the world. It produces entire range of sports goods such as Foot-ball, Volley Ball, Hockey, rackets, tennis rackets, shuttle cocks, cricket bats and balls and gymnastic goods, sports shoes, sports gloves, sports hosiery and other allied requirements.

During the year 1954-55 the total outturn of this industry was 41.33 lakhs. 1956-67 it was 81 lakhs, in 1963-64 it was 153 lakhs. The figures of 1966-67 is 195 lakhs.

Total Employment.

| Year    | Persons Employed. |
|---------|-------------------|
| 1954-55 | 1754              |
| 1958-59 | 1950              |
| 1965-66 | 5150              |
| 1966-67 | 5409              |

The products of the industry find sales both within and outside the country. The comparative cheapness of our products is a formidable factor in its favour which makes them attractive in the foreign markets. The demand is ever increasing. The main foreign markets are U.K. Middle East, Germany, Spain, Africa, Malaya, Canada and Australia. The industry exports goods worth one crore rupees.

All these years the industry had to pass through unabated shortage of two major materials namely mulberry and willow wood. There is also shortage of fine unstretchable tanned leather. Recently the industry has to face the shortage of thread in leather work.

The shortage of trained labour continues to exist.

Currently the major problem of the industry is shortage of skilled labour and certain raw materials like leather, thread etc. The manufacturers also face the problem of sale. Middlemen have been exploiting the small manufacturers. There is also internal competition for lack of organisation. Although a sale emporium has been set up by the Department of Industry, the small manufacturers can sell their products to it only through middlemen.

Many important changes have taken place during the last decade. Different units have started:

(i) specialising in different items. At present the industry can be divided in three categories :

- (a) units producing wood-sports goods.
- (b) units producing leather sports goods.
- (c) units producing gymnastic goods and allied materials.

(ii) During the last decade the quality of sports goods has been improved greatly. The Department of Industries has introduced a Quality marking scheme. The industry has also adopted Indian Standard Instituted (I.S.I.) specifications. This has raised the competitive strength of the industry.

(iii) A class of skilled workmen had emerged which has added excellent workmanship to the products.

(iv) The entrepreneurs, who are managing these industries are educated and energetic. They are conscious of introducing rationalisation and standardisation in the industry.

(v) Mechanisation is also taking place gradually. Many processes such as shaving, shaping, drilling, stitching, painting and many others are being mechanised. According to one manufacturer this is done due to acute shortage of skilled workers.

(vi) During the last five years workers have become conscious of trade unionism. Ninety percent of the workers are trade union members. The concept of employee-employer relationship has undergone many changes. Disputes about wages and allied matters are on the increase. Employers are not happy about this change and view this rise of trade unionism as a challenge.

(vii) The Pakistani aggression has hit this industry as it has done to the other industries.

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(viii) In spite of the fact that a sale emporium has been established by the Department of Industries, Govt. of Punjab, marketing of sports goods is far from satisfactory. Numerous small manufacturers are at the mercy of middleman. There is a great scope in the improvement of management, planning and coordination.

(ix) Minimum Wages Act has been extended to the leather sports industry.

#### FUTURE PROSPECTS

According to one employer if certain problems of this industry are solved it has a very bright future. There is a large part of the world yet untouched. This industry is in a unique position where supplies cannot meet the demand. There are numerous purchase orders which remain pending for want of either raw material or skilled labour.

For the purpose of study three units were surveyed. Each one represents a different category. These units were selected in consultation with Labour-cum-conciliation Officer, Punjab and association of the sports industry. The units are :

1. K.L. Malhotra and Brothers Sports Good Industry.
2. Golden sports Jullundur.
3. Bhasin Sports.

K.L. Malhotra and Brothers sports good industry was started in 1952 by Malhotra Brothers with their own resources. And five workers were employed. In the beginning this unit had specialised in the production of Badminton and Tennis rackets and shuttle cocks. In the beginning one of the partners used to work with his own hands. He was a worker in Sialkot and had a long experience of production of sports goods.

This unit has seen many ups and downs after its origin. During first and second five year plans due to active Govt. encouragement it secured many loans as well as import licences for importing raw materials. It adopted I.S.I. specification. At present it has fifteen workers, eleven of which are skilled. During the last decade this unit has greatly improved the quality of its production. Standardisation is adhered to the manufacturers are anxious to introduce mechanisation. Many processes have been mechanised. The total investment has increased from 50 thousand to 10 lakhs at present. This unit has its own sale organisation. It has secured orders from Canada, Germany Spain and Italy. Like other units its major problem is shortage of skilled personnel.

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Golden Sports.

This unit is situated at Basti Nau. It was established in 1959 with two workers and Rs. 1000/- investment. From the beginning it has specialised in leather work. Its main products are Volley-ball, Basket Ball, Foot ball and other allied leather products. At present there are 13 workers working in this unit. Majority of the workers are Harijans. It has no sale organisation and it sells its products to the middle-men. This unit has not adopted I.S.I. specification but follows Punjab Govt. quality marking scheme. During the last 10 years this unit has started exporting its goods to Germany, England and Spain. It does not import any raw material. There is an acute shortage of rubber bladder for foot-ball, thread for stitching foot ball and skilled workmen. The price of leather has gone up recently. Labour cost has also increased after the imposition of minimum Wages Act.

BHASIN SPORTS.

This unit is situated at Basti Nau, Jullundur City. It was established in 1949 with 5 workers. The owner is himself a skilled workman and has established this unit with his own zeal and workmanship. In the beginning it had 50,000 investment which has grown to 2,00,000. It has an installed machinery of Rs. 20,000. This unit produce gymnastic goods and allied materials made of wood. At present there are 20 permanent workers and this unit comes under Factories Act.

Recruitment.

Sports good industry needs more and more skilled workers. As the figures show the number of workers in the industry has increased from 1750 in 1955 to 5400 in 1966-67. In spite of this fact there is an acute shortage of skilled personnel. Methods of recruitment are formal and simple. No-body comes through employment exchanges. Generally an employer tells his workmen about the requirement of extra hands. The workers may arrange extra hands. Some times the manufacturer approaches another manufacturers for extra hands. In all the three units recruitment is done on the above basis. In Malhotra Brothers workers are some time attracted from very small units. In Bhasin sports candidates with wood working Institute Diplomas are recruited. The problem in Golden Sports where leather work is predominantly, only Harijan workers take up this work. But as there are more profitable and remunerative jobs available in Punjab, both in agricultural and non-agricultural sectors, it is difficult to get skilled workers at comparatively less wages. Thus all these units are facing difficulties in getting skilled workers. The manufacturers are overcoming these difficulties by restricting their production and adopting mechanised processes.

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### Training.

The manufacturers of all these units are not willing to train workers in their units. According to one manufacturer training will involve losses as the work in this industry is carried out primarily with hands. The Mehar Chand Polytechnic, Jullundur has introduced one year training course in sports goods but the manufacturers are not happy with this training, as according to them it takes 3 to 4 years for acquiring workmanship and skill. Thus diploma holders from this Institute are not preferred. Malhotra Bros and Golden Sports do not have any apprentices. However, Bhasin sports prefers to train workers though it is a costly affairs. At present there are 2 apprentices undergoing training at Bhasin Sports.

To meet the shortage of trained labour the scope of Govt. Wood Working Institute, Jullundur functioning under the agis of Department of Industries, Punjab, was expanded and included in its curriculum of studies the training in some specialised items of sports industry.

Private enterprise has done little to train workers in their factories. However, they strongly feel that some kind of apprenticeship programme is urgently needed to meet the requirements of the sports goods Industry in relation to the skilled and trained personnel. Shri K.L. Malhotra of K.L. Malhotra and Brothers strongly advocates a Govt. sponsored and Govt. financed apprenticeship programme exclusively for sports goods industry. This industry earns foreign exchange for the Govt., thus it is the moral responsibility of the Govt. to help it to secure trained and skilled workers. The Apprenticeship Act, according to Shri Malhotra, should be suitably amended to include in it certain trades of sports industry in which maximum number of workers are engaged at present. Such an amendment will provide apprentices free of cost to the manufacturers and the apprentices will be entitled for a fixed stipend during their training.

### Absenteeism.

Though the problem of absenteeism is not very acute it is unique. Generally workers do not apply for leave and remain absent without notice. Factory discipline is not observed by the workers nor it is strictly enforced by the owners.

### Employment.

The labour employed in this industry is local labour. They are either carpenters or Harijans. Outside labour is employed only for unskilled work. However, its percentage is very low. Contd...

No contract labour is employed though some time some work may be given on contract basis. Though potentialities for increasing employment opportunities are there it is not increasing as needed due to the following reasons:

- (i) Lack of apprenticeship training.
- (ii) Low wages (as compared to prevailing wage rates in other industries)

In all the three units which were studied there is scope for additional employment but due to non-availability of skilled labour employment is not increasing in these units. For increasing employment opportunities in this industry training of skilled workers is very essential. An increase in wage rate will also improve the situation.

#### Conditions of work.

The state of conditions of work is not satisfactory in majority of units of this industry. The reason is that they are very small units. Majority of these units are covered under Shops and Establishment Acts and very few are covered under Factories Act. Out of the three units studied two are covered under Factories Act one under Shop Establishment Act. Moreover, as the number of workers employed in these units is less than 20 they are not expected to provide for canteens, fair price shops, rest place, lunch shed etc. In K.L. Malhotra and Bros conditions of work are fairly satisfactory. The unit has provided drinking water, facilities, electric fans, first aid facilities, bathroom facilities. However in other two units except drinking water facilities other facilities do not exist. In Malhotra and Bhasin sports hours of work and holidays etc. are regulated under the provisions of Factories Act where as in Golden sports the Shop Establishment Act regulates these matters. On the whole most of the units are housed in evacuee buildings and are, therefore, congested and overcrowded with machines and workers.

#### Organisations of workers.

Workers of the sports goods industry are organised. A Union was formed in 1953 but it is only during the last 5 years that workers have realised the significance of a strong trade union in the industry. The need for an effective trade union was felt for securing higher wages. At present there are two organisations of workers in the industry: One is sports industry Mazdoor Union affiliated to INTUC and the other is Sports Labour Union which is affiliated to AITUC. Nearly 3000 workers are members of these two unions.

According to Shri O. Prakash Secretary, Sports Labour Union, the union has secured higher wages for the workers. Standardization of rate is their greatest achievement. In 1966 the workers of this industry went on 36 days strike to secure their demands. From the Union point of view the industry can be divided into 2 categories namely big units which are few in number and small units which are more in number. The approach of the Union is different with different categories. They are aware of the difficulties of the small units. According to the union officials small units have many problems and thus it is difficult to press them to give more facilities to the workers.

The study of three units undertaken by us reveals that the workers of all the three units are the members of trade unions. They pay their membership regularly. Workers prefer to take their grievances and disputes to the union rather than discuss with the owners. The emergence of the trade unionism and loyalty of the workers towards their unions has greatly disturbed the owners. The owners of all the three units are not happy about the trade unions. They say that workers do not work honestly after joining union. They also feel that union has created problem of indiscipline in their establishments. One owner felt that in a small unit like his there is no need of a trade union because he is always ready to hear and redress the grievances of his workers. As he himself is a semi-worker he knows their difficulties and problems and thus he is in a better position to help them than any trade union.

In spite of this attitude of the owners the workers have faith in their trade unions and they feel that trade unions have helped them in many ways for securing rights which they individually are unable to get.

#### Wages.

Sports goods industry does not have a rational wage structure. There are no grades or incremental scales of pay providing for annual increments. Majority of the workers are engaged on piece rate basis. Before 1964- the industry did not have even standardised rates. The trade union fought for the standardisation of rates and secured the same in many units. For this purpose units are divided into two categories :

- (i) Big Units.
- (ii) Small Units.

Higher rates have been secured in big units as compared to the small units.

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Federation of sports industry has also tried to fix uniform rates in the member units with a view to have uniformity in the industry. However in few big units trade unions have secured high wage rates for the workers.

The units which produce leather sports goods are covered under the Minimum Wages Act, 1948. At present as a result of latest revisions it is Rs. 75/- per month. However, in many units the actual rate is higher than this. However, in non-leather sports goods union Minimum Wages Act is not applicable. In these industries different rates have been fixed for different operations. At present the tendency is to pay monthly salary for a fixed production and which may vary according to the decrease or increase in the production. No dearness allowance is paid except in few big units which are two to three in number. In 20% units Provident Fund Scheme is applicable. Bonus is paid if the unit falls under it. Wage period is monthly. In the three units where study was undertaken different wage rates and wages are prevailing. In Golden Sports entire work is done on piece rate basis. The current rate is 44 paise to Rs. 3/- per piece for different items. Highest rate is paid for basket ball. On an average earnings vary from Rs. 100/- to Rs. 150/- P.M. In this unit no D.A., Provident Fund or Bonus is paid. Wages are paid on monthly basis. This unit is covered under the Minimum Wages Act and an unskilled worker gets Rs. 175/- P.M.

(ii) In Bhasin sports wages are fixed on monthly basis and the workers are expected to perform volume of work fixed on the basis of their salary. In this unit there are two categories of skilled workers-Wood workers and smithy workers. Wood worker gets Rs. 75/- P.M. whereas smithy workers and other workers are paid Rs. 100/- P.M. These workers are also paid over time when extra work is performed by them. The rate of over time is one and half times of the actual rate. In this factory also there is no system of payment of D.A. Provident Fund is applicable as it falls under Provident Fund Act. Bonus Act is also applicable. Last year 4% Bonus was paid to the workers. There are two apprentices in this unit and they are paid a flat amount of Rs. 50/- each.

(iii) In Malhotra Bros work is done on piece rate basis. Daily work load is assigned and on the basis of that Rs. 100/- to Rs. 150/- P.M. are paid on the performance of minimum task. Extra payment is made whenever the task is exceeded by the workers. No D.A. is paid in this unit also. Overtime work is not encouraged. Provident Fund Scheme is applicable in this unit. Last year this unit paid 4%



Bonus to the workers. In this unit contract work is also given whenever there is a rush of work. It is a notable feature of this industry that the manufacturers execute agreement deeds with the contract workers (A copy of agreement deed is enclosed with the report).

In these units there were no standard rates five years earlier. The wages were customarily and arbitrarily fixed by the manufacturers. In the absence of trade unions the wages were very low. An old worker recorded that a skilled worker used to get Rs. 70/- to Rs. 80/- P.M. The rate for unskilled was Rs. 50/- P.M. to Rs. 60/- P.M. Ten years earlier these rates were Rs. 50/- to 60 and Rs. 40/- to 45/- P.M. for skilled and unskilled respectively. There is no rational wage differential for different categories of workers. Currently the prevailing wage rates for different categories of workers in Panjab had affected the wage structure in this industry. And one of the reason for non availability of skilled and semi-skilled workers for this industry is low wage rates as compared to wage rates prevailing in other industries.

#### INDUSTRIAL RELATIONS.

This industry has certain special characteristics which place it labour problem on a different footing. The owners of many small units in this industry enjoy direct leadership. They are in a position to inspire confidence through personal guidance. An owner is usually himself a skilled worker. He guides and supervises his workers. This type of relationship is a major factor which maintains better employee-employer relations. Since last five years there have been changes in the sphere of industrial relations. Workers are attracted towards trade unions. At present there are two trade unions in the industry which represent nearly three thousand workers. This inception of trade unions in the industry has changed the attitude and tone of the owners. They have not reconciled with the fact and their attitude is hostile towards unions. All the owners of three units who were interviewed stressed that emergence of trade unionism in this industry has resulted in indiscipline and labour trouble. According to them workers run to their union even for small matters and union take these issues to the labour department.

On the contrary the workers of all the units feel that trade union has been helpful and useful in many ways. Previously the employer used to adopt all kinds of malpractices to exploit them. Their legitimate grievances were not heard. Laws were not implemented by the owners and they created their own rules and regulations. One worker admitted that by forming union they

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have acquired prestige as well as strength. This industry faced strikes in 1964 and 1966. At industry level the union signs agreement with the federation of the sports industry. The union is anxious to develop good relations with the owners but its complaints that the response is negative. One trade union official admitted that at the present juncture the position of small manufacturers is bad. He faces many problems of raw material and sale.

The Labour Department feels that disputes in this industry are on the increase. The majority of the disputes relate to wage increase or wage revision. This is perhaps due to rising prices. Next comes the category of leaves and holidays and disciplinary matters. Majority of the cases are settled through the conciliation.

It is considered necessary in all quarters that minimum wages should be fixed for the industry as a whole with classification of jobs and standardisation of rates.

#### LABOUR LEGISLATION.

Majority of the units in this industry are small and hence they do not come under provision of many labour legislations. Less than 10 units are covered under the Factories Act, 1948 and the employees in these units enjoy certain minimum benefits provided under the Act. Majority of the units come under the Punjab Shops and Commercial Establishments Act, 1958 which applies to industrial units employing less than 10 workers with power and less than 20 without power. Under this Act workers get one leave for 20 days of actual work. They also get 7 paid casual leaves, a weekly rest, 3 National and three Festival holidays in a year. Leather sports good units which are covered under the Minimum Wages Act, 1948 are under a statutory obligation to give weekly off with wages unless their daily earnings multiplied by 26 equal or exceeded the minimum wages fixed for that category by State Govt. To enable the workers in small scale units the Punjab Govt. has brought into force the Punjab Labour Welfare Fund Act, 1965. It is applicable to all establishments employing one or more persons. The Act constitutes a Fund for the welfare of labour in the state. E.S.I. Scheme applies to one unit only. Workers of some units enjoy the benefits of Employees Provident Fund Act, and Bonus Act, 1961.

The study of three units of this industry reveals that two units are covered under Factories Act and the workers of these units enjoy all the benefits provided under the Act.

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One unit is covered under the Panjab shops and Commercial Establishment Act, 1958.

Employees Provident Fund Act and Bonus Act apply to K.L. Malhotra and Bhasin Sports. The workers of the third unit does not enjoy the benefits of these Acts. This unit is covered by the Minimum Wages Act. Benefits of the Punjab Labour Welfare Fund Act are enjoyed by the workers of all the units.

The owners of the units which are covered by the Factories Act are not happy by this legislation. They plead that this Act should not be made applicable to their units as its implementation involves lot of expenditure.

The workers of all the units are of the opinion that their union has made the owners to implement labour laws. Before the emergence of trade union the owners were violating the provisions of the laws.

#### MINIMUM WAGES ACT.

It has been stated earlier that the units producing leather goods (sports item made from leather) are covered under the Minimum Wages Act-According to this Act Rs. 75/- has been fixed as the minimum. It may again be stated that out of three units under study one unit namely Golden Sports is covered under this Act. But actually this rate is paid only to the unskilled labour and the skilled labour is getting more than the statutory wages. It is true that wages in small units are lower than those in bigger units. The rate prevailing in small units is even more than the statutory wages. This has been secured by the unions.

The workers as well as the union officials are of the view that the minimum provided under the Act is very little in the face of increasing prices. A minimum amount of Rs. 75/- is far from reality. The minimum should be revised in the light of actual facts and figures. The Minimum Wages Act in the present situation when the wages are already more has little importance. The whole Act needs reorientation and the amount should be so worked out that it should be based on the scientific consideration and not merely on the capacity of the industry to pay.

AGREEMENT DEED

This agreement made on the 22nd May, 1968 (Twenty Second May, Ninteen hundered and sixty-eight) between Sh. Vishan Dass s/o Sh. Ishwar Dass resident of Jullundur City (herein after called the contractor) of the first part, and Messers. K.L. Malhotra Bros, Jullundur City, through its working partner Sh. K.L. Malhotra (hereinafter called the Trader) of the second part.

Whereas the contractor has agreed to do the job of shaving, fixing of handles, fixing of dakies, Overlays etc. as per the requirements of the Trader, Shaping, Drilling of holes, Sanding etc. i.e. making upto unfinished form of Tennis or Badminton rackets at his own premises and delivering the same to the Trader; and whereas the Trader has agreed to provide the contractor with the glued bends and handle slips of the rackets for the purpose of making these; and whereas Sand Paper Glue, Tools and other required items will be used by the Contractor at his own cost, on the following terms and conditions.

NOW THESE PRESENT WITNESSES

1. That the Trader will supply glued bends of Tennis or Badminton frame according to his requirements for making purposes to the contractor, and the contractor after doing his job thereon and making these for finishing purposes will get these passed from Trader and shall deliver the same to him thereafter. The contractor will do his job on the charges noted below:

BADMINTON FRAMES

|                                 |               |
|---------------------------------|---------------|
| .....youth 24" Plain            | Rs. 3/- P.Do. |
| Full size 2-Jibi Plain          | 3/75 "        |
| " " 4-Jibi Plain                | 4/50 "        |
| " " 2-Jibi Dakkie Wali          | 4/50 "        |
| " " 4-Jibi Dakkie Wali          | 5/- "         |
| " " 4-Jibi Overlays Wali        | 6/- "         |
| " " Steel Shafted Sadi          | 5/50/- "      |
| " " Steel Shafted Dakkie Wali   | 6/- "         |
| " " Steel Shafted Overlays Wali | 7/- "         |

TENNIS FRAMES

Dakkie Wala 9/- "

That in addition to above charges the Traders will also pay to the Contractor Rs. 1.50 per Doz. rackets towards the cost of Sandpapers,

Glue and Tools to be used by the Contractor of his own.

2. That the defective bends if found any by the Contractor shall be the property of the Trader and shall be returnable to the Trader.
3. That the job of the Contractor will be his independent job and shall not be under the control of the Trader in respect of the details of the work, and the labour engaged by him shall not be under the control and supervision of the Trader; That the Contractor and his labour shall be at liberty to do their work at times and places suitable to their own convenience.
4. That the Contractor will be responsible to deliver the made out racket to the Trader within the specified time as determined by the mutual consent of the Contractor and the Trader.
5. That the Contractor will be paid by the Trader at the rates specified in para one above for the accepted rackets on or before the 20th of each month following the month in which delivery of the made out and passed rackets was effected to the Trader by the Contractor, and that the Contractor shall not be eligible to any other benefits of whatsoever nature may be.
6. That the defective made out rackets will not be accepted by the Trader unless the Contractor removes such defects of the same to the satisfaction of the Trader.
7. That the Contractor is entitled to demand once in a month a running payment to the extent of 50% of his dues against made out rackets delivered during the said month to the Trader.
8. That the Trader will deduct the Planning Charges from the Contractor's bill for all planned bends of Tennis or Badminton frames etc. supplied to the Contractor for making purposes.
9. That this agreement will remain in force for six months from date of this agreement and shall automatically laps on the last day of the sixth month. And that either party shall be at liberty to determine this agreement at any time on giving to the other one month notice in writing for this purpose.
10. That in case of any dispute the matter shall be referred to an Arbitration under the Arbitration Act then enforce.

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IN WITNESS WHEREOF the Trader and the Contractor have hereunto set and subscribed their hands on the day and year above written.

1. Witness Trader  
2. Witness Contractor.

RC/

Hosiery Industry, Ludhiana, Punjab.

The supremacy of Ludhiana in the industrial sphere owes much of its kindling to Hosiery Industry which made its appearance towards the close of the last century. With the crude beginning that it had, none could predict such a splendid future as it has attained today. Its success in ousting the Japanese imports cleared way and strengthened its roots. It was not even long when Ludhiana woollen hosiery came to sway all markets of India. It now monopolises about 90% supply of the country pertaining to woollen hosiery.

The tremendous demand for hosiery stores during the last World War infused a new life in the industry. Several concerns expanded considerably and equipped themselves with spinning departments as well. After the stimulus spell of war the industry had to face the brunt of partition but the efforts of Government and the enterprising spirit of the industrialists soon filled in the gap and sufficient labour was trained to step into the shoes of Muslim migrants. Industry as it stands today has a complex structure and is made up of units of various sizes ranging from single hand units to those employing hundred of operatives. In 1954-55 there were 603 units. The number increased to 898 in 1957-58. The number of units in 1965-66 were 1889.

Industry can be divided in two categories:

1. Self sale units.
2. Fabricators.

20 to 25% units are small units which operate mostly at the homes of the workers or are small entrepreneurs. These units are more or less ancilliary to either big units or sale agents, who supply them their yard and other raw materials and get the stores manufactured on fabrication basis. In 1954-55, 447 units were manufacturers while 156 units did fabrication work.

The industry can be divided into another classification according to the nature of their buyers:

1. Units which cater to the needs of civil population, and
2. Units which attend to the requirements of defence, police and other government departments.

Woollen Hosiery which caters to the needs of civil population is more or less seasonal in character. However, general hosiery is permanent in nature.

All most all units are located at Ludhiana. Most of the units work with hand driven machines without the aid of power. Big units use power driven machines such as Raschal, Power Round, Power Socks machines, Interlock, Hat Lock, Chain Lock, Electric cutter.

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During the last years the use of sophisticated machines has increased in big units. Many simple machines are being manufactured locally.

The raw material requirements of the industry are varied. Cotton ranging from 6<sup>S</sup> to 60<sup>S</sup> single and two fold and worsted woollen 7<sup>S</sup> to 64<sup>S</sup> single and two fold cotton yarn is produced from Amritsar, Hissar, Delhi and Bombay as well as locally. Woollen yarn previously obtained from outside; now is also available locally. 8 spinning mills have come up at Ludhiana, Amritsar and Kharar. Needles are produced at Chandigarh and Bombay. Other requirements are buttons and sewing threads.

The hosiery stores include socks, stockings, hose-tops, slippers, jerseys, sweaters, balaclava, caps, banians, ladies and gents fancy wear, under wear etc.

By far the largest number of units is covered by the Shops and Commercial Establishments Act, 1958 and work single shift. Now every seasonal unit work two shifts in busy season which is from August to October. Big units are registered under the Factories Act.

Ludhiana hosiery goods find market in India as well as in foreign countries. Previously goods were sold by agents who used to go outside the Punjab for getting orders but now the buyers send their agents for purchase orders.

Industry provides employment mostly to skilled workers and part-time female workers. Administrative work is carried out by proprietors or partners. Absence of effective laboratory pertaining to hosiery industry is being felt keenly particularly by the units engaged in supply of stores to the Defence, export and various Government Departments. Government Hosiery Institute and Small Industries Service Institute render useful service to this industry by supplying trained personnel and by disseminating technical guidance and the use of latest methods of production.

Under the present arrangement, the fabricators are being exploited by their financiers and organisers and some sort of organisation is necessary to safe guard the interest of these units. If Government were to set up an agency like the marketing organisation at Amritsar, which supply yarn to these units and arrange the sale of their products on no profit no loss basis it will serve the purpose.

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The only educational establishment offering technological training in knitting and the manufacture of Hosiery and knitted goods is the Government Institute of Dyeing, Printing and Hosiery, Ludhiana.

(i) The major problem of this industry is lack of regional sale organisation to help many small units in their sales.

(ii) Unsatisfactory supply of woollen yarn is another problem with which the industrialists are faced. The industrialists demand that a regular supply of woollen yarn should be ensured.

(iii) The industry also faces the problem of increasing labour cost due to increased wages.

(iv) The industry has still to some extent, a seasonal character as many units function only during the busy season.

#### Woollen Hosiery.

In this industry woollen Hosiery occupies the top position as it is an export section of the industry. This year this section has set for achieving the highest ever figure of Rs.5 crore during the current financial year. One of the factors contributing to this is increased demand from Middle East countries following the war with Israel. The Second factor is the continuous increase in the demand from East European countries. Czechoslovakia and Poland are two traditional countries of East Europe to place big orders for Indian Woollen Hosiery. These two countries purchased goods worth Rs.77 lakhs and Rs.192 lakhs respectively last year. However, the biggest buyer of Indian Hosiery is the U.S.S.R. which bought goods worth over Rs.2.32 crores in 1967-68.

The spurt in demand has helped the country to switch over to almost round the year working. There is ever increasing need for improving the quality of Hosiery goods as they have to compete with foreign goods in the international market. If the present position is any indicator the future of this industry is bright.

For the purpose of this study two units were surveyed. Each one of the units represents a different category. Besides these two units nearly 10 houses were visited where the women and children execute contract work taken from manufacturers. In these houses women and children perform binding, linking and buttoning operations. Binders and other hand driven machines have been installed in 5 to 6 houses. In 2 houses power driven machines have been installed.

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The two units studied by us were selected in consultation with the Conciliation Officer, Ludhiana:

These units are:

- (1) Minerva Hosiery Mills Pvt. Ltd.
- (2) Swadeshi Hosiery Manufacturing Syndicate Ltd. Ludhiana.

Minerva Hosiery Mills Pvt. Ltd. ...

This unit is situated in Civil Lines, Ludhiana. It was established in 1943 at Phagwara, then under the Kapurthala State. It was the period when the Maharaja of Kapurthala wanted to industrialise the State. Many facilities were provided to the new entrepreneurs. However, Phagwara was not the right place for this industry as it was already localised at Ludhiana. With the integration of the Princely States, this unit shifted to Ludhiana in 1952. The unit made a beginning with the manufacturing of Woollen Hosiery items such as socks, jersies, vests, etc. with only four workers. Soon it acquired supply orders from Defence Stores and from seasonal industry it became almost a perennial industry. At present this unit is employing 20 permanent workers, 60 contract workers who carry out various operations in their houses. The main items of manufacture are jersies, full drawers, vests, and socks. The bulk order is from the Armed forces. The unit has the installed machinery worth Rs.3 lakhs. This unit is covered under the Factories Act, 1948. Other labour legislation applicable in this unit are the Minimum Wages, Act, Employees State Insurance Scheme, the Provident Funds Act, the Payment of Bonus Act. This unit experiences difficulty on account of the absence of any standard laboratory for testing, the woollen yarn and the finished products at Ludhiana. In meeting the requirements of the Civil Population the Unit has no concrete problem. During the busy season or when the unit gets urgent supply orders, the shortage of skilled labour is faced. According to the employer the workers dictate terms on such occasions with the result that thylabour cost goes up. Procurement of raw material such as Woollen yarn is a problem which this unit has to face like others.

Swadeshi Hosiery Manufacturing Syndicate Ltd.

This unit is also located in the Civil Lines. It is one of the oldest units and its proprietor Shri Hans Raj Dhanda has earned the title of 'The Father of Hosiery Industry'. The present Hosiery industry owes its development to some extent to the enterprising and pioneering spirit of this gentleman. He visited Germany and other

European countries as early as 1927 and brought with him Technical know-how, knowledge of mechanised methods of production and imported a power driven machine.

The unit was established in 1917 with 2 workers and the only item of manufacturing was socks. At present there are 70 permanent and temporary workers and the items prepared are jersies, socks, Drawers, vests, etc. Besides there are 100 workers who work on contract basis for this unit. The installed machinery is worth Rs.5 lakhs. The unit has also its own spinning plant for woollen yarn. This unit works round the year and from May to October it works in double shifts.

80% of the goods are procured by the Defence stores. The unit also has export orders from Russia, Burma, Ceylon and Middle East Countries.

This unit is covered under the Factories Act, 1948, Employees State Insurance Scheme, Minimum Wages Act, Payment of Wages Act, and Payment of Bonus Act.

Since the last few years many sophisticated and modernised machines have been installed and the finished products have been approved by the State Quality Marking Centre.

#### Recruitment.

Hosiery industry needs many categories of skilled workers. There has been gradual increase in the number of workers employed in this industry. The industry faces shortage of skilled labour during the busy seasons from May to October. Workers are not recruited through Employment Exchange. Whenever an employer needs extra hands he puts up a vacancy notice near the gate of his factory. He may also ask his workers to get extra hands. He may also ask other employers to provide him with extra labour. This practice is very common. Contract labour is engaged through the regular workers. Employers give them raw materials and the contract labour, usually women and children work in their homes. Nearly half of the labour force is indirect or contract labour. This has increased since last five to six years. One employer admitted that this system is very useful and economical.

Both the units, studied by us follow the above pattern. In Minerva Hosiery Works nearly 60 workers are contract labour and the number of permanent workers is only 20. In Swadeshi Hosiery the number of contract labour is nearly 100. For employing permanent workers the employers prefer workers with experience in similar trade.

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However, diploma holders from Textile Hosiery Institute, Ludhiana, are also preferred.

During the busy season both the units face labour shortage with the result that they have to give them allurements in the shape of pay advances, loans and piece rate work for the women folk.

#### Training.

To provide skilled workers to Hosiery Industry the Government of Punjab had established an Institute called the Government Institute of Dyeing, Printing and Hosiery. This institute provides training in knitting, cutting sewing and printing and Dyeing. Besides this Institute, the workers acquire preliminary training in their own homes or by working as unpaid apprentices. Generally young relatives of the workers accompany them to the place of work and subsequently become skilled workers in due course of time. In both the units 3 to 4 unskilled workers are allowed to learn the trade.

The problem of absenteeism is not acute but it is unique as most of the workers are engaged on piece rate basis and they do not deem it necessary to approach the employer when they leave the factory. Sometimes while working on the machines they go out of the factory to attend the personal work, without the prior permission of the employer. Factory discipline is not observed by the workers and neither it is imposed by the employer.

#### Employment.

The labour is mostly local. Outside labour is mostly unskilled and they come from Uttar Pradesh. After Independence there has been a gradual increase in the number of workers in this industry. The total number of workers according to the figures given by the Industries Department is 38,000, it includes, permanent, temporary and contract workers. Previously almost half of this industry was seasonal but for the last five years on account of increased demand from the Home and Abroad the majority of the Units are working on perennial basis and the demand for extra labour has increased. There are different categories of skilled workers such as tailors, knitters, Dyers, Mechanists, cutters, etc. Binding, Knitting and Buttoning operations have been monopolised by women workers. Another salient feature is carried out at the home of the worker. This practice is becoming popular as this helps the employers and the workers in many ways. The employer finds this practice an economical

since he has not to bother for the installation of extra machinery in the factory and also to provide extra work place and remains free from the statutory obligations. It is also economical for him as he has not to employ extra hands for supervision and is free from the labour troubles.

The workers are also happy because they work of their own at their own place of living and it provides employment and earning capacity to the other members of the family. The employer supplies them with the machinery and the raw material. These people who work on contract basis have direct dealings with the employers.

#### Conditions of work.

Most of the units are housed in the evacuee property and therefore are congested and over crowded with machines, workers and the raw materials. However, the conditions are not as bad as is found in the case of other small scale industries.

Both the Units visited by us are covered under the Factories Act and the minimum facilities under the Act are provided. There is no canteen, fair price shop, rest room, lunch room in any of the units. However, both the units provide the facility of drinking water and electric fans and bath rooms. Holidays, hours of work etc. are regulated under the Factories Act. Union officials complain that the employers divide their establishment into independent units so as to escape from the statutory obligations. Rules regarding hours of work, over-time, holidays are generally violated. The machinery is simple and the process involved is also simple, neat and clean.

#### Organisation of workers.

Trade Unionism has not taken deep roots in this industry. Workers are loosely organised into four industry-wise unions which are as follows:

- (i) Textile Hosiery Mazdoor Panchayat, affiliated with Hind Mazdoor Panchayat.
- (ii) Hosiery Workers' Association affiliated with I.N.T.U.C.
- (iii) Hosiery Workers' Union affiliated with A.I.T.U.C.
- (iv) Textile Mazdoor Sangh affiliated with Bhartiya Mazdoor Sangh.

All these four Unions jointly cannot claim membership of over 1/3rd of the total labour force engaged in this industry which shows that the trade unionism has yet to go a long way to have its roots fixed up in it. It is observed that the workers of the big Hosiery units are somewhat relatively better organised as compared to the smaller units.

The Trade Union officials are of the view that the very nature of small scale Hosiery Industry as it is in Ludhiana with a special characteristic of contract work is not conducive to the development of trade unionism. Workers lack trade union consciousness. Piece rate system of wages hampers the trade unionism as the workers get higher wages and they do not feel the necessity of taking up trade unionism.

The employers are of the view that emergence of Trade Unionism has created many problems in the industry. The outside leadership exploits the workers and provoke them to make fantastic demands. In Minerva Hosiery the Union has served a demand notice asking for 30% increase in the wage rates and 3 months bonus. Industry-level negotiations are taking place. Another major complaint of the employers is that whenever they get any new supply order the workers demand higher rates.

One union official remarked that on account of the multiplicity of Unions the workers also bargain with different unions for getting them higher rates from the employers.

It may be concluded that workers are not enlightened and they lack proper trade union organisation.

#### Wages.

In Hosiery Industry minimum wages have been statutorily fixed. As a result of latest revisions the minimum rate of wages is Rs.75/- per month. But the workers earn much more than this minimum.

Majority of the workers are engaged on piece rate basis. In big units workers have secured higher rates as compared to the small units.

In Minerva Hosiery Mills Pvt. Ltd. majority of the workers are engaged on piece rate basis. There are different rates for different operations.

(I) For stitching operations rates are as follows:

Socks: Rs.2.40 to Rs.2.50 per dozen.

Jerseys: Rs.6/- per dozen.

Full drawers : Rs.2.50 to Rs.3/- per dozen.

Vests: Rs.1.40 per dozen

.. On an average a worker can prepare 3 to 4 dozen socks (earnings Rs.7.50 to Rs.9/- per day) 2 to 3 dozen jerseys (earnings Rs.12/- to Rs.18/- per day) 3 to 4 full drawers (earnings Rs.8/- to Rs.10/- per day).

Monthly earnings of tailors varies from Rs.300/- p.m. to Rs.400/- p.m.

Note:- Tailors engaged in this unit bring their own sewing machines.

(II) Cutter Masters are paid rupee one for cutting one dozen pieces. Their earnings varies from Rs.300/- to Rs.400/- p.m.

(III) Supervisors who are 4 in number are paid monthly salary of Rs.250/-.

(IV) Operators working on knitting machines are paid Rs.120/- per month for a fixed output. Over and above the fixed out put they are paid on piece rate basis varying from item to item.

For contract work there are different rates:

- (a) For linking : 20 paise per dozen.
- (b) Binding : Rs-1/- for 5 Kg.
- (c) for hand embroidery rates are per sq. inch.

In Swadeshi Hosiery Manufacturing Syndicate Ltd. the same rates are given. But supervisors are paid Rs.300/- per month and operatives get Rs.150/- per month for a fixed out put. They get extra payment on piece rate basis for extra out put.

Minerva Hosiery Mills Pvt. Ltd. also pays bonus to its workers. The unit has entered into an agreement with the workers for five years. According to the terms of the agreement it pays 50 days wages as bonus to its workers.

In Swadeshi Hosiery, workers get 60 days wages as bonus for 1967-68. In both the units Provident Fund Scheme is applicable. No D.A. is paid.

According to the employers of both the units rates have gone up during the last five years. This has increased their labour costs.

During the busy seasons the employers have to give extra allurements to workers in order to retain them in their units. This allurements is in the shape of advance, wages and loans.

Recently the Union had asked the employers to increase the rates by 30%. The employers have refused to do so.

Union officials had stated that the hosiery units pay wages in instalments. They do not pay wages regularly. However, we did not come across any such complaint in the two units, we visited.

#### Industrial Relations:

In the absence of effective trade union in the industry it is difficult to say what is the state of industrial relations in the industry. Most of the units were started as small workshop which in the course of time became factories. Many employers are themselves skilled workers. They guide and supervise their workers themselves. Thus due to these factors a different kind of industrial relations have emerged in this industry.

Our discussions with the Union officials revealed that in big units trade unions are very effective and there is trade union consciousness to some extent. They also stated that in the sphere of industrial relations the employers are not sincerely fulfilling their obligations. They talk to trade unions only under pressure. They have not yet reconciled with the emergence of trade unionism. They victimise active trade union workers. They feel that trade unions put checks to their unfair practices.

The state of affair in regard to industrial relations is different in small units, where workers are loosely organised and the employers are free to adopt unfair practices such as irregularities regarding leave, overtime and working hours. They do not pay wages regularly. Here the employers deal with every worker individually and therefore there is little scope for collective action by them.

The Labour Department feels that disputes in this industry are on the increase. Majority of the disputes relate to the wage rates or rates revision.

On the whole the industrial relations, though not harmonious are satisfactory.

In both the units visited by us less than half of the workers are union members. The employers claimed harmonious relation with their workers. They expressed that outside leaders mislead their workers and create problems for them. They had family type relations with their workers before the emergence of trade unionism in this industry. On the contrary the workers of these units expressed that the employers do not listen to their legitimate grievances. They also stated that employers



increase their work load and do not pay their wages regularly.

Labour Legislations:

In both the units the following legislations are enforced:

1. Factories Act.
2. Minimum Wages Act.
3. E.S.I. Scheme.
4. Provident Fund Act.
5. Payment of Bonus Act.

Small units are covered under the Shops and Commercial Establishments Act.

Union officials are of the opinion that as the majority of the workers are illiterate and they are not properly organised, the employers do not implement the provisions of various labour legislation fully. Rules regarding hours of work, payment of wages regularly are seldom observed. In the units visited by us there were not many complaints to this effect. In Minerva Hosiery the employer admitted that they implement all the legislations in force and is providing better facilities than prescribed in the legislation. The Swadeshi Syndicate Management was critical of the Labour Legislation. It was stated that Hosiery Industry has different characteristics and in matter of Labour Legislations it should not be equated with other industries. Labour legislation hampers the production and increased labour cost. The officials of Labour Department are of the view that Hosiery Industry is complex in nature and there cannot be effective imposition of the Labour Legislation. Labour Legislation can be easily and effectively imposed on the bigger units as compared to small units. Though Minimum Wages Act is applicable to this Industry, the Minimum wages fixed is very low and the industry is paying more than the prescribed rate and nobody gets less than Rs. 100/- P.M.

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Drawing Survey Instruments & General Engineering Industries,  
Saharanpur, U.P.

OBJECT OF THE STUDY.

Needless to say that the small scale industries have an important and strategic role to play in the economic development of our country. There has been a phenomenal growth of small scale industries in the last decade. Taking the whole gamut of small scale industries in India, the role played by each section of it is conspicuous in its own way and taking into consideration the vital importance of this sector, it was but imperative that various aspects of this subject such as (1) their place in our economy and the possibilities of their development (2) investment output and employment (3) capital output and capital labour ratios (4) employment and wages etc. have been probed and explored by the research Programme Committee of the Planning Commission. Though the findings of these investigations have been very much important, they have left one very important factor unprobed. Labour as such has not been the main emphasis in these studies and reports and it is regrettable that there is acute deficiency of information in so far as labour aspect of small enterprises is concerned. The present state of information about this sector is neither complete nor can reliance be placed on such information as is available. Since the terms of reference of the National Commission on Labour appointed by the Govt. of India are wide enough to cover large section of labour i.e. the unorganised sector, it was considered necessary to gather qualitative information through what may be called rapid diagnostic studies into a few purposively selected industries and units in the different parts of the country.

SCOPE

What is the position of recruitment? What is the employment condition prevailing in small scale industries? What is the condition of work for employees? What is the position of industrial relations organisation of workers, security of job and protection to the labourers through labour legislation? What are their wages, and how they are paid? What are the prevailing labour legislation of the workers of small scale industries and the effectiveness of their implementation? To find an answer to some of these questions I was commissioned by the National Commission on Labour, Govt. of India to undertake a rapid study in the small scale industries of Saharanpur District, the district

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where my headquarters is situated. After discussion with the District Officers and as desired by the Commission, two industries were selected viz. (1) Drawing Survey and Mathematical Instruments Industry and General Engineering Industry, the former being a traditional and old established industry of this district where the condition of workers is not considered very bad and the later a new but fastly developing industry where the condition of labour is comparatively not so good. The data and analysis presented in this study bring into focus the conditions of workers their wages and facilities and the industrial relations problems as faced by the small scale industry sector and help to formulate an approach to solve these problems. In all this study covered a general look on these two above mentioned industries in Saharanpur district and 3 specific sample case units in each industry. The separate questionnaire were convassed with the employers, workers and the district officials as well as various union leaders and other knowledgeable persons on the basis of these three specific units in each industry with a view to gain a comprehensive idea of this industry as a whole, Since most of the units in each industry are located in close vicinity of each other, many more units in each industry were visited but the study was restricted to only 3 units in each industry.

SALIENT FEATURES OF SMALL SCALE INDUSTRIES IN SAHARANPUR DISTRICT.

According to the statistics of U.P. Govt. Industry Deptt. Saharanpur is the 2nd biggest industrial town of U.P., the largest being Kanpur. The industrial shape of this region has further improved by two major public sector units namely Bharat Heavy Electricals Ltd., Hardwar and the Antibiotics Project, Rishikesh. The large scale industries such as Sugar Industry, Paper Mills, Cigarette Factory, Textile Mill etc. have helped a lot in further generation of small scale industries specially the engineering industry and other ancilliary industries. For example many small units are manufacturing the parts of the mechinaries for sugar mills. Sugar Mills have also given birth to Distilleries and Card Board industry. Many units are manufacturing wooden packages. The new impetus in progressive farming has given birth to many engineering units dealing with centrifugal pumps, Farming implements, hand pumps and other foundaries. Besides this the main small scale industries in this district are Survey and Drawing instruments industry, Brick Films wood carving, furniture, small workshops, foundaries, shoes, plywodd, hand loom, saw mills, soda sylicate, chemicals,

enamel work, khandsari, hoisery, arurvedic medicines, soap, paper, biscuit, plywood, pulses and rice mills etc.

According to the survey of Industry Department of 1956 there were only 981 units in 1956 with capital investment of Rs21305800/-. Presently it is estimated that there are about 3000 units with capital investment of more than 100 millions rupees in this district. Survey and drawing instruments industry, which developed side by side of the Roorkee Engineering University, Roorke is one of the traditional industry of the district. This industry is one century old and is mainly located at Roorkee itself in Saharanpur district. The industry is less or more monopoly of this place. Besides this engineering Hoisery and wood carving are the other main small scale industries. Saharanpur has been famous for wood carving and articles worth crores are being exported every year to foreign countries from this place. The Hoisery industry is also considered to be only 2nd to Ludhiana in Northern India. But the wood carving and hoisery industries are highly disorganised and by and large can be regraded as cottage industries of Saharanpur where the work is done almost in every house of workers with the help of family labour. No doubt few bigger units also exist who employ hired workers. After the discussion with the people of the industry and Labour Department, the Survey and Drawing Instruments and Engineering industry were selected for study wherein a major section of workers is employed.

#### INTRODUCTION

#### SURVEY DRAWING INSTRUMENTS INDUSTRY

\*1847..... Consequent upon the foundation of Thomson College of Engineering (now university of Roorkee) the British pattern drawing and survey instruments were for the first time brought to Roorkee - now Asia's premier seat for engineering education. Soof after the necessity for the petty repairs found the hands of local artisans at work on these instruments and thus the foundation of this basic industry was laid. Today more than 100 units cottage and small small scale employing nearly 2000 workers with capital investment exceeding Rs50 Lakhs are producing all kinds of precision i surveying and drawing instruments to the tune of over 50 lakhs/rupees per annum. According to Shri A.N. Mathur, Deputy Director of Industries Roorkee 40 units are registered in small scale industries.

The importance of this indispensable industry can be well appreciated rather explained, from a minor plan for a toy factory and the toy itself to the mighty atomic reactor at Trombay, a minor street drainage in an unheard village to

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the big Bhakhra Nangal Project, the Rajasthan Canal, a Railway track to a locomotive manufacturing enterprise, wherever there is a plan in your mind, you need a drawing Board to fix a paper on and drawing instruments to give first shape to your imagination. These instruments are required for spot surveying and execution of the work. Not only that these instruments are required at a much earlier stage i.e. when the very personnel who are to plan and execute the work require these instruments when they select engineering as their career and join a technical institution to learn. It is the privileged responsibility of this industry to serve the two fold needs of the nation, firstly to provide the engineering educational institution with their requirements of these instruments to produce <sup>more</sup> technical personnel to meet the ever increasing demands of the technical personnel under the present and future five years plans and secondly to meet the requirements of these very people when at work. As far as the question of survey instruments is concerned, Roorkee has unrivaled monopoly on this industry for last one hundred years. This industry has been helped a lot by bringing it under the quality marking scheme of U.P. Industry Department. The main products are dumpy-level, T-square drawing apparatus, set square level, prismatic and magnetic compasses engineering plans table, chence, drawing boards etc.etc.

According to Shri A.N. Mathur, Deputy Director, Industries Roorkee there has been growth in capital investment at the rate of 6% during the years from 1958 to 1962 but since 1963 the industry has been facing crises in marketing the goods on account of general recession in the planning work.

Although there is a general recession but this industry is facing slump in particular. It is because of the reason that the sale of survey equipment is mostly based on Govt. purchases. All the state and central government have reduced their planning activities and are short of funds and as such the consumption of survey equipments has been reduced accordingly. In fact this has been the main cause of reduction in labour force, recently. This, however, seems to be a temporary phase and this problem can be solved when ample market is created.

One typical aspect of this industry is that it is not regularly functioning through out the year. The manufacturers can manufacture the articles only after they receive the orders. The fact that mostly Govt. purchases are hurried only in the months of January, February and March, leads to the unstandardisation of the products. Again the major profits are taken away by the so called suppliers who act as middle men here. This lack of standardisation has barred the way of super quality

product and hence no export to the foreign countries. Instead the foreign products, though costly, find their way in national market. From the Labour point of view, the workers can not be employed permanently in all the units. The employment position is fluctuating, during season, the persons are not available while in rest of the time the labour has no full employment. This, however, made it obligatory on the bigger units to employ the persons permanently so that they get the required labour force during season also. Most of the workers are self employed or employed on family basis. In spite of the present recession. it cannot be denied that the industry is an old and established one and has a very bright future if the difficulty of finances, lack of standardisation, the marketing and the problem of suppliers is solved. The growth of this industry can be visualised by the fact that M/S Rejesh and Udesh started their unit with a sum of Rs3600/- in 1957 but presently their total investment has gone upto 52000/-. Similarly M/S B.A.Ansari and Sons started their unit in 1936 as a repair workshop with only few hundred rupees and <sup>now</sup> this unit has a capital investment of over 4 lakhs rupees.

#### GENERAL ENGINEERING INDUSTRY.

According to survey report of the Industry Department in 1956 there were only 34 units of which only 3 were registered but at present there are about 200 units employing over 1500 workers out of which 80 are registered under small scale industries. There has been a rapid growth in this industry during last ten years and it can be regarded as the most fastly developing industry in this region. Most of the units have concentrated on centrifugal pumps, hand pumps and other agricultural implements which have a ready market in this region. According to Shri S.D.Srivastava, District Industries Officer, this industry has a very bright future and sound footing and has already started competing with the industries of Ludhiana and Batala of Punjab which are famous centres of general engineering small scale industries. The only problem posed before this industry is its irregular and unorganised shape. There is no problem of marketing although they have to compete with large scale industry. The only problem remains of low finances and sale on credit in the market. Saharanpur has already earned a good name for centrifugal pumps, hand pumps and agricultural implements. The growth of the industry can be visualised by the fact that M/S Gita Pumps started their work with a sum of Rs25000/- in 1964 and now within a period of 3 years the total capital investment of this unit has gone up three fold i.e. over 75000/-. Similarly, M/S Jain Moulding and Engineering Works started

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their unit with a sum of Rs18000/- only in 1961. Now within a period of seven years the total investment of this unit has shot upto Rs150000/-. This can be said about other units also.

#### RECRUITMENT.

In survey and drawing instruments industry of Roorkee, the recruitment is made locally. This industry has not attracted workers from outside on account of the irregular employment. Since the employment in small units depend only on the orders of articles to be manufactured, this industry cannot afford to appoint permanent workers in the absence of perennial market demand. Still most of the old and established factories such as M/S National Emporium, B.A. Ansari and Sons, M/S B.L.Dhiman and Sons and M/S S.E.S.A.etc have all permanent workers in their units. Since the artisians have been responsible for the emergence of this industry, most of the units are owned and run by the artisians themselves and the propertiship is restricted to one person or one family employing only the family labour plus some hired labour in all the units except the bigger ones. Roorkee town has no dearth of these artisians who aquired the skills of this trade from their parents and families right from childhood. These persons are readily available for recruitment. As Roorkee is a small town, these familes of artisians and rather almost skilled persons are very well known to all the manufacturers and their rates and grades are also fixed on the basis of the reputation they enjoy. In most of the old factories such as M/S National Emporium established in 1930 most of the workers are old with 32 to 35 years of service to their credit. Similarly in M/S B.Ansari and sons the workers are also very old with 20 to 25 years' service record. This industry employ young persons as learners and apprentices who learn the trade while working and paid small payments. Strangely enough these workers do not consider the work as highly skilled while actually the work require a high degree of skill. There is no difficulty of getting the persons as over one hundred years the trade has reached every house of workers in this town. Apprentices are appointed on the strength of employees trade wise under U.P.Apprentice Act 1961 in all the units. The main categories being painter, carpenters, turners, fitters, moulders casting and electroplating workers. M/S B. Ansari and sons who employ 32 permanent employees and M/S National Emporium who have a strength of 73 workers have employed paid apprentices. There is no apprentice in M/S Rajesh and Udesb Company. Absentism is nominal. For instance absentisim in B.A. Ansari and sons, according to his returns submitted to Industry Deptt.was only 10% at an average. Same is the case with other factories.

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In general engineering also, the recruitment of technical skilled or semi-skilled persons is not a problem. The workers themselves approach the managements or in some cases they get them from the employment exchanges. There is no training programme as such for fulfilling the needs of skilled personnel in this industry. The only thing which counts is not the certificate of training but the experiences. Generally, persons from unskilled cadre rises to semi-skilled and the skilled categories. In Saharanpur the skilled persons from large scale units also work as part-time workers in small scale engineering industries. There is no absentism at all according to managements except during marriage seasons. This industry has been able to attract workers from distant places and neighbouring districts. In small units they have only family workers but in other units which are owned and run by small enterprenures, the labour is hired from the market. In Jain Moulding and Engineering Works, in Gita Pumps and in Parmar Engineering Works all labour is hired from the market. Each unit is obliged to keep apprentices over the strength of 7 persons in one catagory, the main catagory is being turner, fitter, machine man moulders, casting workers etc.

The workers have been classified skilled, semi-skilled, un-skilled and clerks. But there is no hard and fast rule of any training of degree for calling a man skilled. The practice is that in all small industries the persons are required to work as a skilled workers but are designated and paid as semi-skilled workers. Similarly, the persons working on semi-skilled jobs are paid for unskilled workers and hence forth. An overwhelming proportion of workers in both the industries can be regarded as either skilled or semi-skilled.

#### EMPLOYMENT.

In Roorkee there is no outside labour but in general engineering industry, Saharanpur many workers have come from distant places. There is no housing facility from any employer and workers have to make their own arrangements even the small quarters of the labour department have been allotted by and large to the workers of large scale industry sector.

Workers employed on a daily basis from day to day have been classified as casual. Most of the workers are employed as regular workers and a few can be regarded as casual. In survey instrument industry there is no casual worker in National Emporium, M/S B. Anasari and sons and M/S Rajesh and Udash and Company. Of course, they have casual workers but only for casting and moulding work, the work which itself is not of a regular nature. In general engineering

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industry also, there are very few casual workers in true sense. But some managements, to avoid the implications of Labour Laws, have kept the regular and permanent nature of workers as casual without confirming them or giving them any benefit of permanent regular workers. In Survey Instrument Industry the workers suffer from under employment and unemployment of varying degree during slack seasons. But in general engineering industry the work is provided continuously through out the year and workers are not rendered jobless. Though generally there is not the practice of employing contract labour in survey industry, yet some jobs such as carpenters and painter etc. are managed through contract labour. In good establishments who according to them, care for the quality of the output, never employ the contract labourers. For instance, M/S National Emporium, M/S P.A. Ansari and sons and M/S Survey Equipments supply Agency (S.E.S.A.) have no contract labour in their units. The practice of employing contract labour is very much prevalent in general engineering industry in Saharanpur. Many units who manufacture only one item, such as hand pump, some motor parts or agricultural implements have employed almost all the workers on contract. Few of them are shown as regular workers on record but they too are not made permanent and they are paid only according the contract and not according to the registers. Their services are broken here and there after some time so that they may not be entitled for the benefits of permanent workers. The things are settled with a contractor / <sup>who</sup> brings his own labour and works in the factory. Only the supervisors and few skilled workers are employed on regular basis just to supervise the quality of the work. M/S Jain Moulding and Engineering Works has an actual strength of more than 150 workers according to workers representative Shri Noor Mohd., Shri Shabbir Ahmad and Shri Babu Ram and according to the union leader Shri Mangal Dev Sharma. But officially the management has shown only 38 workers on employment role. These 38 workers too are not made permanent as far as the question of benefits under labour laws are concerned. Their actual salary is counted according to the contract but on record they are shown on different salaries just to fulfill the obligations of law. Only the supervising staff is permanent on monthly salary basis. Only these 38 workers get the benefit of E.S.I. scheme as far as the question of their medicine etc. is concerned and they pay for that in the shape of their contributions in E.S.I. The management has no obligation to pay for any leave on account of medical unfitness. According to both i.e. the

workers and the management there is no rule observed for hire and fire for such contract workers. There is no standing orders and as such it is all on the sweet will of the employer. There is no regulation of hours of work and there is no question of any retrenchment, lay off compensation, provident fund or Bonus etc. They are paid according to contract on the basis of piece rate work. However, the workers and managements affirmed that the workers are required to work more but they earn more when it is on the basis of contract and payment on the basis of piece rate work. The management maintain double record one for the authority and other for the workers. The district authorities in industry and labour department feel themselves handicapped to check the system of contract labour for want of some legislation banishing the system. However, there was general appreciation by the workers as well as the owner Shri Hemi Chander Jain of M/S Jain Moulding and Engineering Works that the enforcement Machinery for labour laws are gratified for not taking action against malpractises of faulty employers. Actually most of the units are vigilant to see that they do not show the strength of above 50 workers to avoid the labour laws as well as the interim relief granted by the wage Board for engineering workers, whose recommendations are applicable only on the units employing 50 or more workers. According to Shri Mangal Dev Sharma General Secretary, Saharanpur District Engineers Workers Union (A.I.T.U.C.) and other workers' representatives such as Shri Amir Beg of S.E.S.A, Shri Hukam Chand of B.Ansari and sons and Shri Chhutan of M/S Rajesh and Udesh and Co. told me that the employers also employ more persons and keep them in different premises without showing them on their muster role. These workers are casual type of workers with no security of job but this number in survey instrument industry is reported to the very small say only 5 to 10% of the total strength. In survey industry mostly workers are employed as permanent workers and more casual workers are employed in seasons only. There is no system of contract labour in general. In general engineering industry too some units have employed permanent workers such as in M/S Gita Pumps there are eleven employees who are permanent out of total of thirteen. The survey instrument industry can employ more workers when the industry recovers from the temporary recession. There is ample scope of more recruitment as this is an established industry and enjoys a good reputation through out the country. In general engineering there is a great potentiality of more employment.

Every unit has a plan for further expansion. There is a general tendency of expansion in this industry. The only barrier comes in terms of the shortage of finance. If marketing and financial conditions are improved there can be more expansion and more employment. The employment condition can be improved if the hours of work are regulated in case of contract labour who are made to work for ten to twelve hours in a day, of course, of the record. In fact this system of contract labour needs further probing. The labour department opined that it should be abolished by bringing some direct labour law.

The abundance of casual and contract labour has affected the job security of other workers in this sector. In practice there is no job security as such. The employer pays him retrenchment compensation and fires a man. Some employers get the resignation forcefully and by pressure and remove the worker and when they desire. In workers too the tendency of migration is high. They do not have any gratuity and provident fund or any other social security measure and do not care for going on changing from factory to factory. In most of the units the record shows that the workers have left and rejoined the same unit many times. In survey industry the workers are more stationary and some units provide the benefits of provident fund and gratuity and some other amenities to their regular permanent workers. There too the question of job security depends on the discretion of good will of the employer and as almost all the units are owned by one man or one family hence the discretion of one man. The labour authorities of the state are of the view that no contract or casual labour should be permitted in regular industry like engineering and Employment Standing Order Act should be extended to the small units also which do not employ 50 persons.

#### CONDITIONS OF WORK

Regarding the condition of work, the small scale units employing less than 50 persons are not covered under many provisions of factory Act, such as canteen, rest-shelter, lunch shed etc. There is no rest-shelter, lunch shed, fair price shop, canteen or good sanitary conditions in any factory in both the industries. The drinking water facilities have been provided in all the units under Factory Act. The bathing facilities have been provided in only M/S National Emporium Roorkee and Gita Pump, Saharanpur. The First Aid facilities have been provided in all the units as a provision of Factory Act. All units are covered under E.S.I. Scheme and as such the compensation for accidents is headache of industry or factory owner. The working hours

are generally 8 hours daily with a break of one hour for lunch. The weekly holidays are given but under the factories covered under the factories Act. The weekly holiday is unpaid for. In smaller units covered under Shops and Establishments Act the weekly holiday is a paid holiday. Generally the casual workers and contract workers do not enjoy the benefits of weekly holiday paid or unpaid. These workers do not get any salary for the weekend day. The permanent staff gets the benefits of one earned leave after every 20 days and thus they get 18 holidays in a year with wages. There is no other casual leave. The workers do not get the leaves even for important festivals such as Holi, Diwali, Id, etc. Their paid holidays are also granted to them on National Holidays on 15th August, 2nd October, and 26th January according to the National Holidays Act. Besides this there is no casual leave for the workers. The general conditions of work are better in survey instruments industry but the conditions is unwholesome in the engineering industry. is unwholesome in the engineering industry.

#### ORGANISATION OF WORKERS.

The worker is generally unorganised, in small sector. One A.I.T.U.C. sponsored union has tried to organise the District Engineering/<sup>Workers</sup>Union, yet their membership is limited to only few units and the membership is also very low only 300. There is only one unit level union in M/S B. and CO., Roorkee and one unit in National Emporium namely Engineering Karmachari Sangh but their membership is also less than 10% in each of the units. Their office bearers have been removed from the factory by their respective managements and the persons working with the union are generally victimised by the managements. According to Shri Laxman Prashad, Proprietor, National Emporium they had a union in 1965 and the management retrenched about all the union persons by way of either charge sheeting them or by paying them retrenchment compensation. No union is recognised by the managements. The Engineering Workers Union of District has been vigilant for taking the cases to the consilitation Board and for fighting for the workers according to its General Secretary, Shri Mangal Dev Sharma. The union has not been effective at all. The union tries to help its members in their personal difficulties by taking them to the hospitals at the time of injury as the management is not interested in that and by taking their grievances to the Labour dispute settlement machinery as and when they aris.

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According to the managements, the union as is functioning has come to stay as a permanent nuisance. According to some employers, the union has been responsible for imbibing indiscipline amongst the workers and for decrease in their productivity. Shri N.A. Ansari, Shri Laxman Prashad, Shri Hem Chander Jain and Shri Balbir Singh all employers were of the opinion that unions should not be permitted in these small units where the relationship of employer and employee is direct and fatherly and sonly. Some employers told that these political persons have started their unions only to blackmail the workers which according to them they do and extract money from the managements as well as from the workers. In spite of all this union has been able to create one hope for workers against the high handedness of the some managements. Most of the workers are not aware of the fact that there some union exists in their industry.

#### WAGES

The wage rates for contract labour and casual labour in general Engineering Industry are quite uncertain. Contract workers earn Rs5/- or 6/- per day after working 10 to 12 hours daily. Casual workers are daily paid at the flat rate of Rs6/- for skilled persons and Rs3/- for unskilled persons. Generally the payment is made monthly in both the industries. The payment is made almost on the dates within the seventh day in each preceding month according to the provision of Factory Act. There is no complaint from the workers about the irregular payment or no payment at all. In Gita Pump the permanent staff is paid as under:-

|               |   |          |          |
|---------------|---|----------|----------|
| Fitter        | - | Rs 175/- | p.m.     |
| Turner        | - | Rs 175/- | p.m.     |
| Moulder       | - | Rs 160/- | p.m.     |
| Driller       | - | Rs 140/- | p.m.     |
| Jr. Driller   | - | Rs 130/- | p.m.     |
| Jr. Moulder   | - | Rs 130/- | p.m.     |
| Majdoor       | - | Rs 100/- | p.m.     |
| Casual worker | - | Rs 3/-   | per day. |

Almost similar rates prevail in all general engineering industry with a slight variation. The wage rates in the survey instruments industry are comparatively high according to the skill of workers. There, the payment is calculated on daily basis as Rs6/- to  $8\frac{1}{2}$  per day for carpenter, Rs4 $\frac{1}{2}$  to 6 $\frac{1}{2}$  daily for fitter, Rs4 to 6/- for turner etc. The unskilled workers are employed on Rs3/- per day. In National Emporium there are mostly old workers and their wage rates vary between Rs200/- to Rs300/- p.m. for skilled workers. In some progressive concerns such as Gita Pump & National Emporium

all gazzatted holidays are paid holidays. But this is not a general feature of the industry. The workers are not paid any D.A. Some old concerns have paid bonus at the rate of 4%. Most of the units are not covered under Bonus Act. No units pays any incentive bonus or production bonus. Provident fund is given only to permanent workers in some factories. The wage rates have gone up considerably within last 5 years on individual negotiations on the simple principle of demand and supply. For example the worker, Balbir Singh, turner of Gita Pump was employed in 1965 at the salary of Rs90/- p.m. Now his pay has gone up as Rs135/- p.m. Same is the case in other units at survey instruments industry and engineering industry. There has been no collective demand for raise in salary in any unit in both the industries. In survey industry the wage rates has gone up from Rs150/- to 175/- for skilled worker and from Rs 60/- to Rs70/- for unskilled worker. In M/S B.A. Ansari and sons the minimum wage is Rs85/- p.m. and maximum is 300/- p.m. The wage rate has been affected by the rapid expansions in the engineering industries. For instance there were only 5 workers in Gita pump in 1965. Now the strength has gone upto 13.

#### INDUSTRIAL RELATIONS.

The state of industrial relations cannot be regarded as healthy. In fact the ineffectiveness of union, the illiteracy of workers and the unorganised nature of workers and industry has created a confused position about the industrial relations. The union is regarded as a natural adversary and simply a nuisance while the attitude of the workers is mixed partly with fear and doubt towards trade union and partly with favour and devote for the union. No union exists in one unit and there are units where there is no member of the union. Union is only one man work with no constructive approach. The workers are instigated for direct action and when a worker is victimised or harrassed by the management the union feels helpless and gripped in the riddle of legal complications only. The workers fell that if they join union they will suffer. Some workers feel that by becoming members of the union they have become immune to the every discipline. This state of affairs is unhealthy. For last few years there have been strikes, lock outs and demonstrations in both the industries by a handful of workers. Most of them have to give up their jobs. Few cases of retrenchment and dismissal even without enquiry and chargesheet are still pending in conciliation Board at Saharanpur. The Additional Regional Conciliation Officer of the U,P. Labour Department looks after the position of industrial relations which is going from bad to worse in both the industries day by day. The managements complain

that the union has taken insistingly even the cases of gross indiscipline, theft and absentism and thus has increased the labour trouble. Though there has been no general strike, Ghora or go slow etc. Yet the legal riddles, the demonstrations etc. have become the order of the day in few units. The management is not ready to enter into negotiations through union. They simply do not recognise the union. There is no definite procedure for settling the disputes. In factories where the contract labour is employed the question of industrial relations, conciliation or union does not arise. In other units the aggrieved labour or labourers talk direct to the employer and if he does not accede to him or their request they leave the job, and join some other unit. The conciliation officer, Shri Saxena was of the opinion that there should be a grievance procedure in small scale industry to settle the disputes in the model of the model grievance procedure. If the matter is not settled between worker and the employer, the union at industry level should take up the matter with the employers association at industry level. The managements mostly practice the malpractices of keeping the official strength below 50 to avoid the law. According to Shri Ram Nath, Foreman, Ram Lal and Shri Omprakash of National Emporium the management takes a very serious view if some worker joins any sort of activity of union. The sporadic stoppages of work are quite common but there has been no strike as such in any unit by putting a charter of demands and sponsored by a trade union. The state of industrial relations can better be appreciated by viewing the position of negotiations and their result between workers and managements. At the first there is very little possibility of any negotiation and agreement between the two in both the industries. However, if some where some agreement is reached the implementation by both is not regarded as duty. For instance in M/S B.A. Ansari and sons one agreement was raised for the raise of 10/- P.M. in salary and holidays on important festivals such as Holi, Diwali and Id etc. Managements after making the agreement did not implement the agreement and now a case is pending before the Conciliation Board. In one factory namely M/s Vishvkarma Engineering Co. agreement was made about the reinstatement of 2 retrenched workers. The managements are now backing out and hence a labour trouble is apprehended. In many units, the agreement of bonus payment have not been implemented. Not only this, the union has represented a case before the conciliation Board that few manage-

On the other hand some managements such as M/s B. Ansari and sons M/s National Emporium, M/s Gita Pump and Jain Moulding and Engineering Co. etc. have reiterated their charges that the union has been instigating the workers has herself failed to observe and act according to various agreements from time to time.

The management harrases the union workers. They issue charge-sheet/<sup>on</sup>trifle matters. They employ the retrenched workers for a short period say one month or two and again shunt them.

#### LABOUR LEGISLATION.

There is a vast complex in state and central legislation for the protection of workers under which the unorganised labour in small scale industry also derive benefits. To mention a few, there are U.P. Commercial Shops and Establishments Act 1960, Factory Act 1948, Bonus Act, Employment and Standing Order Act, Employers State Insurance Act, Provident Fund Act, Industrial Disputes Act, Minimum Wages Act, Workmen's Compensation Act, Payment of wages Act, National Holiday Act etc.etc. According to Shri D.L. Saxena, Additional Regional Conciliation Officer, Saharanpur, most of the units are covered under U.P. Shops and Commercial Act. No unit is covered under employees Employment and Standing Order Act except one unit, namely Saharanpur Engineering Works. This unit too was counted in a large scale industries only a few years back and now has reduced in a small scale unit on account of continuous labour trouble, strikes and lockouts. There are more than 200 small units employing over 1500 persons in all.

The implementation of labour legislation has been handicapped by various deficiencies in the laws. There is a great difficulty in implementing Shops and Commercial Act properly. The employers employing 6 to 7 workers never give their names and addresses properly at the time of their inspection by the Labour Inspectors. If they are challaned for some gross violation of labour law, the management persons sign the papers. Even workers do not come forward to tell their actual names and difficulties. Nevertheless, if some management is prosecuted the penalties under law are very much meager and have no deterring effect on the erring managements. The labour enforcement machinery cannot get any witness. There is no provision even to pay for Rickshaw charges for the witness by the Labour Department or courts. Various provisions of Factory Act are violated. Very few units/<sup>have</sup>first aid apparatus. Ordinary persons trained in first aid. Most of the employers do not fill the accident report required under section 38 of the Factory Act. They showed their ..



unawareness about this provision or that there exists some accident form to be filled up and submitted to the authorities. There is no standing or written service rules in this Act is applicable only on the units employing more than 50 workers. To avoid this, the managements never show the strength of 50 workers on their pay role. This Act should be amended keeping in view the conditions of small scale industries. According to the Labour Department, Saharanpur, every small Scale industry should be required to get a licence from them so that their bonafides are checked and law is implemented vigorously. Same is the position of E.S.I. and Provident Fund Acts. Most of the units are new and have not been covered under Bonus Act so far as more units have emerged only recently within three to four years and the law is enforceable only when a unit has a standing of 6 years. It is realised that if the trade unions are effective enough, the implementation of labour legislation will also be effective. Under Industrial Dispute Act only a registered union affiliated to some All India body or with an standing of 2 years can take up a case with the conciliation Department. But here in small industries sector the unions cannot grow over night. They cannot wait for 2 years without taking up the matters and they cannot afford to join the All India bodies. This has made the presence of professional political leaders imperative which makes the employers as well as workers apprehensive and causes more distrust between both. The implementation of law is also affected due to the fact that the labour machinery takes much time in settling the matters. This causes a sense of unfaith in the labour legislation as a whole amongst the workers. Conciliation Officers should also be given the names of adjudication on some matters at least to make it rapid and simple.

There should be some effective legislation for the protection of contract labour and casual workers. From the management point of view it was brought forward that the execution of one of the labour Acts mainly the factory Act involves a cumbersome procedure and lot a administrative batches. They do not have enough clerks to maintain so many registers to fill so many forms as required by the Factory Act.

#### MINIMUM WAGES ACT.

In Uttar Pradesh a wage Board is working for Engineering workers for minimum wages but the report has yet to come. However, interim relief has been given. According to Shri Mangal Dev Sharma, General Secretary of Saharanpur District Engineering

Workers Union, the minimum wage fixed for an unskilled worker is only Rs1.88 per day which is very low keeping in view the market rate. The other wage rates according to one G.O. of U.P. Govt. are as under:-

|  |                                   |
|--|-----------------------------------|
| For skilled workers<br>(Turners, fitters etc). | Rs104/- P.M.<br>or Rs4/- per day. |
| Semi-skilled.                                  | Rs78/- p.m.<br>or Rs3/- per day.  |
| Unskilled                                      | Rs65/- p.m.<br>or Rs2.50 per day. |

Though labour Inspectors inspect the units under minimum wages Act, yet the Act is quite superfluous and ineffective. The rates of payment under the Act are not adequate as the market rate is on higher side and there has been no need for inspection under this Act. Also there is no need for a separate machinery for the implementation of this Act.

#### CONCLUSIONS.

To conclude, it can be said, that there is no problem for the recruitment, training or minimum wages for these workers. The main causes of their troubles are the unorganised nature of work, absence of effective unions and the defective/<sup>labour</sup> laws in specific context of small scale industries. There is no facility for their housing, recreation, canteen, education, and credit of fair price shops. The working hours are unregulated and wages are very low. While talking of wages we cannot forget the aspect of paying capacity of the small employer which cannot stand in competition with large scale industries.

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Engineering Industry, Burdwan West Bengal

Introduction:

The Small Scale Industry controls a considerable part of national economy employed in total volume of industries grown till date in our country. Though particular after independence more and more economic assistance has been rendered by the Government for development of it, yet the industry could not reach to the extent it was expected in spite of great emphasis and efforts put on it. Its present aspect concerning output, improvement of products, employment, employees benefits, consumption, market and improvement of economic structure, national economic standard of our country, is pitiable.

There was a time when the nation was acquainted with small scale units only, the existence of factories or heavy industries were rare or nil. Most of the industrial workers were involved in it. From natural instinct, the nation would have been attracted towards the development of the said industry. The interest drawn to the fact would have given good efforts to the development of the same through the budgetary and planning thoughts. Yet the thoughts and efforts could not be materialised and made yields to the probable shape.

The reasons of backwardness of the industry are so many. The industry had grown on personal investment, planning, need of living of the owner, and as such the recruitment, wages of the labour, products, selling of products, fixation of prices were personally motivated, intentional, haphazard and of very bad standard.

The status of the labour, working condition, conditions of labour were of a very low standard and in many cases unbearable. In other words, the nation's self economic interest, labourers, consumers - all had been exploited most. After independence economic assistance to the entrepreneurs, more emphasis on improvements of labour conditions, improvements of quality of produced goods, lowering of prices, could bring prosperity to a little margin.

The present investigation reveals that the total feature of the industry is not so hopeful. Its economic status, wages of labour, working conditions, manufacturing process, market, recruitment policy, labour legislation, workers' organisations etc., all claim reorganisation, through scrutiny and radical reformation for the interest of the nation, its status and stabilization of status. With this

background in view the detailed report of the industry - Engineering Industry - the four units which have been studied, is given below:

The condition of the industry is better than before. Of course, for the last one year or so the engineering industry particularly the small scale engineering industry has been facing a great crisis in West Bengal reason being general economic recession and political instability. Gradual expansion has been made.

Machineries and administrative set up have improved thereby bringing the economic improvement also. The competition which the industry is to face is not so severe. The demand of the produced goods in some cases has been diminished to the extent that some of the units studied has to change their products. The reason for this change is (a) Less demand, (b) irregular payment of bills by the parties, (c) some buyers have themselves started manufacturing the same products, (d) difficulty in procuring raw materials (e) Less profitable etc. Improvement in manufacturing process is observed. Entrepreneurs are inclined to install new machineries and thereby desirous to bring about the improvement in the process of production. Generally, this industry supplies its products to the big industry such as, Iron & Steel, Coal, Refractories, Oil Mills etc. In other words, this industry has grown up as ancillary industry.

In spite of so much improvement in different directions e.g. machineries, Administrative set up, process of work, changes of products for more profit - improvement of conditions of workers is not appreciable. Increase of employment opportunity is also not proportionate and encouraging. It has been revealed that in some cases the more modern machineries with high capacity are brought about by the employer leaving idle a good number of workers and ultimately the workers are retrenched. It is to be thought that how far the present economy & the vast army of unemployed in the labour market can bear this burden. Expansion is made creating new problem of unemployment instead of creating new avenues for the unemployed.

Workers of this industry entertain the joy of the expansion of it for better amenities, better conditions of work, more employment etc., but in present situation, expansion programme brings panic in their minds.

In most of the cases it is revealed that the industry produce finished products. In one unit it is known that the buyers are Collieries, take the delivery of unfinished goods

and get it finished at its own machine shops. This is done because the work is very rough type of job and at least 25% work must be done at the plant level when it is to be finally fixed.

About 60% employees of this industry are from Bengali Community. The nature of raw materials used in this industry is pig iron, structural steels, cast iron scrap, mild steel sheets, hard coke, lime stone, non-ferrous metals etc. Employers express their difficulties in getting raw materials particularly those which are imported. They are to buy from the open market which is a costly one thereby bringing the cost of production high. In this connection an interesting matter is revealed. It so happens in some cases that the employer gets the imported raw materials in time but he sells it in the black market and uses bad quality of raw materials available in the free market at a low cost and uses in the industry. It is injurious to the healthy growth of the industry.

As revealed by the entrepreneurs the difference between the cost and selling price varies from 10% to 15% and it applies to them who directly sell the goods to the buyer. It is also revealed that the industry has the system of selling goods through distributors and here the commission varies from 10% to 15% excluding the difference of 10% to 15% between the cost and selling price mentioned above. It appears that market-ing system is very much haphazard. Distributing agency is tak-ing a good share as Commission which can be distributed to other factor of production provided market-ing mechanism is improved.

It is revealed that finance is a big handicap for the growth of this industry. Employers are of the opinion that the rules framed to get the assistance are too stringent and to that extent technique of manufacture suffers. It needs to be relaxed. Sales tax and Excise duty are levied on this industry. Some of the small scale industrialists are of the view that these taxes should be eliminated in order to give protection to this industry as it is to face competition from big industries. Employees State Insurance Scheme is not applicable to the area studied, but these small scale industries' employers are to contribute their share to the fund for the purpose. They are of the view that considering the size of the industry and its economic condition this contribution is heavy and telling upon their budget heavily. The feasibility of exemption may be thought of.

The handicaps under which this small scale engineering industry suffers, are mainly four viz., (i) Raw material, (ii) Finance, (iii) Marketing, (iv) Technique of manufacture. Because of the emergence of Public Sector Undertakings, the government - Central and States - has become employers of heavy and organised industries. The public sector undertaking and other government organisations should become the main buyers of the products of this industry. Due to economic drive by the government, this industry has been suffering a lot. Because the work of many projects has been stopped, expansion programme of many projects has been kept pending. It has been revealed that the Govt., Railways and other public sector undertakings buy things from big organisations and this small scale industry has to work as a sub-contractor for the supply of small parts and other work and hence it is clear that if the work of the former is either stopped or kept pending, it tells upon heavily on the latter.

The number of small scale engineering industry in West Bengal is quite large. Due to recent recession there has been a considerable fall in demand in machine tools, bicycles, electric motors, paints, foundry units. But consumer goods producing industry has not suffered so much. It has also been revealed that the distribution policy of raw material is also coming in the way of the growth of this industry. The distribution policy of non-ferrous metal is not even and hence the entrepreneurs are to buy this material from other sources at a high cost in order to keep the industry going. To install modern machineries in big industries might be a difficult task as there is a fear of displacement of large number of employees. But to do the same or to bring about certain modern changes of production in small engineering industry is not a difficult job. Japan has been following this method of production and always keeping the industry equipped with modern machineries. It may be seriously thought of whether the machine parts which are imported, can be produced in this industry itself. If it materialises, there will be two fold benefit one being that this small scale industry will get more work and second being that there will be saving of foreign exchange.

The payment of bill is also a problem to this industry. It is not enough to buy the goods from this industry, but to pay off the bill at an early date is also not less important. The administrative machinery should be tightened in this respect. It has been revealed during investigation that many entrepreneurs of this industry are in the trap of money lenders and whole sale

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agents. In other words, they keep their industry running by taking loans in advance from these people. To change this unhappy situation, the question of providing loans on easy terms may be thought of. To bring change in the organisational structure, improvement in process of production and quality control of the produced goods, creation of better market is the urgent need of the hour. Otherwise, this industry will have to work as a sub-contractor for years together and will never be able to compete the big, heavy and organised industries.

In the aforesaid chapters the investigator has tried to give a brief picture of the condition of the industry as such on the basis of his study limited to four units of small scale engineering industry. It has been revealed that this industry is an unorganised one, the condition of it is not at all encouraging and hence it can well be understood that what kind of labour situation exists therein. The following chapters will deal with labour situation as found while studying the industry concerning recruitment, employment, conditions of work, organisation of workers, wages, industrial relations, labour legislation, minimum wages etc.

#### Recruitment:

The method of recruitment of labour is mostly direct. Few take the advantage of the services of Employment Exchange. One unit out of four units studied only gets its personnel through Employment Exchange. None expressed the view that this industry faces difficulty in getting skilled and technical personnel. There is no apprenticeship scheme in this industry in the true sense of the term. Sometime it so happens that on the request of the Head Mistry or of Skilled Worker the employer allows some - body to learn the work on the job. Sometime he is paid some allowance ranging from Rs.20/- to Rs.25/- per month and sometime he remains as unpaid but gets the opportunity of learning the job. After he learns the job either he is absorbed in the unit or he secures job elsewhere. It has also been observed that this small industry works as an Employment Exchange for skilled workers. Many Fitters, Turners and other types of skilled workers having learnt the job here, secure the jobs elsewhere in big industries where they get more wages, more benefits and better facilities. Absenteeism is, of course, negligible in this industry. It varies from 3% to 5%. This small scale industry can not afford it

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because the number of workers is limited. No extra hand is recruited. Workers also can not afford it in these hard days. No work no pay is the system prevalent here in this industry as the number of days of leave with pay is very much limited.

#### Employment:

Mostly local labour is employed in this industry. Employers also prefer it for they have not to bother about providing housing facilities for the employees. There are some employees who hail from outside. For this category of workers two kinds of arrangement are found, first is that no accommodation is provided by the employer and it is clearly told to the persons recruited in the beginning and second being that one or two rooms are provided to the employees and all the outside employees are asked to stay there. This room which is provided is, of course, free of rent. The employees are bound to stay because their economic conditions do not permit them to take on rent separate houses for their stay. The result is that these workers numbering 5/6 are living in one small room in an unhealthy atmosphere. Nobody lives with his family, it is not possible to live.

None of the units studied is having the system of employing contract labour. The contention of the employers is that the number of workers they require is very low each employing 20 to 30 in average and as such they prefer to keep them on Muster Roll.

Employment opportunities may be increased in this Sector of small scale industry provided raw materials are available at the time of requirement, financial help is provided easy terms, expansion programme is taken up by the employers, better market is created for the produced goods etc. Secondly, the sincerity in the business is found wanting. Neither the employers nor the workers are found serious about the business. The employers are blaming the government for not granting them loans, not supplying them raw materials, and workers are blaming both the government and the employers for their poor state of affairs. Until and unless this sector which is so vital for providing employment opportunities is streamlined, the area of darkness will never disappear.

#### Conditions of Work:

The conditions of work of employees of this small scale engineering industry are very bad, if not worse. Who is to be blamed for this is a very difficult task to point out. So many factors are responsible for this bad condition such as,



(a) unemployment problem, (b) economic condition of the industry, (c) workers' skill and experience, (d) profit motive etc.

Provision of canteens, fair price shops, rest place, lunchshed, bathroom facilities are cent percent absent in this industry under investigation. The employers point blank told the Investigator that they do not have these provisions because of the reasons that they cannot afford to do so as the economic condition of the industry is bad and secondly because the workers also do not need them. It is very difficult to believe both the contentions mentioned above. It is clear violation of the provisions of the Factories Act., 1948. Workers are also of the opinion that the management does not care to provide these facilities knowing fully well that workers are not organised, they are poor etc. Leaving aside the fulfilment of workers' minimum need, humanitarian ground etc. the Investigator is surprised to note as to how the provisions of an Act are violated openly by the management. The implementing machinery needs reorganisation. If needs be, the question of amendment of the Act may be thought of.

The management, of course, provides drinking water, first-aid, latrines, urinals for the workers. Management is of the view that workers get the accident compensation according to the provisions of the Workmen's Compensation Act., 1923, though the number of accidents in this industry is negligible. There are violations of the provisions of this Act also. It is revealed during discussion with the old workers that the employer does not pay the compensation always. An old worker during discussion informs an incident as to how his employer did not pay compensation in a particular case. The story goes like this : A worker while on duty died and he died in the course of employment. His heir was entitled to get compensation. The particular employer did not pay even a single paise to his (worker) wife. How? The employer overnight changed the Adult Muster Roll excluding the name of the deceased. It means that there was no worker in the Muster Roll who died on duty. It is very difficult to establish this type of case. How this type of unscrupulous employer could escape the provisions of the Act is even more difficult to say. But the fact remains that such kind of things have been happening in this industry for long. It should not be treated as an isolated case. Same is the case with the hours of work per day. It is revealed that workers generally are asked to work more than 8 (eight) hours a day and no overtime payment is made. Workers are forced to

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work 2/3 hours more than the scheduled timing because till date the same old theory of hire and fire prevails in this industry. It is clear violation of the Factories Act and sheer exploitation of labour. Workers keep quiet for they know that they are not organised, they do not have unions to protect their interests and they also know that they can be thrown out of employment at any time without giving any notice and without assigning any reason whatsoever. Of course, the workers get recess according to Act., i.e. at least half an hour break after every five hours of work. Workers get one day holiday in a week, generally on Sunday. This holiday workers get once in a week is without pay. The workers get holidays with pay during the year according to the provisions of the Act. In other words, a worker gets one day holiday with pay in every twenty days of work. Besides, workers enjoy festival holidays ranging between 8 to 10 days including 26th January and 15th August. If a worker falls sick, he gets medical benefit from the employer. It is limited to getting treatment in local hospital. The bill is being paid by the employer. This benefit is extended to the employee only and not to his family. The provisions of the Employees State Insurance Act are not extended to the workers because the E.S.I. Scheme has not covered this industry in this area studied. The employers are of the opinion that the benefit of this Scheme should be extended to the workers. The workers also think alike to this aspect. The workers do not enjoy any Casual leave. No work no pay is the system prevailing in the industry. While a worker remains medically unfit, he though gets medical benefit from the employer but not the wages for the period. The period is treated as without pay. If the worker desires, the period may be adjusted against his earned leave due. If E.S.I. Scheme is introduced, the workers will get this benefit including others.

#### Organisation of Workers:

Coming to this point, the investigator is of the opinion that the workers of this industry are not organised. Out of four units studied only in one unit a union has been functioning but in a very loose form. In other units union is absent. The workers are of the opinion that their number in a unit is so small, their economic condition is so poor that they can not dare organise the union. Second reason being that they are not trade union conscious. Third being that the so called trade union leaders do not bother to organise this industry as it is perhaps not paying. The employers are of the opinion that the relationship that they are maintaining with workers is so good

the workers do not form Union. The relation ship is personal and direct. The employer knows each of them very closely. The worker even he feels for the union, he does not come forward to organise a union because of the reason that he will be identified immediately by the employer and he might face a severe consequence to the extent of discharge with a pretext unknown to him. The employers of this industry are dead against the formation of organisation of workers. The strength of the union which is found to be functioning in a Unit is not worth mentioning. The Secretary of the union feels that their organisation is very weak, they can not have collective bargaining in the true sense of the term. The question of the help the unions render in the personal difficulties like unemployment, sickness, injury, death etc. in respect of workers and their dependants is nil in this industry. The union is generally absent and if there is any, it is so loose financially, organisationally etc. that it can not afford to do so.

Wage:

There are generally four categories of workers viz., (a) un-skilled (b) Semi-skilled, (c) Skilled, (d) Highly skilled. The wage scales for different categories of personnel mentioned above are given below:-

- a) Un-skilled-----Rs.2.00 to Rs.3.50
- b) Semi-skilled-----Rs.3.25 to Rs.5.00
- c) Skilled-----Rs.4.50 to Rs.10.00
- d) Highly Skilled-----Rs.10.00 to Rs.12.00

Ten years earlier the wage rate that was prevailing is given below. Unskilled - Rs.1.50 and Skilled - Rs.2.50. This rate was fixed.

It is revealed that the duration for the completion of the scale for (a), (b) & (d) is five years and that of the (c) is ten years. There have been cases where employers have stopped yearly increment of workers on whom they have not been satisfied. This element of satisfaction of employers is very difficult to measure. There are cases where the yearly increment has been stopped because a particular worker perhaps had some hot exchange of words with his supervisor or employer a few months back. Just to stop yearly increment for this may be considered as a sort of victimisation. It may be considered as a malpractice on the part of employers. The employers can afford to do so for they know that workers are not organised. Workers on the other hand, digest it because they know that they can not fight out their case as they do

not have organisation of their own to protect their interest and also they know that if they fight for their right cause, they will be thrown out of employment which will be something worse than the present. It is also revealed that the employer does not pay the wages as written on the pay Roll. The poor worker signs on the bill but he gets less amount than what is due. It appears that it is an exploitation of labour taking the advantage of ignorance, backwardness, unemployment problem etc.

None of the units studied is having any system of D.A. Employers are of the opinion that they can not afford to introduce this system of D.A. because of the poor economic condition of the industry. The workers feel that they should get D.A. because of their poor economic condition. They are to buy things from the same market where their co-workers of an organised industry buy things, but the fact remains that the purchasing power of both the categories of workers differs considerably.

The Provident Fund Act., 1952 is applicable to this industry. The deduction from a worker is 6.1/4% and employers contribution being the same. But there are some shortcomings in the implementation of the Scheme. The workers feel that their account to this fund should be known to them on yearly basis. The workers enquire from the employer in this respect but the reply they receive is that the employer is not getting any response from the Office of the Provident Fund Commissioner. Who is at fault it is very difficult to establish but the fact remains that the workers do not get their account.

Secondly, another type of malpractice is observed with regard to the implementation of the P.F. Act. The Act says that a particular worker is to work for 240 days in a year to get the benefit of this Scheme. There are employers who are the owner of 2/3 small industries under the head of different names. What they do is that they do not allow any worker to work for 240 days in a particular establishment and before this period is complete, he is transferred to another establishment and thereby he is deprived of the benefit of P.F. as his service is recorded here as a new entrant.

Thirdly, another serious type of mal-practice to this P.F. Scheme is observed during investigation. The story goes like this : A particular person, generally a clerk who is also generally the relative of the employer, is given the responsibility of deducting the contributions from workers to this fund. This

person picks up one or two workers in a particular month and tells him that his amount of contribution is, say Rs.10.00 for that month. This amount of Rs.10.00 serves the purpose of the contribution of the worker and the employer and strangely enough it includes the contribution of the particular clerk also. It seems to the investigator a mal-practice to the extent of highest degree. This method is applied to the village, backward and ignorant workers .

None of the four units studied is having any system of Incentive Bonus. Only one unit out of four has introduced the system of giving Bonus to the workers. This unit of the industry used to pay one month's wages as Bonus to the workers and generally used to pay before Puja which is considered to be the biggest festival in Bengal. But after the introduction of the Bonus Act., this unit has been paying only 4% as Bonus. On enquiry, it is revealed that the employer now pays less because the business is dull owing to recession. This explanation might be true but at the same breath it also might be thought of that the employer is taking the advantage of the Act and paying the amount only to fulfil the provisions of the Act. Workers are not happy over this situation but they can not do any thing for the obvious reasons mentioned earlier.

On the question of overtime payment the employers are of the view that the workers get double the wages according to the provisions of the Factories Act 1948. It sounds very fine. But it is revealed during discussion with workers, supervisors having pro-labour attitude that workers do not always get double the wages as O.T. They are forced to work 10/12 hours a day and no O.T. is paid to them. It is a hard task to establish this type of case. Perhaps the Factory Inspectors will be defeated before this kind of unscrupulous employers. A serious thought is required to tackle this type of problem.

Generally, wage period is of four types, i.e. Wages are paid on daily, weekly, fortnightly and monthly basis. Wages are paid regularly and after the wage period. It is revealed during discussion that some workers even draw advance payment because of their poverty and this number is not negligible. To that extent it may be said that the wages are paid even before the wage period. The employers also do not object to this kind of advance payment because of their maintenance of paternalistic attitude towards the working class.

Industrial Relations:

The State of industrial relations in this industry is that of direct, it is personal and face to face. The entrepreneurs themselves are managing the whole show of the industry: he is the manager, supervisor, accountant, salesman, personnel officer and so on and so forth. He wants that all problems of the labour should be solved by him. He claims that he is the master of workers and if they have any grievances, they should come to him and get their grievances redressed. The workers also feel that their grievances, if any, must be looked into by the employer because they work for him. This kind of attitude develops because of the another reason that their relationship is direct. Whatever might be desires and aspirations of both the parties, the fact is that the relationship that exists in this small industry is paternalistic in character. The entrepreneurs can afford to do so because of the several reasons such as - poor economic condition of labour, unorganised workers, unemployment problem etc. The entrepreneurs keep 2/3 highly skilled workers satisfied providing good scale of pay to them and do not much bother about other categories of workers for they are available in the labour market in abundance. The Grievance Committee, Works Committee, Safety Committee, Production Committee etc. are not functioning in this industry. There is no need of it. Conciliation machinery is not utilised by this industry. In other words, occasion does not arise to take the services of the Conciliation machinery. Not a single case in the four units studied could be found out which demanded the services of either Conciliation machinery or Adjudication. It indicates that industrial peace is maintained in this industry. It is a good sign but at the same time it should also be seen that in the name of maintaining industrial peace workers are not exploited. They should get their legitimate price of labour. Cases when the demands of workers are agreed to but not implemented do not arise here in this industry. The workers are not organised. They do not bargain collectively. In other words, trade union function is absent in this industry. There is no scope for demand by the workers to the entrepreneurs. If at all we can call it bargaining, it may be said that individual bargaining is prevalent in this industry. A worker goes to the employer, expresses his difficulty either for advance, or leave or increase of pay and then the employer deals with it according to his convenience. But one thing is very clear here that if an employer commits something to this worker or workers, he fulfils it. He can do it easily because he is the authority. He is not to refer the case to a higher authority for approval.

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Strikes, demonstrations etc. are absent in this industry. This type of movement can only be launched if workers are organised which is not the case here. And hence victimisation of workers for the above mentioned causes is not found in this industry.

Labour Legislation:

It has been found during investigation that most of the labour laws enacted to protect the interest of working class are implemented in this industry, to name a few, Factories Act, 1948, Minimum Wages Act, 1948, Industrial Disputes Act, 1947, Workmen's Compensation Act, 1923, the Employees' Provident Act, 1952, Bonus Act, 1965, so on and so forth. Employees' State Insurance Act is not implemented in the area surveyed. Employers are of the opinion that though they are to contribute to the fund as employers' contribution, their workers are not getting any benefit of the Act. They feel very strongly that benefits of the Scheme should be provided to the workers of the Small Units in this area. The Industrial Disputes Act, though enforced, is not in use. Other Acts mentioned above are implemented either partially or haphazardly. It has been shown earlier how the employers violate the provisions of the Acts thereby deprive the workers of the benefits of the labour laws. It is suggested that the Govt. machinery set up for the purpose of proper implementation of provisions of different Acts should be strengthened, reorganised, and reoriented with a band of zealous, energetic, honest and sincere Officers. The amount of punishment for the violations of the provisions of the Acts may be more stringent. If necessary amendments, may be brought to this aspect. It has been observed that the benefits of the labour legislations have not reached to the workers in the industry as one may expect, for example, Bonus even 4% bonus which is minimum is denied to the workers. Only one unit out of four units studied is paying the Bonus to its workers. Others are not paying. The employers argument is that they can not afford to pay because of their poor economic condition. But the Act has no such provision. It says that even losing concern also is to pay. This type of action of the employers may be termed as exploitation of labour and violation of the Act as well. Workers suffer because they are weak in Collective Bargaining.

The minimum wages have been fixed for the industry studied. Some employers are paying the minimum wage as fixed by the government, some are not. It has been mentioned earlier in the chapter under the heading 'Wages' as to how

the employers escape the provisions of the Act by foul play. Workers are forced to sign on the pay bill in order to get the wages fixed for them but in actual amount they get less. It is very difficult to establish this type of case but the fact remains as such.

Conclusion:

After having studied four units of the engineering industry in this area, the Investigator is of the opinion that the condition of labour is not good, if not horrible. The bad working conditions, unfavourable condition of work, low earnings, unregulated working hours, absence of trade union movement, are some of the peculiar characteristics of this industry. It has been accepted by all and sundry that small units are to play a great role to achieve the economic development of the country and thereby to raise the standard of living of the population as a whole. If that be so, then the standard of living of the labour force working in this industry also must be raised. The financial capacity of the small employers is limited. The avenues should be found out as to how this industry which is so vital for the development of national economy may be well established. The Government and other Agencies should come forward with their all assistance to help this industry. The champions of labour should come to this sector and organise the unorganised so that they can bargain collectively and safeguard their interests at least that much as provided by the different labour laws.

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Powerlooms Industry, West Bengal.

INTRODUCTION:

It is rather difficult to indicate any specific date as to when powerloom industry in the country was first introduced. However, whatever intimations received from different sources, speak that there were about 15,000 powerlooms in the whole of India till 1942.

So far as the origin of powerloom in West Bengal is concerned, it is traced that they were introduced as early as the early thirties and were relatively large-sized, styled as "non-spinning mills". The number of powerlooms in the State in 1951 was 15000 which rose to 2,200 in 1961, most of the units having 24 or more looms. Of late, it is found that a number of smaller units has grown up with 16 looms in each unit. This powerloom industry have mostly concentrated in and around the Calcutta industrial belt, and are engaged in making Dhotis as the principal line of production.

The "Refugee Rehabilitation Scheme" has allowed 686 powerlooms in small units, besides the sanction for installation of 1,600 looms under the 'Conversion Scheme' by the Handloom Cooperative Board. The total number of powerlooms in the State at present is about 6,435 of which 4,852 are on cotton, 826 on art silk and staple fibre yarn, 57 on silk, 92 on wool and 608 on tapes and webbings.

The powerloom industry is experiencing quite a few problems to function efficiently. The greatest problem that stands in the way of such industry for its healthy growth is finance. Most of the powerloom establishments except a few covered under the scheme of Conversion of handlooms to powerlooms suffer seriously from working capital. Governmental assistance is totally absent for the powerloom industry except to those covered under the Scheme mentioned above. The yarn merchants particularly of Calcutta Centre have been charging high prices for yarn, as a result of which the powerlooms industry have been worst hit, falling prey in the hands of 'Banyas and Marwaris'. Government, however, made provision that if the

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cooperative Societies were formed in order to run the Powerloom establishments, the Government would provide loan to the extent of 48600 rupees, besides the share capital, repayable within 10 years at 10 instalments at 4% rate of interest. But this provision could not ease the difficulties the powerloom industry have been facing, as the meagre amount of Rs. 48600 was exhausted for purchase of machinery and allied articles necessary for this industry. Thus, the advance of loans on terms and condition could hardly relieve the industry from the unscrupulous clutches of the private businessmen.

Apart from finance, this industry is facing a great difficulty in regard to raw material. The powerlooms in West Bengal are to depend on the South for the yarns, consequently the cost of the same becomes high adding to the total cost of the finished product and thereby create difficulty in competing the market.

The powerloom industry of the state lacks in preparatory process, facilities for bleaching, calendering, dying etc. This industry is to depend on textile mills for these. Now, if these processes are to carry on by this industry itself economically, a minimum of 1500 looms are required, while in the State we find only 16 looms each with the Cooperative Society.

This industry is faced with another great set back due to lack of proper marketing facilities. There is no market research to judge the demand, the taste and other matters relating to market for powerloom products. Moreover, the products of this industry face a steep competition with the much organised mill products. The consumers have also a general bias against the powerloom product and hence cloth produced by powerlooms though of same quality and description with mill are to be sold at a lower price than that of the mill product. Besides, non-availability of adequate raw material, incapacity to hoard finished product, as per requirement are the barrier for pushing the products in the market and thereby to get their place amongst consumers.

Rise in prices of lubricating oil, picker, and other allied articles related to powerlooms, the rise

in wages of labour due to rise in cost of living index add to the difficulties discussed above and made the conditions of this industry in the state of worst. The Government order to pay central excise duty at the rate of Rs.25 per loom has made the position of it still difficult. Previously this industry was exempted from paying the same duty. Now that the order is passed and this industry covered each Society is to incur an additional expenditure of Rs.400.00 per annum.

If we study the history and growth of powerloom industry, we would find that the industry has progressed very little than before. In fact, this industry experienced no positive improvement excepting that some of the powerloom establishments have been brought under cooperative societies.

#### RECRUITMENT AND EMPLOYMENT :

The Powerlooms have no systematic procedure of recruitment. Generally, unskilled, inexperienced persons mostly relatives of the employees are recruited as apprentices without any stipend. After remaining as apprentices for such period as the Societies think fit, they are absorbed in the job on regular basis. Difficulties are faced in getting skilled and technically trained persons. There is no biasness regarding the recruitment for any particular caste or race, but it is found that most of the employees of this industry in the State <sup>are</sup> Bengalis comprising of both the sexes. Employment is provided mostly to local people through contract and out side labourers are not absolutely absent. The outside labourers are provided with free accommodation.

Absenteeism is not very high, the average being 4 to 5% the reason as observed is preoccupation with agricultural activity during season and social affairs.

The percentage of Contract labour is most insignificant and hence need to bring them within scope of State action is hardly needed. But the employment potentialities may be increased provided steps to run the industry efficiently by providing more looms, easy terms of loan, lifting

of Central Excise duty and proper market study is made. In other words, if the industry can be turned to profitable concern from the present losing one, it has abundant possibility and can employ a large number of people.

#### CONDITIONS OF WORK :

The conditions of work in this industry are most deplorable. The workers get only 12 paid holidays. There is neither any provision for casual leave nor for earned leave. The hours of work is 8 with half an hour recess. The powerlooms run on shiftwise. There are no fair price shop, no bath room facility, no lunch shed. The workers have been provided with drinking water, rest place, accommodation for canteen which is run and managed by the employees themselves.

Suitable punishment should be given to the concerned authority for non-implementation of provisions of the Factories Act. The Government may also ask for a quarterly report from the concerned authority depicting the present condition of work relating to the above points and improvement effected on them. After receiving the report, the Government may through a Consultative Body, which may be constituted by experts in the field, make suggestions which may be translated into practice. The capacity of the industry should be kept in view while making the suggestions so that they may be fruitful.

#### ORGANISATION OF WORKERS :

The workers of the industry have so called organisation. Though most of the workers are members of Union, the strength of the Union is at a low level for the simple reason that workers are uneducated, lacking in trade union consciousness and the vested interests of the different political parties exploiting the situation. It is found during investigation that there are no Unions in some of the units of this industry, reason being that workers are afraid of losing their jobs if they are organised. The argument of the employers is that they prevent the formation of Trade Unions because the trade unions are politically motivated thereby bringing harm on the

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industry which this poor industry can hardly bear. Collective bargaining strength of workers in this industry is nil.

WAGES :

As regards wage, no uniform wage pattern is in vogue. In some of the units three categories of wage-scale are obtained while in some any grade system is found to be absent. Wage rate also differs amongst units. For example, in some units three categories of wage system such as piece rated, daily rated and monthly rated are in practice while at some it is only piece rated. The employees belonging to the category of weavers are paid piece rate whose average earnings come to Rs.4.00 a day, employees who fall under the category of winder are paid daily rated and paid Rs.1.50 for day shift and Rs.1.75 for night shift, employees like Jobbers, Drawers and Richers are paid at monthly rate basis and are paid Rs. 175.00, Rs.90.00 and Rs 50.00 respectively. The piece rated/weaver who produces 40 picks 10 yards gets Rs.0.40 on an average which if calculated on month basis comes to a minimum of Rs.95.00 and a maximum of Rs.130.00.

There is no Dearness Allowance system prevalent in this industry. Further, there is no system of overtime and provident fund. Bonus is paid only during Puja Festival, the rate of which is not fixed. But minimum 4% according to the Bonus Act is paid. Incentive system prevails relating to piece rated worker, but nothing like incentive bonus as is found in big industry exists here. It has been seen above that even the best worker on piece rate can not earn more than Rs.130.00 per month.

INDUSTRIAL RELATIONS:

The so-called Unions in the industry are very weak and loose and consequently cases of strike or any industrial dispute can hardly take shape. The industrial relations pattern is paternalistic. This industry has never experienced any strike so far. The causes for which workers are generally victimised are absent in the industry. Grievances, if any, are redressed directly because the relation is very much personal. Since the volume of worker is very little, the management and the workers have very close

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contact with one another and hence all cases relating to demand, grievance and whatever<sup>it</sup> may be, are settled by bipartite consultation. Though in general the attitude of workers and management towards one another is quite cordial, yet it needs mention here that due to serious unemployment problem and poor economic conditions the workers can hardly afford to take recourse to any other way than bipartite consultation. In this respect the management attitude also should be appreciated. Though the Code of Discipline, Industrial Trade Resolution are not formally accepted by the industry, the study reveals that they are accepted informally reason being that the relation here is direct. Industrial peace in true sense of the term is found here in this industry. But the industrial peace should not be had at the cost of labour as the economic condition of workers serving the industry is pathetic.

#### LABOUR LEGISLATION :

The power loom industry is covered under the Factories Act, but the provisions of the Act are not strictly implemented. This industry has not yet been brought under the Provident Fund Act. As it is just young, exemption has been granted in regard to the implementation of Provident Fund Act. It was revealed during discussion that the above Act would be implemented in this industry by the end of 1968. The industry is covered by Employees' State Insurance Act, 1948. Compensation when payable is paid on the basis of E.S.I. Act'48. Workmen's Compensation Act'23 has been replaced by the above Act.

It may be mentioned here that the different labour enactments applicable to this industry are of little help to the employees as most of them lack efficient implementation. This defect may only be removed if the concerned authorities make sincere and honest efforts to get the provisions of the different Act implemented in the best possible manner by the employers.

#### MINIMUM WAGES ACT'48.

The industry is covered by Minimum Wages Act'48. No steps have been taken for effective implementation of the Act, other than the occasional checks by the Minimum

we take it for granted that the weavers can purchase the shares, the problem still remains because the total share capital in that case will be Rs.16,000.00 + Rs.48,600.00 (Govt. loan) is equal to Rs.64,600.00 only with which it is most unwise to start business relating to powerloom Cooperative Society. The effort to run powerloom co-operative societies in this fashion forces to approach the money lenders for capital and thereby to fall in their trap of exploitation. This has actually happened so far and the unscrupulous money lenders are in fact controlling the potentially prospective loom industry.

It is suggested that the existing faulty rules may be changed in the following lines.

The number of members should be raised to minimum 20 and maximum 50 for constituting the Society. The members should be equal in number from weavers and middle class (sympathisers) people. The members belonging to the middle class should purchase the share of Rs.1000.00 each, while the weaver members should only pay Rs.100.00 initially for the share, the rest Rs.900.00 should be advanced as loan by the Government without interest, which may be realised from the wages of them on monthly instalments. The Government should advance loan up to 10 times the share capital repayable within 10 years by 10 instalments at 4% rate of interest.

The Government should keep strict vigilance so that the sympathisers can take part in functions of the societies. Further, the Government should be very particular so that the societies are not forced to depend on the 'marwaris' or 'Banyas' in regard to the sale and purchase of the products. The present system of honorary Secretary should be replaced by appointing regular paid secretary who may be taken from among the members themselves.

Secondly, the terms of advancing the working capital to the societies also do not favour them. The societies are to mortgage their machineries to the Government against the loan they receive. As a result of this rigidity, quite frequently then not the societies approach the 'Mawaris' who in turn control the societies so far as marketing is concerned. Besides, there is no

Wages Inspectors. The difficulties in implementation of this Act as usual like other Acts lie basically in the unsympathetic attitude of the employers who are not properly enlightened. The punishment as provided for contravention of the provisions of the Act and other Acts alike are negligible. Besides, the unscrupulous employers, the number of which is very high are more inclined to escape from implementing the provisions of different Acts ~~facts~~ than enforce. Hence mere keeping "Watch dogs" on the Acts would not solve the problems. A thorough change of attitude among the employers in the right direction is the first step to get rid of the problems attached to the implementation of different Acts. The attitude of the employers and managements may be changed in the right direction through proper training by which it is meant consistency of theory and practice. In other words, there should be adequate scope to translate the theoretical knowledge into actions so as to make it absolutely purposeful.

#### CONCLUSION :

The study reveals that the powerloom industry has great potentialities and may be turned into asset of the country if proper attention is given to them and genuine interest is shown to develop them. In fact, this industry may be the most crying concern particularly with reference to employment potentiality for a large number of middle class and lower middle class sections of the country. But it may be possible, if the following matters are considered.

First of all, the existing rule that for forming Powerloom Cooperative Societies under Industrial Scheme authorised capital of Rs.50 000.00 is required, that the number of members should be sixteen of which 80% should be from weavers such as jobber, winder etc., that no member is allowed to purchase share of more than Rs.1,000.00 and that the Government will advance loan to the extent of Rs.48,600.00 repayable by 10 instalments within 10 years at 4% interest, is most irrational. A little reflection on the rules prescribed by the Government will show that a jobber or a winder has hardly any capacity to purchase a share of Rs.1000.00. Even if



← system of marketing/research as a result of which it is found that the societies fail to produce their goods according to the changing tastes, causing a decline in the demand. The competition from mill products also hit hard this industry. To remove these difficulties the Govt. should first of all ease the rigidity imposed in connection with loan. Arrangement for market research, changing of designs and colours of products should be made so that market may be expanded.

Thirdly, for adequate and timely supply of raw-materials, a spinning mill with a capacity of 10,000 spindles may be established. If this is not possible, Apex Societies in the State, if not in the district, may be set up where there should be stocks of raw-materials for ready supply to the societies engaged in production.

Fourthly, each society should be given at least 24 looms in place of 16 looms existing at present in each of the societies. This industry at present lacks in preparatory, processing, dyeing, bleaching, calendering etc., which are to be done through big textile industry resulting a rise in the cost of production of goods making it further difficult to compete mill products. If number of looms is increased and if the societies make collective effort, arrangement for preparatory processing, dyeing, bleaching etc., may be done economically.

Last but not the least, the Government should take active interest and should try to remove the difficulties standing in the way to the prosperity of such a highly potential field of business. Internal politics of the Societies should be kept at bay and all should work jointly keeping in view the real spirit of cooperation.

The pitiable conditions as mentioned already are mainly due to various problems connected with the industry. As labour and industry are integral part of one another and as prosperity of the industry tends to improve the conditions of labour the above suggestions if carried out into actions, there could be a lot of good for the workers engaged in powerloom industry. Besides, the Govt. should take positive steps to regularise the leave rule, recruitment procedure, promotion policy training procedure, wage structure etc, so

that the workers engaged in the industry feel at home and contribute the best of their skill and ability to the prosperity of the industry giving it sound footing and thereby helping to develop our desired New India.

M/S

Engineering Industry, Howrah, West Bengal

Howrah is an industrial town. We know of many Jute Mills, Cotton Mills, Flour Mills, Paints Works, Rolling Mills, Wagon Builders and other big industries that are located there.

But what is not so well known to many is the fact that Howrah has nearly 600 to 700 Small Scale Engineering Firms employing 60,000 to 70,000 workers. It is interesting that such a large concentration of small engineering firms in Howrah has been mainly due to some of the oldest engineering firms in India like John King & Co. (Now Defunct), Bura & Co, Port Engineering, Guest Keen Willium, Lilcoah Workship etc. being in Howrah. Along with the growth of the above industries, a considerable size of engineering labour trained in use of machines and with a fair knowledge of practical knowledge of engineering process was also created, and more enterprising amongst them soon discovered that there was money in the trade. They started on their own with one or two lathes discarded by the big industries, if they had the money to buy. It was, thus, that a very modest beginning was made. A power driven machine in those days possessed by a man who could work it himself fetched enough money to add another.

The small units procure orders from the big factories and supply the articles to them at very low rates. The big factories are also happy in the sense that they are getting the articles at cheaper rates. If they would manufacture these articles the cost would have been much higher. The units prosperity depends on the success of the big ones. During boom periods they were happy and contented with the orders they received from the big industries and during slump they made vain efforts to free themselves from their dependency.

They started with hardware mill stores, machinery spares, nuts & bolts and pipe fitting and gradually introduced cane crushers, rice hammers, chaff cutters, dul mills, and the like in their line of production. Their activities received a great fill during the last War.

After Independence the engineering industry, particularly the small industry got the great shock of recession of 1952. Somehow the industry overcame the shock. But small scale industry got another set back in 1956-58 due to demand of high wages by the workers. By this time wages increased in engineering industry and cotton industry. The small scale engineering industry could not afford this demand of high wages.

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During the last decade, it seems no changes have taken place. No doubt some new factories were established but at the same time many factories closed down. This is mainly because the financial difficulties and quarrels between the partners of different establishments. Again during 1966-68 there was great recession in engineering industry. This has been greatly affected the small scale units. The big units reduced their production which has a great repercussion on the small units.

The future of the industry is very bright, no doubt. What can these small units do if they get what they want? They would perhaps expand their outlandish growth. The principle of specialisation has yet to be practised by them. Capital investment during the last ten years has become double.

Small scale engineering factories at Howrah faced no difficulty in recruiting labour. If any factory needs more labours the managements inform their own workers about the same and the workers bring new hands. It seems that these new hands are mostly relatives of the workers of the factories. No doubt these new hands are unskilled workers. The small scale industry generally does not recruit skilled workers. The proprietor or manager of the factory himself is a skilled workman. The new recruit becomes skilled or semi-skilled while working in the factory. Generally there are not apprentices in these factories. No doubt these factories need technically trained personnel, but the financial position of these factories cannot afford to bear expenses of the same. The majority of small scale engineering units employ ten to fifteen workers. Here the proprietor or manager himself is the supervisor-cum-everything. He performs all duties in the factory at the same time along with his office work. Rate of absenteeism is very negligible.

Most of the labourers of the small scale industries are local labours. There are also outsider labourers who are mostly of other States. There are no housing facilities for outside labourers in the small scale engineering units. Because of financial conditions the units do not permit them the same. There are many contract labourers in these units particularly in rolling mills, foundries etc. These contract labourers do not have any security of jobs. Of course, no worker in the small scale industry has any kind of security of job. Still, directly recruited permanent workers have some sort of security, the employer generally gives notice to the direct labourers if the workers are not required any more. There are permanent and temporary workers as well.

The contract labourer works under a contractor. If the

contractor changes automatically the workers under him are thrown out from employment. Therefore, the service conditions of the contract labourers may be controlled through legislation. There should be a specific period of employment for them which should not be less than two years. Again if one contractor changes and a new contractor comes the and actual labourers should not be changed.

In one sentence it can be said that the conditions of work are rather very wretched. The room where the workers work is very small and automatically very much congested. There is hardly any modern factory building in these industry. Lighting facilities in these buildings are not good and space is very much limited. In most of the factories where ten to twenty workers work there is no canteen. Of course, the Factories Act also cannot bind the employers where ten or twenty workers work to open the canteen for the workers. In the units which I selected for the study I found no canteen and fair price shop. The units have the following :-

1. Rest place
2. Lunch Shed
3. Drinking water facility
4. Bathroom facilities
5. First Aid facilities
6. Compensation in case of accidents, etc.

Here this can be mentioned that the small factory manager/proprietor treats his employees fairly, the relations are therefore, congenial. Most the of the proprietors and their workers are relatives. Worker also help the proprietor whenever he is in any difficulty. If is a very common scene that whenever an employer is in of money, the workers who are also relatives of the employers, try their best and arrange money even by mortgaging their ornaments, land and help the employer. At the same time I found that the employers are also help their workers. During the course of study I happened to be a spectator where an employer offered Rs.500/- to a worker who is at present sick. The employer also spontaneously agreed to bear the cost of treatment and the cost of weekly ration till the recovery of the worker. Here it can be mentioned that once this employer was in difficulty for want of money, and at that time the wife of the worker offered the employer all her ornaments. Therefore, it can be said that the relations between the employer and employee is very congenial.

The hours of work are governed by the Factories Act. i.e. 9 hours daily with  $\frac{1}{2}$  hour rest interval. There is one weekly holiday

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generally on Sunday. The workers enjoys festival holidays generally 12 days in a year with wages. Earned leave is allowed as per Factory Act. -1 day for every 20 days worked. In the small scale industry there are permanent as well as temporary workers.

It is rather surprising to me that when I asked the workers whether they have any trade union, none of the workers told me that they have any trade union. Incidentally when I asked the employer whether their workers have any trade union, they also told me that their workers do not have any.

But while discussing with the Assistant Labour Commissioner, Howrah District, and Labour Advisor, Howrah Manufacturers Association, I came to know that there are a few organisations of workers namely, Howrah Small Factories Workers' Union, Iron & Steel Workers' Union etc. who work as trade unions for the ~~workers~~ small scale industrial workers of Howrah Industrial belt. None of the employers told me that they had any labour trouble. The workers also told me that they do not have any grievances against their employers.

The wages scale of different categories of workers of small scale engineering units at Howrah District differs from unit to unit. The workers received consolidated wages and no separate system of D.A. prevails. Generally the workers receive the wages as follows :-

|                    |          |              |
|--------------------|----------|--------------|
| 1. Foreman         | Rs.250/- | Consolidated |
| 2. Mistree         | Rs.140/- | -do-         |
| 3. Fitter          | Rs.125/- | -do-         |
| 4. Latheman        | Rs.125/- | -do-         |
| 5. Ordinary Worker | Rs. 90/- | -do-         |
| 6. Helper          | Rs. 60/- | -do-         |

As regards employees provident fund, if the unit is covered by the Employees' Provident Fund Act, contributions are made by the employees as well as employers. The same is applicable if the unit is covered by Employees' State Insurance Act. Every unit has first aid facility.

As regards profit-sharing bonus the units offer profit-sharing bonus from 4% to 20% as per the Act. There is little scope for Incentive Bonus Schemes. Generally small units manufacture articles as per orders procured by them. Hardly any unit keeps stock of manufactured goods.

Wage periods in some small units are weekly, in some fortnightly

and in others monthly. Wages are paid immediately after the wage period and regularly. Workers do not have any grievance in this regard. Wages increased during last ten years by 75% to 80% still it can be said that the industrial workers in these small units get the lowest rates of wages.

According to the employers the main problem faced by them is of finance. Small units do not have huge funds. They should get 'Soft loan' from different institutions and Government. Employers told me that many times they faced much difficulties in getting loans. The loans from credit institutions and from Government require securities and even if the securities can be arranged, the formalities are many and it takes lot of time. By the time they received loans it was too late to serve the purpose for which the loan was taken. They also feel that the taxation on them was too much to bear.

In the small scale industries the factors of discontentment are much less prominent than in the large factories. The small factory proprietor/manager treats his employees fairly; the relations are therefore, congenial. He knows each of them by name and he gets along with them quite nicely. Each worker can go and relate his difficulty to the proprietor who is always prepared to help the worker. The help is genuine, spontaneous and timely in case there is a real need for it. The kinship that is developed by this relation reduces the disparity created by social conditions and other economic and social handicaps. Instances of picking up and leaving the workers by the proprietors of small industrial units in their cars and similar gestures are too many to be mentioned.

The social barrier between employer and employee is not very wide. The factors making for this situation can be many. Both the employer and employee generally belong to a homogeneous group, with the same language, caste and often social background as well. Neither the economic nor the functional distance between them is very far. Frequently the employer belongs to the primary working group because he too would work on the machine. The distinction between the two also tend to be blurred in as much as there appears to be continuous mobility from the employee to the employer class.

Hardly any industrial dispute arises in the small industrial units. Even if such disputes arise generally these disputes are settled by bi-partite or tripartite negotiation.

A small industrialist meets his workers with courtesy,

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remembers their names and talks to them directly. The workers have the opportunity to discuss their problems with the employer and most often the employer consults the workers on various technical aspects.

If any unit of the small scale industry comes within the purview of the labour legislations, the labourer enjoys all the benefits of those labour legislations. Generally most of the small units of engineering industry are covered by the following labour legislations and the labour enjoys the benefits of the same.

1. Employees' Provident Fund Act
2. Employees' State Insurance Act.
3. Factories Act
4. Payment of Wages Act.
5. Industrial Disputes Act.
6. Payment of Bonus Act. etc.

Incidentally, here it can be mentioned that the employer of small units are more taxed in comparison with big units, because most of the Labour Legislations are applicable even to those factories where ten or more workers are employed. A small unit employing ten persons and a big unit employing 300 persons are of equal status in the eyes of the Factories Act. According to the employers of small units they do not have the same capacity to provide all benefits to their workers in comparison with that of the capacity of big units.

There is no Minimum Wages Act of the West Bengal Government for the engineering industry workers. The Seventh Industrial Tribunal gave award for the industrial workers for the payment of Rs.113/- per month including all kinds of allowances, but the same is pending with the Supreme Court.

What can these small firms do if they get what they want? This can be summed up in one sentence. They would perhaps expand their outlandish growth. The principle of specialisation has yet to be practised by them. In the present days, there being a great demand for engineering goods, anything turned out by the machines has a ready market, and under these conditions, these firms are likely to prosper as long as the boom lasts. While some of them are quite alive to this situation and are planning for the future, the great majority are intent on merely making hay while the sun shines. An insignificant number may perhaps emerge into medium scale industries from small-scale ones, and concentrate later on the manufacture of a few selected items suited to their installed capacities, but the majority of them are allured by the



ready money, and would soon grow into unplanned units and start making,, if the raw materials and the machines are made available to them, anything that comes their way and anything for which they can have a cash sale. There is no denying that, their expansion will, in a way be a national asset. But in order to utilise this for planned growth of industries, it is necessary to proceed with some caution and make an attempt to regulate these industries in terms of a pattern where these units would both feed and be fed by the overall industrial growth of the country. It is likely that the production of such items as are easy to manufacture would be attempted by most of them. Thus, we would, perhaps, find the market flooded with cane crushers, chaff cutters, dal mills and tube-well pumps and the like, and at the same time experience a severe shortage of loco carriage and wagon fittings and essential capital goods like industrial machinery and machine tools, necessitating either costly imports or a postponement of the overall plan of development. While some of them have realised this and have tried to reorient their industries with a long-term policy, the vast majority are still steeped in old ideas.

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Name and address of the units selected for Rapid  
Study of Small Enterprise of En-gineering Industry.

1. M/s. Ashutosh Das & Sons,  
36/1, Madhusudan Pal Chowdhury Lane,  
Howrah.
2. M/s. Ramkrishna Stores & Engineering Works (P) Ltd,  
13/1, Munshi Zeller Rahim Lane,  
P.O. Salkia,  
Howrah.
3. M/s. National Bolt & Engineering Works,  
95/8, Dharmatolla Road,  
Howrah.

Chemical Industry, Howrah, West Bengal

The history of small-scale Chemical Industry is not so old as the small-scale Engineering Industry, Howrah District. It can be said that small units of Chemical industry started after independence. Many displaced persons from East Pakistan, who could manage to sell their property in East Pakistan and were able to bring the money in India, wished to start industry with their small capital. They found it difficult to start engineering factory as most of them have no practical experience in this field, though there was more profit in engineering industry. At the same time if the proprietors do not know the technical know how of the Small Scale Engineering Industry it will be not possible for them to run the factory profitably. Again they do not have sufficient money to employ technically experienced persons. Therefore, Chemical industry has become their next choice.

Again some business man found Chemical industry more profitable than engineering industry particularly in paints, varnishes and acid items. In the beggining, the Govt. gave liberal loans, helped them in purchasing machineries, in supplying raw materials etc.

The main problems faced by the small units of Chemical industry is getting raw materials. As for example, Mineral Terpentine, which was used to be supplied by Indian Oil Corporation, stopped the supply of the same since January, 1968. The effect is that most of the small units faced great difficulty in procuring this material. Again without this material it is not possible to manufacture paints, or Varnishes.

Another difficulty faced by the small units of Chemical industry is of finance. Most of the small units started their factories with small amount of capital. They produced the finished products and their main customer is the Government. They supply their goods to Government but they faced great difficulty in receiving payments-sometimes it takes years. Small units cannot afford this much of time.

Another difficulty faced by them is receiving loan. No doubt the State Bank of India, the Directorate of Industries and other Institutions provide loans. But they want much amount of securities which the small units many of the times could not provide. Again there are so many

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formalities to be performed and this takes lot of time.

During the last ten years capital investment increased by many folds. As long as engineering industry develops Chemical industry also develops side by side. The prosperity of the Chemical industry based on the prosperity of the engineering industry. As the Engineering Industry suffered due to recession the Chemical Industry also had to suffer.

The future prospect of the Chemical Industry is very bright. According to most of the employers, they are ready to expand their factory to any extent and produce more and more goods provided they receive sufficient raw materials for the production at the same time sufficient fund for capital investment and prompt payment for smooth running of the industry

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Small-scale factories faced no difficulty in recruiting labour at Howrah District. If more workers are required by any small unit the manager, or proprietor of the unit simply asked their own workers to bring new hands. There are so many unemployed persons that every day some persons come to the factories asking for employment. Knowing that some person will be required by any unit they come and talk to the manager and if the manager is satisfied, he employs those persons. The small units generally do not employ skilled workers directly. The unskilled workers becomes semi-skilled or skilled while working in the factory. No doubt, these factories need technically skilled persons but the financial positions do not permit them to do so. Small units generally employ unskilled persons and trained them while working.

Small units also generally do not have any apprentices. They recruit directly unskilled workers and trained them while working. The rate of absenteeism in small scale industries is very negligible.

Most of the labourers of the small scale industries are the local labourers. There are also outside labourers who are mostly of other states. There are no housing facilities for outside labourers in the small-scale industries. Because of the bad financial conditions of the small units, it does not permit them the same. There are less contract labourers in chemical industry in comparison with small scale industry. This contract labourers do not have any security of jobs.

Of course no worker in the small-scale industry has any security of job. Still direct recruited permanent workers have some sort of security of job, the employer generally gives notice to the direct workers if the workers do not required any more. In the small-scale Chemical industry there are permanent as well as temporary workers.

The contract labourers works under a contractor. If the contractor changes automatically the worker under him is thrown out from employment. Therefore, the service conditions of the contract labourers may be controlled through legislation. There should be specific period of employment for them which should not be less than two years. Again if the contractor changes and new contractor comes, but the actual labourers should not be changed.

The condition of work at the small - scale Chemical Industry is rather good in comparision with that of small-scale engineering industry of Howrah District. As most of the units are of recent time they are hygenic. Generally they are not very much congested. There is good lighting system and well ventilated rooms. Temperature is not very much high. Ther is also not so much sound as in engineering industry. In most of factories where 10 to 20 workers are working there is no canteen. Of course Act also cannot bind the employer where ten to twenty workers are employed. to open a canteen for them. The units which I selected for the study I found no canteen and fair price shop there. But the units have the followings:-

- 1) Rest place
- 2) Lunch shed
- 3) Drinking water facilities.
- 4) Bathroom facilities.
- 5) First-aid facilities.
- 6) Compensation incase of accidents etc.

Normally the working conditions in this small-scale industrial establishments are regulated under the Factories Act. This Act covers all industrial establishments employing ten or more workers where power is used, and twenty or more persons where power is not used. Most of the small-scale industrial units are covered under this Act and therefore, workers employed in small-units enjoys the same benefits as their counter parts in the large scale industrial units.

The working hours of the small-scale industries are generally from 8 A.M. to 5 P.M. with a recess of one hour from 12 noon to 1 P.M. The workers of small-scale industries also enjoy one weekly holiday generally on Sunday. The workers enjoy festival holidays generally 12 days in a year with wages. They also enjoy earned leave as per Factories Act-one day for every twenty days worked. The small-scale chemical industrial units have permanent as well as temporary workers. But temporary workers are very few.

It is rather surprising to me that when I asked to workers whether they have any trade union, none of the workers told me that they have any trade union. Incidentally, when I asked the employers whether his workers have any trade union, they also told me that their workers do not have any. Automatically other enquiries about trade union does not arise.

But while discussing with Assistant Labour Commissioner, Howrah District, and Labour Advisor, Howrah Manufacturers Assn., I came to know that there are few organisations of workers namely Howrah Small Factories Workers' Union, Iron & Steel Workers Union etc. who works as trade unions for the workers of small scale industrial Workers of Howrah Industrial belt. None of the employers told me that they had any labour trouble at the sametime the workers told me that they do not have any grievances against their employers.

The wage scale for different categories of workers of small-scale chemical industrial unit at Howrah differs from unit to unit. Here also the workers received consolidated amount, no separate dearness allowance or any other allowances. Generally the workers receive the wages as follows:-

- 1) Skilled Worker Rs. 110/-to Rs. 150/- consolidated.
- 2) Unskilled worker Rs. 70/- to Rs. 90/- consolidated.

In one chemical industrial unit I found that when an unskilled worker is employed, he is employed on daily basis for two months. At that time he receives daily at the rate of Rs. 2.50 paise. This two months may be treated as probationary period. On completion of this probationary period if the employer find him to be fit for work he employs the worker on monthly basis @ Rs. 75/- per month. This amount of money includes all kinds of allowances. The

worker receives yearly increament of Rs. 3/- upto Rs. 100/-. And then yearly increments of Rs. 5/- up to Rs. 200/-.

The wage period is generally monthly. And wages are paid immediate after the wage period. There is no incenctive bonus scheme in small scale industrial units. They also do not give any overtime as they do not ask any worker more than 8 hours a day and 48 hours a week.

As regards employees' Provident Fund if the unit is covered by the Employees' Provident Fund Act, contributions made by the employees as well as the employers. The same is applicable if the unit is covered by Employees' State Insurance Act. Every unit has first-aid facilities. In the small-scale industrial units the employer-employees relation is very conginal. If any worker got accident and he do not wants to go to Employees' State Insurance Hospital though the unit is covered by the Employees' State Insurance Scheme and the worker has his contribution the management sends him to private practitoner and bears all his medical expenses, pays his wages though he is absent in the factory. This is a common feature in small-scale industrial units.

As regards profit sharing bonus the units offer profit sharing bonus from 4% to 20% as per the Payment of Bonus Act. There is little scope of incentive bonus scheme. Generally small unit manufactures articles as per orders procured by them. Hardly any unit keeps stock of manufactured goods.

According to the employers the main problem faced by them is of finance. Small units do not have huge funds. They should get "Soft Loan" from different institutions and Government. Employers told that many of the times they faced much difficulties in getting loans. The loans from credit institutions and from Government require much securities and even if the securities can be arranged, the formalities are many and it takes lot of time. By the time they receive loans it is too late and the purpose for which the loan has been taken could not be served. They also feel that the taxation on them are also too much to bear.

In the small scale industries the factors discontentment are much less prominent than in the large factories. The small factory proprietor/manager treats his employees fairly; the relations are therefore congenial. He knows each of them by name and he gets along with them quite nicely. Each worker can go and relate his difficulty to the proprietor who is

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always prepare to help the worker. The help is genuine, spontaneous and timely in case there is a real need for it. The kinship that is developed by this relations reduces the disparity created by social conditions and other economic and social handicaps. Instances of picking up and leaving the workers by the proprietors of small industrial units in their cars and similar gesture are too many to be mentioned.

The social barrier between employer and employee is not very wide. The factors making for this situation can be many. Both the employer and employee generally belong to a homogeneous group, with the same language, caste and often social background as well. Neither the economic nor the functional distances between them is very far. Frequently the employer belongs to the primary working group because he too would work on the machine. The distinction between the two also tends to be blurred in as much as there appears to be continuous morality from the employee to the employer class.

Hardly any industrial dispute arises in the small industrial units. Even if such disputes arise generally these kind of disputes are settled by Bi-partite or Tri-partite negotiations.

A small industrialist meet his workers with courtesy, remembers their names and talks to them directly. The workers have the opportunity to discuss their problems with the employer and most often the employer consults the workers on various technical aspects.

If any unit of small scale industry comes within the perview and therefore covered by the labour legislations, the labourer enjoys all the benefits of those labour legislations. Generally most of the small units of chemical industry are covered by the following labour legislations and the labour enjoys the benefits of the same.

- 1) Employee's Provident Fund Act.
- 2) Employee's State Insurance Act.
- 2) Factories Act.
- 4) Payment of Wages Act.
- 5) Industrial Disputes Act.
- 6) Payment of Bonus Act.



Incidentally, here it can be mentioned that according to the employers of small units, they are more taxed in comparison with that of big units. Because most of the labour legislation covered those factories where ten or more workers are employed. A small unit employing ten persons and big unit employing 300 persons are of equal status in the eyes of the Act. According to the employers of small industrial units they do not have the same capacity to provide all benefits to their workers in comparison with that of the capacity of the big units.

There is no Minimum Wages Act of the West Bengal Government for the chemical industrial workers. The 7th Industrial Tribunal gave award for the industrial workers at Rs. 113/- per month including all kinds of allowances, but the same is pending in Supreme Court.

What can these small firms do if they get what they want? This can be summed up in one sentence. They would perhaps expand their outlandish growth. The principle of specialisation has yet to be practised by them. In the present days, there being a great demand for chemical goods anything produced has a ready market, and under this condition these firms are likely to prosper as long as the boom lasts. While some of them are quite alive to this situation and are planning for the future, the great majority are intent on merely making hay while the sun-shines. And insignificant number may perhaps emerge into medium scale industries from small-scale ones, and concentrate later on the manufacture of a few selected items suited to their installed capacities, but the majority of them allured by the ready money, would soon grow into unplanned units and start making, if the raw materials and the machines are made available to them, anything that comes their way and anything for which they can have a cash sale. There is no denying that, their expansion will in any way be a national asset. But in order to utilise this for planned growth of industries, it is necessary to proceed with some caution and make an attempt to regulate these industries in a term of a pattern where these units would both feed and be fed by the overall industrial growth of the country. It is likely that the production of such items as are easy to manufacture would be attempted by most of them. It is highly necessary to modernise these small-scale chemical units. While some of them have realised this and

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have tried to re-orient their industry with a long term policy the vast majority are still steeped with old ideas.

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Name and address of the Units selected for Rapid Study of Small Enterprise Chemical Industry.

1. M/s. Ceekay Lube & Chemical Co.  
L-41, Howrah Industrial Estate,  
P.O. Baltikuri,  
Dist: Howrah.
2. M/s. Asia Industrial & Manufacturing Co.  
16 & 29, Tinkari Bose Lane,  
P.O. Salkia,  
Howrah.
3. M/s. Howrah Chemical Works,  
7, K.D. Salen Road,  
P.O. Ghusuri,  
Howrah.
4. M/s. United Aniline & Chemical Co.,  
56, Rosemany Lane,  
Howrah.

AM/

Government of India  
National Commission on Labour  
D-27, South Extension Part II

A RAPID STUDY OF SMALL ENTERPRISES  
WITH SPECIAL PREFERENCE TO LABOUR ASPECT.

EXPLANATORY NOTE

1. The background notes on 'small scale industries' that are enclosed to this note give some idea of the importance of the small enterprise sector to our economy. the special problems of these industries, etc. In 1960, it was estimated<sup>1</sup>, the small (factory) industries<sup>a</sup> comprised 92% of the total registered factories in the country, provided employment for over 1.3 million and accounted for 17% of the total fixed capital, 33% of the gross output and 25% of the value added by manufacture. According to the Census of 1961, household enterprises<sup>b</sup> employed about 12 million i.e. 6.39% of the total working force. Small enterprises<sup>c</sup> contributed<sup>2</sup> Rs. 1250 crores, or 8.0% as against the large factories' share of Rs. 1850 crores or 10.7% to the National Income in 1963-64.

2. In India, there being enormous and abundant source of labour whose opportunity cost and marginal productivity almost zero, the village and cottage industries can utilize the surplus

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1 Report of the International Perspective Planning Team on Small Industries (1963). In 1963, they contributed 33% and 30% of registered factory output and employment respectively (Annual Survey of Industries, 1963).

a Units having fixed capital less than Rs. 5 lakhs and registered under the Factories Act.

b Units employing less than 10 with power and less than 20 without power.

c Other than factory establishments under the Factories Act. A fraction of factories' contribution is, however, shared by small factories employing between 10 and 49 with power and 20 and 99 without power.

2 Reserve Bank Report on Currency and Finance, 1955-66. ....2/-

labour as substitute for fresh capital at a small cost, though it is admitted that there are technical limitations to such substitutability. As a minimum level of living is to be ensured for India within a short period, these village and small industries can be useful via media through which this may be achieved through expansion of employment and output at a small capital cost. In India unlike in Western countries, at present the issue is one of substitution of labour for capital and not vice versa; so the optimum output will be obtained by such factor combination as ensures the substitutability of labour for capital in accordance with their relative costs (marginal labour cost being almost zero in India) and marginal productivities, operating, of course, within the technical limitations as stated above. At the same time it should also be emphasised that despite the fact that labour has little opportunity cost in India, it does not pay to employ labour intensively without the use of a minimum amount of capital. "In view of the fact that there is an overall shortage of capital, the use of only such capital which is complementary to labour rather than a substitute for it will perhaps maximise the aggregate efficiency of production." According to Prof. Myrdal,<sup>3</sup> the capital-heavy industry has no spread effect or expansionary momentum in an under-developed country. The aggregate investments in labour-intensive enterprises may provide for cumulative process of economic growth. The free play of the market in a poor country also prevents

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<sup>3</sup> Gunnar Myrdal - Economic Theory and underdeveloped regions, P 87

this process as it does not provide effective demand for the labour of the unemployed and the under-employed. The under-developed countries should, therefore, work out their own specific techniques to fit their own values and conditions. The latter may not, however, fit into a neat econometric model, - the relevant variables and relations are too many for such a model.<sup>4</sup>

3. The U.N. report: "Some aspects of development of under-developed countries" observes: "The purpose of economic development is to raise level of living; and the main purpose of insisting that employment opportunities should be given weight in the choice of alternative paths of economic development is that this is the surest, if not the only way of making certain that the improvements in levels of living that come about, as economic development proceeds, will be widely shared." It is exactly in this aspect the small enterprises have a strategic role to play in the process of economic development in our country. This fact has been recognised by the planners who have progressively increased the share of small scale and cottage industries in each successive plan. While Rs 43 crores were allocated on development of small scale and cottage industries in the First Plan, the sum allocated in the Second Plan was Rs 176 crores and for Third Plan it was Rs 264 crores. These industries: (i) economise the use of scarce capital, (ii) absorb profitably large mass of unemployed and underemployed workers, (iii) economise the use of scarce managerial and supervisory skill and (iv) take persons with poor basic education and train them over a number of years thus serving as training establishments and infact many of the self employed skilled entrepreneurs are those

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4. L.K. Mitra - Employment and output in Small Enterprises of India, P. 34.

who once joined these industries as unskilled workers.

4. According to C.S.O. estimates the share of contribution to the National Income by the small enterprise sector was higher than that of the Factories upto 1958-59. It was only since the last years of the Second Plan that they lost their tempo, mainly due to greater emphasis in investment on heavy and basic industries. The aggregate average and marginal rates of growth of output, however, in the case of small-enterprises are lower than those of large industries. But this should not be taken as evidence of weakness of the former, in as much as the rate of growth, though slow, is fairly steady and the rate of investment comparatively low. The increase in contribution of national income by large industries is less than proportionate to increase in their investment. In fact some critics feel that the contribution of small enterprises to National Income is underestimated in the C.S.O. estimates. Although individually the output-capital ratio of small enterprises is not perhaps comparable to that of the big industries, the former generate total income next to agriculture and trade and total employment only second to agriculture.

5. Though the importance of the small enterprises sector to our economy is realised, it is indeed regrettable that there is acute deficiency of data in so far as labour aspects of these small enterprises are concerned. It is intended to fill this important gap through the proposed rapid study of small enterprises, which study will be carried out by the Education Officers of the Central Board of Workers Education.

6. The Education Officers who will be utilised for the study are first expected to contact the District Officer or

Officers Incharge of Small-enterprises of the District in which the headquarters of the Education Officer is situated. It is quite possible that in some cases the Head-quarter of the Education Officer may be located in a District which may not be famous for any small scale enterprises. In such cases the district famous for small scale enterprises should be chosen for the study despite the fact that such a district may not be the Head-quarter of the Education Officer. After discussions with the District officials two industries should be chosen, one in which the labour is fairly well off and another in which the condition of the labour is bad. Having selected the two industries, the Education Officer may select two units according to his convenience in each one of the two selected Industries.

7. A report on each of the two industries selected will have to be prepared by the Education Officer specially dealing with the labour aspect in the industry. A brief synopsis for the preparation of this report is enclosed alongwith this explanatory note. This report will be based on his discussions with (i) District Officers incharge of small enterprises, (ii) the management of the units (and (iii) selected these chosen workers should be worker's representatives to worker from each the extent possible). The discussions with the District Officers of the units selected would be at the industry-level whereas those with the management and workers would be at the unit level. The material collected at the industry level and at the unit level should be suitably combined at the stage of drafting of the report. The synopsis enclosed provides various aspects which are to be discussed with the District Officer, management as well as workers of the selected units. Further a separate questionnaire in three parts

is also attached to this note which focusses attention on some of the more important aspects of labour in small scale enterprises. The Part-A of the questionnaire will be discussed with the District Officers and this will pertain to the two industries selected; Part-B, should be used for discussions with the managements of each of the four units selected; Part-C, will be used for discussions with a representative of labour or an office bearer of the workers' union in each one the four units selected. In any case, the person to be canvassed should be an employee of the unit concerned. The information the Education Officer would get in reply to these questions should be suitably incorporated under appropriate heads in the report on the industry to be prepared by the Education Officer. It is essential that the 'Industry Reports' to be furnished by the Education Officer should be complete and cover all the points on which information has been collected during the discussions and canvassing of the questionnaires from the various informants. Any information that may be available about the industry under study in any of the published documents should also be included in the industry reports. In such cases references to the publication should also be indicated. If possible a copy of the reports should be procured and sent to the Commission.

8. Definition of small enterprise:- In the case of a small unit of an industry, the index of the scale of operation is either investment or employment. According to Small-Scale Industries Board, small scale units of industries are those which have fixed capital of Rs. 5 lakhs or less and employ upto 49 persons if using power and upto 99 if not using power.



The draft outline of the Fourth Plan observes "that the village and small industries sector covers a wide range of industries. It extends from mechanised small industries with a capital investment of Rs. 5 lakhs to the powerlooms, handlooms, handicrafts, coir, sericulture, khadi and village industries." In view of this wide variation in the concept of small enterprises it is suggested that for the purpose of this study small enterprises would include not only small industries that come under the purview of both investment and employment criteria of Small Scale Industries Board but also (i) Khadi and village industries under the Khadi Commission, (ii) the handlooms under the All-India Handloom Board, (iii) the handicrafts under the All-India Handicraft Board (iv) the Silk Manufacture under the Khadi, Handloom and the Silk Boards and (v) the coir manufacture under the Coir Board.

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National Commission on Labour

Model Synopsis for drafting of Industry  
Reports of Small Enterprises.

1. Introduction - Growth of the industry, problems faced, important changes that have taken place during the last decade, future prospects, etc.
2. Recruitment - The methods of recruitment of labour, any difficulties in getting skilled and technical personnel, how these difficulties are overcome, any apprentices and the basis of appointing apprentices, any technical training in spare-time within the unit or outside the unit, rate of absenteeism, reasons if the rate is high.
3. Employment - Local or outside labour employed, if outside labour, whether there are any housing facilities, extent of contract labour, steps to be taken towards progressive reduction of contract labour, methods of bringing contract labour within the scope of State action, potentialities for increasing employment opportunities and action needed to exploit these potentialities fully.
4. Conditions of work - The state of conditions of work and the steps needed to improve the same, provision of canteens, fairprice shops, rest place, lunch shed, drinking water facilities, bath room facilities, first-aid facilities, compensations in case of accidents etc., hours of work per day, period of recess, weekly holidays with pay during the year, the number of days casual leave eligible in a year etc.
5. Organisation of workers - Whether the workers are organised,

the strength of such organised unions, the help the unions render in the personal difficulties like unemployment, sickness, injury, death etc. in respect of workers and their dependants.

6. Wages - The wage-scales for different categories of workers, any system of D.A., provident fund, bonus, incentive bonus, over-time payment etc. with details. The wage period (day/week/fortnight/month/irregular) and whether wages paid immediately after the wage period or not, prevailing wage rates (i) five year earlier and (ii) ten years earlier. Changes observed in the wage differentials.

7. Industrial Relations - The state of industrial relations in the industry, the machinery to attend to industrial relations problems, the procedure for redressing grievances of workers and settlement of industrial disputes, any malpractices adopted by the management to exploit the workers with details, any cases when the demands of workers are agreed to but not implemented, victimisation of workers for participation in strikes, demonstrations etc.

8. Labour Legislation - How far the benefits of labour legislations have reached the workers in the industry, to what extent various labour laws are being implemented, how can the legislative protection currently enjoyed by the organised labour be made applicable to these workers.

9. Minimum Wages Act - The employments in the industry for which minimum wages have been fixed, steps taken for effective implementation of the Minimum Wages Act, suggestions for overcoming these difficulties, the need for a separate agency for effective implementation of the Act.

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National Commission on Labour

A Questionnaire emphasising some of the more important problems in small-scale industries.

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Part 'A' - Some general questions for the industry as a whole to be asked from District Officer-Incharge of small-scale enterprises. This would cover each of the two industries selected.

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1. Name and designation of the District Officer.
2. A historic account of the industry emphasising the growth, the problems faced in the process, important changes that have occurred in the industry during the last decade or so, the future prospects for the industry, etc.
3. What are the various Labour Enactments that are applicable to workers in the industry? What is the extent of their implementation?
4. How can the legislative protection currently enjoyed by the organised labour and not yet applicable to the workers in the industry be made available to these workers?
5. What would be the most suitable arrangements for the redress of grievances of workers and for settlement of industrial disputes in the industry?
6. What steps should be taken towards progressive reduction of contract labour/casual labour in the industry as well as towards attainment of security of job for the workers in the industry?
7. What steps should be taken to bring contract labour effectively within the scope of state action?

8. What are the employments in the industry for which minimum wages have been fixed? What steps are taken to see that the workers are paid the statutorily fixed minimum wage?
9. What are the difficulties in the implementation of the Minimum Wages Act 1948 in respect of workers in the industry? How could these difficulties be overcome?
10. Is there any need for a separate agency for the effective implementation of the Minimum Wages Act 1948 in the industry?
11. Is there any organisation of workers into trade unions? Are these unions recognised by the industry and by the Government?
12. What are the potentialities for improving the employment opportunities in the industry? What action is needed to exploit these potentialities fully?
13. What changes have taken place in the industry during the last 10 years in regard to:-
  - (a) Growth of industry - capital investment, labour employed, techniques of production, mechanisation, fuel used, etc;
  - (b) Categories of workers employed and their wage rates;
  - (c) Wage differentials between the different categories of skilled workers and the unskilled workers;
  - (d) Welfare measures for labour;
  - (e) Applicability of labour legislation and their proper implementation;
  - (f) Other aspects which the District Officer may think of.

Part 'B'- to be asked from the management of the selected unit.

1. Name of the industry.
2. Complete address of the unit.
3. The number of workers employed? How many of them are permanent/temporary/casual/skilled/unskilled?
4. Do you employ contract/seasonal labour? Details:
5. The wages of workers of different categories?
6. Is there any system of D.A., Provident Fund, Bonus, Incentive Bonus, over-time payment, etc.? Give details.
7. Is there any provision of Canteen/Fair Price Shop/Coop. Store or any other such facility in your unit?
8. Do the workers have rest place/lunch shed, cool drinking water in summer, urinals, bath rooms facilities in your factory?
9. Whether first-aid/medical facilities -is/are available to workers immediately after an accident?
10. Whether compensation for accidents provided to workers? Details.
11. What is the rate of absenteeism? What are the reasons for absenteeism?
12. Do you find difficulty in recruiting regular workers (skilled and unskilled), management personnel, technicians, craftsmen, etc.? How these difficulties are being solved?
13. How many apprentices are working in your establishment and on what basis?
14. How many of your workers undergo technical training in spare time?

15. Is there any facility for technical training of workmen within the factory/outside?
16. Whether local or outside labour is employed? If outside labour is employed, what are the housing facilities?
17. Is there any job security for workers?
18. Is the unit covered by the Factories Act? If so, whether all the provisions of the Act are being implemented? What are the difficulties in this regard, if any?
19. What are the potentialities for increasing employment in the unit? What steps should be taken in this regard?
20. Had you any labour problem last year? If yes, describe the nature of the problem.
21. Are your workers members of any trade union/organisation?
22. What is the procedure for redressing grievances of workers/settlement of disputes in your unit?
23. What changes have taken place during the last 10 years in so far as this unit is concerned regarding:
  - (a) Growth - as judged by capital investment, technique or production, mechanisation, fuel used, labour employed, etc;
  - (b) Categories of labour employed and their wages;
  - (c) Wage differentials;
  - (d) Labour legislation - applicability and its proper implementation;
  - (e) Attitude to workers;
  - (f) Others (which the management may think of).

Part 'C' - to be asked from a representative of the workers (May be an office bearer of any trade union but he must be an employee of the unit).

1. Name.

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2. Designation.
3. Age.
4. Educational/Technical qualification.
5. Whether skilled/unskilled.
6. Are you permanent/temporary/casual?
7. What are the hours of work? Do the workers get any daily recess?
8. Is there any weekly holiday?
9. How many casual leave/earned leave workers get in a year?
10. How many paid holidays workers get in a year?
11. What is the wage period: Day/week/fortnight/month/irregular?
12. Are the wages paid immediately after the wage period or within a week/within a fortnight/no definite period?
13. Is there any system of payment for over-time work?
14. What other amenities are provided to workers by the unit?
15. Are the workers satisfied with the working conditions in your unit? If not, what are the difficulties?
16. Have you any trade union/labour corp./organisation?  
If so, what is the number of its members?
17. Are there any mal-practices adopted by the management to exploit the workers? If so, details.
18. Are there cases when the demands of workers agreed to by the management but never implemented?
19. In what ways do trade unions help members/dependents of members in their personal difficulties like unemployment, sickness, injuries deaths etc.?



20. Whether the workers have been victimised for their participation in strikes/demonstrations, etc.?
21. Are the various labour laws strictly implemented (if applicable) by the unit? Give details.
22. What changes have taken place during the last 10/15 years in so far as the unit where he works is concerned regarding:
  - (a) Wages paid to different categories of labour;
  - (b) Welfare measures for labour;
  - (c) Applicability of labour legislation and their proper implementation;
  - (d) Attitude towards management;
  - (e) Others (which the worker may think of).

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Annexure to Explanatory Note

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The information on the following items regarding the small-scale industry selected for the study should also be included in the industry reports.

(1) Brief history of the industry - conditions in the past and present situation - competition from the organised industry - changes in the demand for the products of the industry - any improvements in the process of production - use to which the finished product is put.

(2) Community or caste who are generally engaged in the industry.

(3) In what stage of manufacture does the article leave the unit/industry? If some process of manufacture have to be done in other places, cannot they be done here?

(4) The nature and sources of raw material.

(5) What is the difference between the cost and selling price? Does it include commission of middlemen?

(6) Who carries the stock of produce? What are the finances available - Government loans, money-lenders and merchants.

(7) Where is the market for the produce of the industry? If the cost of finished article can be analysed give the proportion of cost for raw material, labour, middlemen, transport, etc.

(8) Are any taxes levied on articles? If so, what percentage does this bear, of the cost price.

(9) If the demand is increased by better marketing facilities, and if the process of production can be improved, can the price be kept up and can production be proportionately increased.

(10) Are there any subsidiary industries for utilising the waste material in the process or obtaining as bye products.

(11) Suggestions for increasing facilities in regard to finance, elimination of middlemen and affording marketing facilities.

(12) The handicaps under which cottage and small-scale industries suffer are in respect of -

- (i) Raw material,
- (ii) Technique of manufacture,
- (iii) Finances,
- (iv) Marketing,
- (v) Taxation and
- (vi) Other difficulties.

Briefly discuss each one of these handicaps in regard to each one of the industries selected for study.