CHAPTER II
REVIEW OF STUDIES IN LABOUR ECONOMICS AND EMPIRICAL STUDIES

2.1 INTRODUCTION

Labour Economics is a branch of entire economics. According to Adam Smith and Ricardo, Labour economics is an important aspect of classical political economy. Which was summarized in Adam Smith's major work entitled as “An Inquiry into The Nature and Causes of wealth of Nations”

This chapter contains the review of empirical studies on labour economics conducted in India including Maharashtra state. In addition, the various aspects of conceptual framework of labour economics are studied such as importance, characteristics, problems of labourers, labour laws and legislation measures, trade unions, social security Government’s and development of women worked in India.

2.2 DEFINITION & CONCEPT OF LABOUR

In economics as in ordinary discourse the word labour is used as a name for the general body of wage-earners. It is in this sense for example, that one speaks of “organized labour”. In a more special and technical sense, however, labour means in economics, any valuable service rendered by a human age in the production of wealth, other than the accumulating and providing of capital or the assuming of the risks which are inseparable from the responsible planning and direction of business undertakings. It includes the services of manual labourers but it covers many other kinds of
service as well. It is not synonymous with toil or exertion, and it has only a remote relation to “Work done” in the physical or physiological senses\(^1\).

Labour is the backbone of Industry. It is an essential independent ingredient of production process, besides raw materials power and capital. The term ‘labour’ is used in various senses. Broadly speaking any work. Whether manual or mental, which is undertaken for monetary consideration is called ‘labour’ in economics.

Different economists have given various definitions of Labour. According to Alfred Marshal, Labour may be defined as “Any exertion of mind or body undergone partly or wholly, with a view to some good other than the pleasure derived directly from the work”

Labour in this sense includes “the very highest professional skill of all kinds as well as the labour of unskilled workers artisans and of those employed in education, in fine arts, in Literature, in Science, in the administration of justice and the Government in all its’s branches”\(^2\)

Labour is not only a means of production but also an end of production. The working class in other works, is not only a significant segment of the population of a country and beneficiary of fruits of development but is also the most important instrument for the achievement of national objectives. This dual role of labour “affects not only the relationship between union and management but also the size and regularity of labours income.”\(^3\)
2.3 REVIEW OF STUDIES ON LABOUR ECONOMICS

2.3.1 REVIEW OF BOOKS

Kishor C. Samal\textsuperscript{4} in his Book Informal Sector: concept, Dynamics, Linkages and Migration” has explained the concept of format informal dichotomy. It provides conceptual clarity by redefining the concept of informal manufacturing sector.

The author has argued the Rural Non form sector can absorb the growing labour force in rural areas, reduce rural urban migration provide seasonal employment, use more appropriate technology, augment income and earning of the rural households and reduce poverty.

It has been observed in the study that the linkage between the Farm sector and informal sector through sub contracting in the engineering as well as automobile industries for their components and spare parts are very strong. One of the important finding in the study of linkages is that under integrated condition, in most of the cases informal sector was exploited by the farm sector through later subordination under a mechanism where by farm sector appropriates the surplus generated in Informal sector.

Another finding of the study having considerable importance is that the poorest of the poor migrate to the towns and cities are not necessarily true. It is not only the worse off but also the better off households in the village who migrate to urban centres in search of jobs.

The growth and dynamics of IS basing on the study on the IMS at two points of time referred earlier. There is no point in disagreeing with the author that the IMS is labour intensive, the scale of operation is small, the technique of operation is archaic and capital requirement is less. The author
has very rightly identified the constrains of IS like exploitation of IS by the FS by various, mechanisms and difficulties in gaining access to product market, technology, raw materials, credit and benefits of government policies. The author emphatically predicts the future of IS as bright when he notes thus due to structural adjustment and consequent liberalization, privatization and integration of world, the importance of IS employment is growing as a safety net and with this trend, the significance of the concept of IS instead of marginalized is rebounding with vigour in the era of liberalization.

Amitabh Kundu and Alkh N. Sharma in his book “Informal sector in India : Perspectives and policies”, has explained The coverage of a wide range of topics concurring the IS in as many as 22 papers, is the chief merit of this book. Beginning with the papers dealing with conceptual and methodological issues, trends and pattern at the macro level, there are those devoted to a study of the structure and dynamics at the macro-level. Women, support system, social protection and organization pertaining to this sector. No doubt a study of the informal sector is pertinent as it employs 90% of the total workforce in India and contributes over 50% of the countries GDP. However it is surprising that this sector continues to be called informal since the very term ‘informal’ shows that it falls outside the purview of the mainstream economic categories. No wonder the problems related to the qualification of the number of people engaged in this sector, is a recurrent theme of many papers in this volume. The papers comprising the section on structure and dynamics at the macro level, analyse the aspects of productivity, employment, inter sector linkages and identify the factors responsible for growth and stagnation of different
industries within the IS. One conclusion that emerges from the analyses is that the percentage of IS workers varies inversely with urbanization as well as industrialization. A positive relationship is found to exit between IS and poverty, although this is not statistically significant. This underscores the need for a shift in the policy focus from the states with a high level of industrialization to which are backward. Another paper shows that if the IS is not treated as a residual and its magnitude is measured directly by aggregating own account enterprises and the non-directory manufacturing enterprises it is both that for the two time periods 1978-84 & 1984-89 the growth of the IS has been uneven both sectorally and temporally on the whole a depending trend in this sector is witnessed in the urban areas, as its activities are being pushed out to the villages and the periphery.

A study which compares the wages in organized and the unorganized sectors shows that while real wages in the former have been maintained over time owing to revisions in the D. A. etc. those of the latter have been declining sharply and are close to the poverty line, particularly for women. The home based workers on sub-contracting arrangements are paid piece-rate wages, ensuring a high level of productivity of the workers while also resulting in low daily wages. States having a high incidence of large factories are also found to have a high preparation of the unorganized sector.

S. Sankaran and V. R. Rao in his book ‘The Urban Informal sector in India: a study of Govindpur’ has explained micro level economic study of the informal sector. Given the nature and diversity of the informal sector, detailed micro level studies have been an effective way of attempting to understand it and numerous studies of this genre have been
done. Thus most of the findings of the study do not tell us anything new but reconfirm what is already known.

The survey was designed to capture the heterogeneity in occupations and earnings within the informal sector by including three types of activities permanent establishment / workshops, footloose vending activities and less visible home based work. The simple clear-cut descriptive analysis of the three segments within the informal sector have brought out its varied nature and the existence of a wide range in incomes. Also clearly indicated in the fact that women workers are virtually absent in the first two types of activities but highly concentrated in the least paying and most unstable of informal jobs, that is, home based work.

M. V. Joshi in their book “Labour Economics and Labour Problems” has highlighted many scholars researchers, Research / Academic / Labour institutions and experts have made studies on female workers engaged in unorganized sectors. Few of them can be narrated very briefly as under.

1. Lakdawala and other concluded that in Bombay employment opportunity where limited for women. These occupations did not require much education, skill and training. Professional occupations were second in importance for women. Although, in these professional occupations women are concentrated in lower grade.

2. According to Sharma out of total urban working Women, 75 percentage were concentrated in only 19 occupations Apart from clerks, teachers and nurses whose percentage was only 20% of total urban female workers the remaining were in occupations which required little or no education, 25% female urban workers were unskilled labourers or domestic servants.
3. Thippiah had studied the informal sector units of Bangalore Metroplition area and concluded that women labourers are suffering from poverty unemployment in secure employment exploitation, harassment etc.

4. Lal Das studied the female workers in unorganized construction sector of Andhra Pradesh. He concluded that development has improved the standard of living but increased economic and social disparities.

5. Kaptan S. S. holds a case study of Amravati city regarding the income wages and working conditions of female labourers in unorgansied sector and concluded that the social conditions in which they live continue to be traditional exploitative and anti women in nature.

Dr. Gursharan Varandani, in his book “Child Labour and Women Workers” concluded that the women workers are also subjected to harassment and humiliation and they are also exploited by the employers in the same manner as that of the child labour rather in some unorgansied sectors of employment their exploitation is even more in terms of its gravity and nature. In this context it cold be quite appropriately observed by Leela Dube that both these categories of labour often work without wages and their contribution is not generally, formally recognized due to which both pose problem for the definition of gainful work and the workers. It is being increasingly realized that improvement in the welfare of small children and women should be attempted simultaneously and for that purpose research on child work roles and an assessment of their contribution in term of time and actual inputs may efficiently be organized by combining studies of children and women.
It was also observed by the core Group that on the basis of relevant studies conducted so far it has been established that modernization and mechanization has certainly tended to marginalize women workers in many sectors of employment and they have been either pushed down or rendered unemployed or in other words have been thrown out of the work force. At the same time it has been noticed that the gender disparities have certainly widened due to industrial growth as well as agricultural modernization.

S. D. Punekar\(^9\) in his book “Industrial Peace In India : The problem and Its solution” has concluded that, industrial peace, which means happy industrial relations, can be achieved only through the active and players and the employed. All the methods which assist in the achievement of this co-operation are, therefore, the methods of industrial peace. In a democratic society, there is no shortcut, no panacea, no fixed formula, to bring in industrial peace. The causes of industrial unrest are complex and manifold because they arise out of conditions, economic and social, psychological and political. The methods utilized to root out these causes and to bring in industrial harmony are also bound to be varied.

Modern industrial development has transferred the emphasis of industrial relations from individual employers and individual workers to trade associations i.e. to employers and workers unions and federations. Industrial relations in modern times have thus become an organized affair between Big Business and Big Labour, to tackle the problems of collective grievances cannot be ignored, because it it’s the aggregate to such grievances that creates discontent among workers and threat to industrial peace. The methods of industrial peace, therefore must deal with both individual and collective grievances.
The methods of industrial peace, internal machinery, which aims at prevention of industrial disputes is any time preferable to external machinery to be used for settlement of disputes.

Thus the main defect in industrial relations in this country is the lack of co-operation at the lowest level, i.e. between an individual employer and his employees. In the absence of this co-operation industrial peace cannot be achieved, in spite of full co-operation at higher levels and adoption of various methods such as conciliation and arbitration. Efforts should, therefore, be made to achieve industrial harmony in individual undertakings by encouraging direct negotiations between the employer and his employees and by assisting both the parties to frame collective agreements.

According to Dreze and Sen\textsuperscript{10} in his books “Public Action for social security”, a large proportion of the population lives in conditions of persistent deprivation. That is the basic insecurities faced by the people are severe and have been so over a long period of time.

The sources of insecurity faced by the workers in the informal economy are of two types. One source of insecurity is the random shocks that hit the households from time to time or contingencies. These random shocks can be in the form of loss of job, sadden illness, social expenditures etc. Traditional social security was geared to address this form of insecurity e.g. illness and untimely death. A second source of insecurity is the structural features of the household or individual which remain more or less constant over a period of time. These include age, marital status, gender, ownership of assets and caste. An important structural feature that affects workers is the activity states, that is whether the worker has a salaried job,
is a casual employee or a self–employed worker. This is particularly important for workers in the informal economy who do not constitute a homogeneous group.

Subrahmanya, R. K. A.\textsuperscript{11}, in his books Welfare funds : An Indian Model for worker in Unorganised sector has discussed that welfare funds represent one of the models developed in India for providing social security to workers in the informal sector. Under this funds are raised by levying excesses on production, sale or export of specified goods or by collecting contribution from various sources including employers, employees and the government. The funds are used for meeting the expenditure of the welfare of the workers. The government of India has set up welfare funds for workers in six classes of mines, bidi, cine, dock, building and construction. If many of these funds could be interacted, it would reduce costs.

One of the major problems in the administration of the central welfare funds is the identification of the beneficiaries. The welfare funds do not have a system of registration. Instead identity cards are required to be issued by the employers. This obviously leads to non implementation of this requirement and leads to large number of workers not receiving the benefits due to them. In Kerala, the system of registration exists, but the schemes being option, the number of workers who have registered varies. Another problem is that the welfare funds exist only for selected categories of workers and the very needy categories like agricultural labourers and forest workers are left out. Thus, while the collection of cess overcomes the problem of identification of the employers, the identification the workers remains a problem.
Basudeb Sahoo\textsuperscript{12} in his book Labour Movement in India Concluded that there has been no significant change in the occupational structure of the country since 1951. During the last 40 years, there has been place only about 4 percentage points increase in secondary and territory sector. As between states, Keral, Tamil Nadu, Maharashtra and West Bengal have experienced a marked shift of working force from primary sector to secondary and tertiary sectors with the spread of population the educational composition of workforce has undergone percentile change. Yet, illiterate workers still account for about 40 percent of the total workforce.

Women’s share in household manufacturing and also in non-household manufacturing increased. Women are moving to modern and growth prone industries. Women had made some gains in services particularly in education and helath. Public intervention has played on important role but no impact on mining and traditional large industries.

Most of the unions in India are weak in finance. An average union had an annual income Rs. 1926 in sixties. The unions often suffer from financial crisis. They are unable to maintain the workers during strike period. Outside leadership is a striking feature of Indian trade unionism. Internal leadership has not grown to any satisfactory extent. This is mostly due to lack of education of the workers and fear of victimization of the intending leaders. Multiplicity of unions causes weak bargaining power as it erodes workers solidarity. There is no labour legislation providing recognition of representative trade union.

Ramanujam, M. S.; Prasad S., Bhandari, U. S. and Yadav S. K \textsuperscript{13} in his book “Employment in the Informal sector” In this book study covered the establishment based activities, footloose activities, and home based
activities. The investigation was carried in six urban town in five state i.e. Borsad – Gujarat, Deoria – Uttar Pradesh, Karnal, Haryana, Katni – Madhya Pradesh and Tukar – Karanatka.

The authors concluded that the informal sector originates due to greater levels of unemployment in the main sector of economy, lack of education and capital and acute migration, foot loose activities are considered to be refuge activities. Only 22 percent of informal sector employment is transitory in nature, the remaining 75 percent remain in their original segments in which they are employed. Over 70 percent of the informal sector units have been observed to be operating from legal structures. Informal sector units exist on their own depending on their meager resources and personal contracts for their survival. People seek employment in informal sector because it absorbs and retains in persons without education and experience and generate reasonable income at a very low level of risk. Informal sector participates are mostly male workers. [96 percent] in younger age group [below 40 years]. The study demonstrated that in many regions of the informal sector, women are disproportional represented.

Dipa Mukherjee in his book “Informal sector in Indian Economy: The way Ahead”. This book is the outcome of prolonged and arduous work by the author. It is another important contribution on a highly significant and contemporary subject namely the ‘informal sector’ Although there is no common and precise definition of the term ‘informal sector’. The author has used some of the major characteristics of the sector as the basis for its classification. These characteristics include high labour intensity, lack of
availability of capital, less than minimum wages, low profit level, low purchasing and bargaining power, and the fact that the sector is not officially registered fostered, regulated by the state.

The author concludes the study by saying that the IMS [Informal Manufacturing Sector] is here to stay and is showing signs of dynamism, improvement in efficiency and productivity. The importance of the IMS lies in the employment it provides, and its low contribution to output could be due to it’s many inherent problems, including the exploitation it suffers while buying inputs and selling outputs. Policies should thus be designed to integrate the IMS with the mainstream economy, thereby making it a perfect complement to the formal sector.

Oberi A. S. and Chadha G. K.\textsuperscript{15} in his book “Job creation in Urban Informal sector in India : Issues and policy options” has analyzed that the observation along with the fact that a large part of growth in the informal manufacturing sector, has been located in urban areas i.e. in proximity of the existing organized manufacturing sector suggests increasing linkages between the two sectors. However, the process of linkages in not strong enough to enhance productivity in the entire informal manufacturing sector especially when the push effect emanating from the stagnant agriculture sector continues to operate.

The book cover a wide canvas in terms of activity – typology, regional spread, macro-micro issues, and conceptual as well as empirical analysis. A number of recommendations have emerged from the micro studies. Abid husain committee on small scale industries, provision of social protection, skill formation and organizing informal sector
entrepreneurs as well as workers. Similarly, the regional studies highlighted the fact that there is no specific strategy for informal sector at the states level. However most of the states aim at addressing the issues pertaining to informal sector through a number of poverty alleviation and employment generation programmes. But, most of these policies are supply driven involving a top down approach, which is not suitable for improving efficiency of informal sector.

Jhabvala Renana and Subrahmanya R.K. A.\textsuperscript{16} in his book “The Unorganised sector: Work security and social protection”. They spells out the basic premises of the book. By coining a new term, ‘Peoples sector’ to refer to the unorganized sector, they says that though the public and private sectors, together contribute only 8 percent of the employment and 35 percent of the income, are projected as the engines of growth for the economy. In formulating social security systems which support the economy, one needs to focus on the peoples sector which accounts for 92 percent of the workforce. And these workers need work security not welfare. Income security is integral to work security and work security also implies access to basic needs. Thus, income security and social protection, including that of food, water, health care, childcare, shelter and education need to be treated as basic entitlement of the workers. They also advocates a change in the attitude towards social security, which perceives the poor as workers and producers as contributors to the economy, not as burdens to be subsidized.

Rudder Datt\textsuperscript{17}, in his book “Growth poverty and equity” has explained that the book is an apt commentary on India’s economic growth
and its resultant impact on the twin objectives of reduction of both poverty and inequalities.

Prof. Datt has dwelt upon the post reforms rural – urban divided and has very vividly sketched the pitiable conditions in which the rural population lives in India. For rural India, he has advocated the adoption of inclusive policies so that the appalling living conditions prevalent there can be improved.

The plight of unorganized workers who constitute 92 percent of the total workforce, has also been dealt with. The author shows that the poverty ratio among unorganized worker was as high as 20.4 percent in 2004-05 as compared to the corresponding figure of only 4.1 percent for organized workers. There is also a high degree of poverty among casual workers especially urban unorganized workers. The economic condition of agricultural labourers, bonded labour and small and marginal farmers, is even worse. The author feels that the recommendations of the national commission for Enterprises in the unorganized sector [NCEUS] are distant goals and will take quite some time to realize.

Sharma N. Alak in his book Nature and Implications of Migration in a Backward Economy has concluded that the migration is on extremely heterogeneous phenomenon, it should be dealt with accordingly even at the policy level. No uniform policy can take care of this heterogeneity. Moreover, push factors were found to be more significant determinants of migration more so in case of migration from rural areas. This is significant because, intra-rural income inequalities are more and therefore, it needs greater attention both at the levels of academic research
and policy formulation. Active state intervention is therefore espoused by the author for reducing imbalances in employment opportunities between rural and urban areas. This can be brought about by efforts towards industrialization in small urban and rural towns, developing the social infrastructure in rural areas and further strengthening of the ongoing rural development and poverty alleviation programmes.

The book is therefore recommended for all like minded people in the academic and those involved in policy formulation relating to the phenomenon of migration.

2.3.2 Review of Articles

C. Hemalata Prasad in his studies Unorganised sector: Women in Beedi making Industry – A case study has analysed the beedi industry is operating at both domestic and manufacturer’s level. The operational links at the manufacturer’s level is observed to be through the intermediaries who create peripheral jobs for home based women workers. On the other hand at the domestic level women entrepreneurs who are involved in the production process also indirectly depend on the intermediaries for marketing their finished products out due to sociocultural compulsions. Thus, the intermediaries like agents / contractors hasten the process of breeding unorganized set-ups and squeezing part of wages from the women workers. Therefore the alternative seems to be that the government should take some concrete steps to advance the degree of centralization through policy interventions so that ultimately the transition of the unorganized workers to the organized sector may be facilitated. There is also an imperative need to reviews the existing provisions of the Indian factory and
shops and commercial establishment act and minimum wages Act especially with a view to bringing the women home based workers under its purview.

The adverse conditions under which women home base bidi workers operate has affected their health. Lower productivity has resulted in lower wages of the family despite increase in real wages. Therefore, the responsibility of improving their living conditions has to be taken up by the government through various labour welfare schemes.

Ruddar Datt in his paper unorganized sector and information of The Indian Economy has explained agricultural labourers are the most vulnerable section of the agrarian population. In view of the low wages received by agricultural labour and only for about 200 days in a year his income remains very low to have basic needs for himself of his family. The minimum wage act 1948 is more often observed in breach, rather than in compliance. Consequently it has failed to provide the much needed relief. There is no social security mechanism to help. Agricultural labourers have hot succeeded in forming unions except in a few states. In the absence of social security for the informal sector and particularly for agricultural labourers, their condition remains grim.

L. Mishra in his paper “Organising The Unorganised Labour : Myth Reality And Possibility”. has analysied organisation of the unorganized is not an end by itself. It is a tool an agency, an instrumentality of change for something better, higher and nobler. More specifically it is a natural outlet through which the insatiable yearing of men / women for food, water, air and light, freedom, a clean, safe and congenial existence
has found expression through the ages. This is a stupendous task which requires years of intensive planning and preparation involving considerable suffering and sacrifice, patience and tolerance, moderation and restraint which can be partly injected through proper, education and orientation but has to be largely self-propelled and self-driven.

D. V. Giri and P. C Das in his paper Plight of Beedi workers and the blame game in Orissa has explained, The plight of the bidi workers in Orissa will continue to remain precarious as long as the representatives of the workers, the beedi manufacturers and the Government continue to indulge in the blame game. The non-availability of suitable alternative employment and the campaign for prohibition of smoking have virtually pushed the beedi workers into a vortex, from which they will find it very difficult to extract themselves in the near future.

Thus the ordeal of the beedi workers with their vulnerability to the contraction of respiratory diseases, back strain and neck ashes, will continue. A silver lining in the cloud is that on September 10, 2007, the Government introduced the unorganized sector worker’s social security bill 2007 in the Rajya Sabha. Once the bill is approved a National Advisory Board for the unorganized sector will be constituted in the country to design schemes for different sections, containing provisions for life and disability cover, health benefits, old age pension or any other benefits decided by the Government. Further, it would monitor the implementation of all notified welfare schemes, ensure that every eligible worker in the sector is registered and receives an identity card, and oversee the record keeping functions performed at the state and district levels. Under this legislation the state level Advisory Boards will be constituted and the urban
local bodies and village panchayats would implement the schemes with the help of NGO’s.

Hradanand Misra\textsuperscript{23} in his paper working conditions In Ship-Breaking, A case of Along Yard has analysed in the Alang ship-Bearing yard, workers employed in various occupations require different types of skills and many of these workers perform work in open space. The workers who are categorized as skilled include cutter, labour contractors, fitters crane operators, wiremen and carpenters as these occupations require special types of skill. Due to the poor working conditions, workers are imposed to a variety of physical, chemical, biological and mechanical hazards, thus causing them to suffer from a wide range of diseases. The study has also found that in Alang, there is no system of paid leave for workers. Workers get Sunday as the rest day but that is without Pay, which violates section 6 of the weekly Holiday Act 1942. Public holidays are not given and workers do not even get sick leave for treatment except during severe accidents.

In the Alang ship-breaking yard, workers face a high probability of occupation related accidents and health related problems. However, the workers are not covered by either life insurance or medical insurance. Workers report that they do not personally have any cover and many of them are not even aware of such policies. It is also observed that there exists no systematic insurance and compensation scheme, to cover both assets and workers.

Meena Gopal\textsuperscript{24} in his paper “Disempowered despite wage, work women workers in Beedi Industry” has explained, as the workplace enters
the homes where each woman is literally on her own managing the work of her household as well as here beedi work, it generates a situation where women are isolated in their struggle for survival. The resentment, the jealousy and the unsympathetic attitudes that these atomized conditions generate get reflected in the shop-level relations which work against the women themselves.

Women on account of their gender have an isolated position in the industry despite their larger numbers. This inability to be visible and assertive as workers is an extension of their states within the house hold and community. The community’s perception of women’s labour is no different from that of the shopowners. Women are already in a subordinate relationship with their men within the household and men’s opinion of women’s labour reflect the beedi industries. Men place the ounces of any trouble that takes place in the shops on women. Their support is to the shops, since the shop owners provide their women with work and a lever to survive or improve their living without asset the cultural matrix a matrix that hardly gives women any power or voice, or a sense of being valued nor does it let institutions like the union come up and assert itself. In such conditions industries like the beedi industry that are home based reap the advantages the accrue from divisireness among women workers the social perceptions of women’s work and their prevailing low status in the community.

J. Y. Suchitra and D. Rajasekhar in his paper One size Does-Not – Fit –All : Employment insecurity of Unorganised workers in Karnataka has analysed Domestic worker have employment throughout the year, but their
wages are exploitatively low. Among the sample workers none was aware of minimum wage laws for their categories of work. For these workers, it is pertinent to bring in policies relating to conditions of work, holidays, payment of wages, overtime etc. some mobilization of workers must be attempted in order to organize them and increase their bargaining power capacities.

Although it is undeniable that the rural workers are in general, more vulnerable, it should be cautioned that the urban unorganized workers cannot be neglected. As we have shown, urban construction workers face much more employment insecurity than that of their rural counterparts. The result indicates that there is a 10.3% probability of urban construction workers being more employment insecure than rural construction workers. Women agricultural workers are clearly more employment insecure when compared to their male counterparts our results indicate that the probability of male workers being more employment secure is around 5.8%. Besides women workers are paid wages much lower than that of the men workers. Employment insecurity is a pressing problem for the unorganized sector workers in India. The effort of the state to address it thus far has, by and large, been an ‘Umbrella’ approach, without really accounting for the sector specific nuances. In this paper they have given some preliminary indications of the extent of heterogeneity and how it may be treated. Policies on these line will be more fruitful in the long run in order to narrow the gap between organized and unorganized sectors.

Jeemol Unni 26 in his paper ‘Wages and Employment In the Unorganised sector Issues in wage policy’ has explained under the
Minimum wages Act in Gujrat, minimum wages are defined for only two piece rate manufacturing activities undertaken by homeworkers. The numerous activities in which homeworkers are forced to eke out a living are not included in the schedule of Employments under the Act though most of them will meet the inclusion criterion of at least 1000 workers. It is thus clear that a large proportion 61 homeworkers receive wages close to or below the poverty line and even the lowest norms of minimum wages do not apply to them.

A comparison of wages in the organized and unorganized sectors showed that while real wages in the organized sector are maintained overtime, those of the unorganized sector have been declining. This is attributed to the DA component attached to the organized sector wages. Relative wages, therefore continuously move in favour of the organized sector. In principle the statutory minimum wage is also indexed.

Madheswaran, D. Rajashekhar and K. G. Gayathiri Devi in his paper production relations, employment and wages: A study of Beedi Industry in Karnataka has analysed wage rates in beedi manufacturing have become a contentious issue in Karnataka with manufacturers threatening to pull out of the state on account of higher wages while trade unions arguing that wages paid to workers are generally lower than the minimum wages. The key findings are (1) the production relations, which are divided into five types based mainly on the unorganized nature of Beedi rolling, hav had a significant impact on number of days of beedi rolling, and wages obtained (2) the labour productivity also varied by production relations and number of days of employment. A strong relationship between wages of productivity was noticed.
The key instrument for entitling the beedi worker for accessing the welfare facilities from the beedi workers welfare fund is the identity card. The beedi workers welfare fund rules 1978 provides that the owner of an establishment factory or contractor engaged in the manufacturing of beedis shall issue to every employee an identity card [Rule 41]. The study reveals that a majority of the workers are not provided with identity cards by the manufacturers. The Karnataka beedi manufacturers claim that the high wage rate in the state as compared to other state has contributed to higher cost of production. Indeed a comparison of secondary data of minimum wage in may other states shows that it is higher.

D. Rajashekhar and S. Madneswaran28 in his paper “Statutory Benefits to Beedi Workers in Karnataka” has explained beedi rolling, undertaken largely by women in their homes, is important source of livelihood for a large number of workers in some parts of India including Karnataka. Indian Government has enacted a number of legislative measures to regulate the working conditions and to provide welfare schemes to the beedi workers and their families. With the help of large database on beedi workers from Karnataka, this paper analyses the extent to which beedi workers accessed the statutory benefits and factors influencing the access to statutory benefits.

The evidence presented in the paper shows that i) Possession of identity card enables workers not only to obtain minimum wages but also helps them to access social security benefits. However the proportion of sample beedi workers having legally valid identity cards was only 287% ii)
While workers with identity cards obtained wages close to the minimum wages, those rolling beedis for unregistered companies and contractors obtained wages 40-60% less than minimum wages and iii) The access to statutory welfare benefits was directly proportional to the possession of legally valid identity cards. The proportions of sample beedi workers obtaining health, education and housing benefit were 4, 10 and 0.7% respectively. Thus a large proportion of the sample beedi workers did not access the statutory benefits provided under various acts.

Gopal M²⁹ “In his paper Disempowered Despite wage work Women Workers in Beedi Industry” has explained by employing a system of production using contractors and home based workers, the beedi industry is able to gain tremendous profit with little inputs in infrastructure and comprehensive benefits to labour. The construction of home workers as house wives and homework as a practice that allows a woman to care for children and perform her household tasks while earning much needed income completely detracts from the fact that not only do women put in long hours to fulfil production targets set by employers but have no idea as to how they arrive at the wage levels they set women subordinate status as workers is built into the production process.

Sudarshan R. and Kaur R. ³⁰ in his paper. The tobacco industry and women’s employment. Old concerns and new imperatives has analyzed according to the NSS, three fourths of the total employment in the tobacco industry is in bidi manufacture. Amongst the women in the tobacco industry. 91% are employed in manufacture of bidis. According to NSS,
the total number of women in the bidi industry constitute three fourths of
the total bidi workforce. Such underestimation of the number of bid
workers results in their invisibility to policy makers and contributes to
their vulnerability to economic exploitation. Reliable estimates are difficult
to obtain because 40% of them are home based workers, who makes bidis.
Factory based work consists of roasting, sorting, grading and packaging to
bidis. Large number of home based workers are mostly underreported to
the authorities and only a small fraction of them have been issued identity
cards by the employers.

The bargaining position of bidi workers in general and of women
home based workers in particular is weak, due to the low level of
importance given to female workers, illiteracy of the workers, the contract
system and a lack of alternate sources of employment in certain areas,
especially for illiteracy and unskilled persons. Women bidi workers rarely
secure minimum wages, often receiving jobs over half of their minimal
entitlement, yet their contribution to their household income is one third to
one half of the total illness is common amona home-based bidi workers,
especially tuber culosis, asthma, backache, joinpain and arthritis. Various
strategies suggested for empowering women bidi workers included better
counting of home based workers providing them with access to education
and healthcare, organizing the workers to demand their rights, and creating
new livelihoods for them.

Koli P. P. in his paper “Socio – economic condition of female bidi
workers in Solapur district in social change” has explained 100 workers
were employed in the bidi industry, the majority of them female. It was
observed that the bidi workers had a very low standard of living and their socio economic condition was bad. As many as 75% of the workers were illiterate and 25% were educated up to eight standard. The majority of the workers were muslims and 50% of the women were found to run their families on their own income. There were exploited at work place and home. The workers were in the habit of chewing tobacco, pan and snuffing. Their wages were so low that the workers were unable to cater to their basic needs.

Renana Jhabvala and Shalini Sinha\textsuperscript{32} in his paper “social Security for women workers in the unorganized sector” has discussed over the years, the organized sector has been growing. Today the informal sector accounts for nearly 90% of the workforce, particularly are confined to unorganized sector employment, with 90% of all female workers being in his sector. Women are concentrated in the lower end of the spectrum in low paying and insecure jobs. Their work is insecure, irregular and often unrecognised.

They balance between children, home and work and more often than not, their income is not commensurate with their work. This paper examines the needs of the social security for this segment of workers and makes recommendations on how to reach social security to cover the women in the unorganized sector.

Srinivasalu K.\textsuperscript{33} in his paper “Impact of liberalization on beedi workers” has explained the beedi industry in various states like Andhra Pradesh, Bihar, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra,
Tamil Nadu, Uttar Pradesh and West Bengal’s employs around 6 million worker in beedi manufacture. About 90% of this work force is composed of women and children. There was a rise in the beedi industry in Telangana District of Andhra Pradesh after the decline of the handloom industry in this district since the 1960’s with the rise of the powerloom sector. Many of the male weavers migrated to western India and engaged themselves in the power loom sector and initially the men brought their families along. The women entered beedi manufacture. After increasing unionsation of beedi workers in western India. The beedi beams of Maharashtra and Gujarat shifted their bases to Telangana district. After this, the male weavers tended to leave their families back home while they came to work on a seasonal basis in western India.

Women beedi rollers position become extremely increase since they were not given any appointment letter, hence they were easily exploited and harassed in many ways.

Mohandas M.\textsuperscript{34} in his paper Bidi workers in Kerala : Conditions of life and work has considers various aspects like the load of work, wage and non-wage benefits, savings and indebtedness and occupational hazards of bidi workers. A vast majority of bidi workers are not getting most of the benefits conferred by Bidi and Cigar workers Acts of 1961 and 1966. the of trend of growing disorganization together with the industry propensity to shift to neighboring states have effectively reduced the bargaining power of bidi workers. Consequently, they continue to be a group of neglected workers whose conditions have not been honestly or effectively implemented. Thought the 1966 Act covers all the benefits to home based
labour also, it cannot be implanted due to institutional, conceptual and legal complications. Self employed labour and home based labour may be organized under workers co-operatives in bidi factories. Even at present apart from the giant Kerala Dinesh Bidi, only a few workers co-operatives of very small size are operating in the state. What is more important is an organizational set-up like a bidi workers welfare board to implement the provisions of the Act and operate welfare measures. The most urgent requirement, however is a scientific prove into the incidence and causes of the so called occupational diseases. Only a detailed study may show to what extent they are caused by tobacco fumes, filthy and unhealthy atmosphere or such other factors. Above all such a study can help to extend the employees state insurance benefits to bidi labour.

Velagutham Saravanan in his paper “Impact of social security initiatives in Unorganised sector: The case of Women Beedi Workers in Rural Areas of Tamil Nadu” has analysed several studies have shown that although the government had fixed the minimum wage for the beedi workers, they never realized it and continue to be exploited by their employers. Though the Minimum wages act provided for payment for weekly holidays, annual leave, maternity leave for the women workers sick leave and medical benefits the workers were yet to get these benefits further they remain in a precarious situation where there is no job security. The beedi manufacturers by influencing the government, had prevented the implementation of many acts. The efforts of trade unions have proved to be unsuccessful. Basu [1978] found that the condition of beedi workers, already long wishing in poverty, had further deteriorated due to prevalence
of low wage rate and the growing dutches of moneylenders. Avachat [1978] finds that women beedi workers were being exploited not only economically but also sexually. Since the beedi manufacturers had political patronage the role of the Labour Ministry / Department always remained ineffective To Mohandas [1980] a vast majority of the workers were not getting most of the benefits conferred by the different act. Mohandas and Kumar [1997] find that both wage and non-wage benefits of the workers at the co-operative beedi manufacturing units are much higher than those engaged in a factory or house based production.

In the unorganized sector, beedi manufacturing provides employment opportunities, particularly for the women in Tamil Nadu. The government has enabled several acts and implemented various kinds of social security schemes, including minimum wages, pensions, wage for holidays, medical facilities, scholarships for their children, housing loan, dearness allowances, bonus for the beedi workers in general and women in particular. But the benefits have not reached them. Most of the female workers do not have direct contact with the agents. Even if they have, they are unable to assert. Even if they have they are unable to assert their rights not only due to the ignorance about the available social security schemes. But also because of non-availability of other employment opportunities.

C. P. Thakur and C. S. Venkata Ratnam in their paper “Conditions Of Work In The Unorganized Sector In India” has pointed out that conditions of work in the unorganized sector of Indian economy are of
great importance and concern for India for several reasons which includes the following:

a. 365 million workers [253 in million in agricultural and the rest 142 million in the non-agriculture sector] are employed in the unorganized sector [As of 2004-05]. It means the unorganized sector accounts for 92 percent of the total workforce of about 457 million.

b. Despite significant strides made by the Indian economy over the past 60 years of political independence, an overwhelming proportion of the population [836 million or 77 percent of the population] were living below Rs. 20 per day. 79 percent of unorganized sector workers are in this category and are thus poor and vulnerable.

c. Promoting full, productive, and decent employment is the challenge for all nations in the world, including India. It ranks high among the Millennium Goals. India. The economic survey [Government of India 2007] confirms that the annual growth of employment confirms that the annual growth of employment in the organized sector has declined from 1.2 during 1983-94 to -0.38 during 1994-2004. the problem is not jobs, but quality of jobs. And this is continuously aggravated largely because, as we shall discuss later unemployability at our youth.

Report of the second National commission on Labour\textsuperscript{37} has pointed out that the surveys of National Sample Survey Organisation show that in the rural areas 55.8 percent of the workers were self employed 6.8 percent were in regular salary / wage employment and the remaining 37.5 percent were working as casual labour in 1999-2000. the corresponding
percentages for urban areas were 42.2, 40.2 and 17.8 respectively. The commission draws the following inferences from the data.

- A steady decline in the proportion of the self-employed in the rural areas, both among men and women.
- A corresponding increase in the proportion of casual labour in the rural areas, both among men and women.
- A steady decline in the proportion of regular employment in the case of rural men and a fluctuating situation in the case of rural women.
- A gradual decline in the share of regular employment for men and gradual improvement in the case of women in urban areas and during the post reform period [1993-94 to 1999-2000].

Jeemol Unni and Uma Rani in his article “Social Protection for informal workers” has discussed that the sources of insecurity faced by workers in the informal economy are both random shocks, that hit the households from time to time, and structural features of the household or individual that remains more or less constant over time. Traditionally social security instruments addressed contingencies arising from random shocks and only affecting basic securities such as illness or sudden death. In the globalizing world, social protection in the context of poor informal workers needs to address both the economic and basic security issues.

The instruments of social protection and the institutional mechanisms to deliver the core needs – basic and economic clearly show the important role of the state. However, it needs to emphasized here that the increasing globalization over the last decade is modifying the role of state through various market mechanisms. In this changed scenario while we
stress that the state should not absolve itself of the responsibility of providing the core needs, both basic and economic the question as to how it is going to mobilize the resources for these activities remains a puzzle. Further, private market and NGO initiatives need to be strengthened any many more innovative approaches have to be devised to bring social protection to the poor informal workers.

Canagarajah. S. and S. V. Sethuraman\textsuperscript{39} in his article Social Protection and the informal sector in developing countries : challenges and opportunities, has analyzed that risks to income security for workers in the informal sector in developing countries are more often derived from the conditions governing their employment and income generation, viz, informality. Orthodox measures to social protection are more in the nature of coping with risks arising from various contingencies and fail to address the fundamental causes of insecurity and vulnerability. The approach towards social protection of the workers in the informal sector should be comprehensive, aimed at not only protecting against contingencies, but also promoting income security through elimination of risks. Broadening the goal of social protection from risk minimization or alleviation to risk elimination would however imply a shift in the strategy from preventing a fall in income or minimizing its fluctuation to raising the level of their income. This requires fundamental reforms which would attempt to modify the institutional environment in which the informal sector functions.

S. Sakthivel, Pinakt Joddar\textsuperscript{40} In his paper “Unorganised sector workers in India” Trends, patterns and social security coverage” has concluded that India’s workforce comprises nearly 92 percent of unorganized workers, with virtually the entire farm sector falling under the
informal category, only one-fifth of the non-farm workers are found in the organized segment. Utilizing both residual and direct approaches, the study uses the last four quinquennial rounds of employment unemployment of national sample survey. The author suggest that in the non farm sectors, as we move up the ladder of income, the share of informal sector gradually declines. However, as far as the agricultural sector is concerned irrespective of economic class, the share of the unorganized segment of the workforce remain flat. One more analysis reveals that the coverage of social security schemes has been largely against economically and socially vulnerable sections. While regular workers are largely covered by the provident fund regime, the ever increasing army of causal of and contract workers, even in the organized sector appear to have been discriminated against, not to speak of the entire self employed, which accounts for a significant proportion of India’s workforce.

2.3.3 REVIEW OF RESEARCH STUDIES

In the area of tobacco production and marketing in India much of the published literature and some research work pertain to cigarette tobacco since the commodity has been an important foreign exchange earner for the country for decades together. As against this; even though bidi tobacco is produced on a substantial scale in the country. Its study has remained a neglected area as it is consumed domestically. Even though production and processing of bidi tobacco and bidi making are by and large employment oriented activities, much less cognizance of their importance is taken even in the official literature on tobacco.
Referring to bidi tobacco in the country, research studies very limited and the few ones so far undertaken have concentrated mostly on production, processing and marketing of the commodity. The question of studying cost of production vis-à-vis price of bid tobacco was not at all touched by anybody till late seventies. Like the study of marketing of bidi tobacco scientific investigation of cost of production of tobacco has all the while remained an utterly neglected area, even though the issues have of late come out as burning questions of wider significance for the economics of the regions concerned.

As regards Nipani Area and Nipani Tract only a couple of persons have so far done studies on marketing of bidi tobacco. However they are in the nature of thesis prepared for doctoral degree, a casual concise monograph, periodical articles published in professional and academic journals and seminar papers S. S. Madalgi’s\textsuperscript{41} doctoral thesis submitted to the university of Bombay has been the first one in the line which includes an enquiry into the marketing of bidi tobacco in Nipani, Gadchinglaj and Jaysingpur markets. But this study done not refer exclusively to bidi tobacco other two cash crops produced and marketed extensively in Gadchinglaj, Kolhapur and Jaysingpur markets of Kolhapur district viz. Gur and Chillies also from the subject matter of the work. A full length investigation of processing and marketing of bidi tobacco in Nipani tract has been done by R. R. Doshi\textsuperscript{42} for his doctoral degree of Poona University. During nineteen seventies a number of articles of Doshi\textsuperscript{43} have appeared periodically in ‘Flame and Flavour’, a trade journal devoted to tobacco, tea and chemicals discussing the specific issues related to marketing of bidi tobacco in Nipani Tract. Thereafter in the eighties A. P. Jayaram and K. C.
Hiremath\(^{44}\) have published a Research Bulletin on the study of the structure, conduct and performance of bidi tobacco markets in the Nipani Area of Karnataka State and R. R. Dosh has published articles\(^ {45}\) fabricating costs and margins in marketing of bidi tobacco as also bringing cost and margins in marketing of bidi tobacco as also bringing out the sorry state of tobacco regulation in Nipani Tract. Since the establishment of the agricultural produce Market committee Nipani.

Detailed study of cost of production of bidi tobacco in Nipani Tract and beyond is a recent phenomenon. It has been initiated in 1978-79 on yearly continuing basis by Gujarat Agricultural University. Anand campus as a programme under All India co-ordinated Research project on Tobacco\(^ {46}\). The project covers Belgum district of Nipani Area and has published its annual reports since 1978-79 agricultural year. B. M. Savadi\(^ {47}\) has prepared a dissertation on cost and price of bidi tobacco in Nipani Tract for his M.Phil. degree of Shivaji University, Kolhapur. These are the only attempts related to estimation of cost of production of bidi tobacco in Nipani Area. A number of methodological lapses could be noticed in these works, more so in the annual survey reports of the Gujarat Agricultural University Anand.

Notable research work in Gujarat is again a Ph. D. thesis on marketing of tobacco in Kheda district by S. K. Patel\(^ {48}\) submitted to Sardar Patel University Vallabh Vidyanagar and the Gujarat Agricultural University’s project on tobacco pertaining to cost of cultivation of bidi tobacco in Middle Gujarat taken simultaneously with that for Belgum district on parallel lines.
While recognizing the worth of the research studies in the past both on marketing and cost of production, a realisation comes home that attempts so far are very scanty and a lot of scoped still exists for more explorations. The present work is an attempt to fill the void in a more scientific way.

2.4 Wages

Wages are the remuneration for the expenditure of effort in the production of goods and services. In precise economic terminology, wages are the price of Labour. The effort of the wage earner may be physical. The effort of the wage earner may be physical mental or a combination of the two; it may be under another’s direction or may be of a magagerial and decision making character. But whatever his specific occupation, the wage earner supplies some form of human contribution. If wage earnings of individuals are added together in order to obtain the total wages wage bill of an economy, the resulting total determines how much of the national product goes to labour and how much is available by implication to the other factors of production – land and capital.

2.4.1 Minimum Wages

a. Definition and meaning :-

The minimum wage system is part of the wage policy. There is disparity between salary earning class and non-salary earning class. The income of salary class is very low, while the earning of non-salary class is so high that it defeats salary earners in the market.

The minimum wage is essential for protecting interests of unskilled workers to avoid their possible exploitation and assure them for substance
some factors are being considered while deciding minimum wage. They are known as minimum wage standards. These standards are

1. Living expense
2. Paying capacity of unit
3. Productivity of worker

One approach of minimum wage is to link it with economic comfort. So there should be good combination of economic and social comport in minimum wage.

According to fair wages committee, “Minimum wages should proved not only for the bare necessities of a worker. It should also provide for the maintenance of efficiency of the worker. From this point of view, minimum wages must be sufficient to provide for all requirements of education, health and other essential amenities.”

Minimum wages means the minimum payment to worker so that he may be able in providing for basic needs for himself and his family member and to maintain his working efficiency only. Some other scholars are of the view that minimum wages should also provide for minimum education, medical facilities and other amenities. According to them, minimum wages should ensure a minim standard of living considering the health, efficiency and well-being of the worker.

2.4.2 Objects of Minimum wages.

1. To maintain the efficiency of workers, particularly in the industries where the workers do not get fair wages.
2. To check the exploitation of workers by the entrepreneurs.
3. To increase the efficiency of workers.
4. To check the unhealthy competition among entrepreneurs.
5. To discourage the strikes, lockouts and industrial disturbances so that industrial peace may be maintained.
6. To protect the interests of workers, particularly when the workers are not organized.
7. To help the workers in maintaining and increasing their standard of living.
8. To strengthen labour unions.
9. To increase the productivity of workers.
10. To provide economic and social justice to the workers.
11. To improve the management system.

All state government the minimum wage law recommended by wage board within the framework of directive policies and ideology. The wage laws are followed in different zones for the workers of different sectors. District minimum wage supervisors office observers for the implementation and takes action if complain of improper implementation of law comes from workers.

2.5 Trade Union

2.5.1 Introduction

The words “trade union” were originally used to mean a union of local trade clubs or societies to conduct a joint movement. Trade unions are associations of employed persons for collective bargaining about their conditions of employment and also for the provision of their members interests by bringing pressure to bear on governments and parliaments and
in certain cases by political action. They undertake other functions besides these for example, educational work, and in some operative societies or by representation on control boards or in the management of productive operations but their main work is in the field of collective bargaining and in some countries the development of social security legislation has made their benefit activities less important than they formerly were\(^5\).

### 2.5.2 Definition

A scientific study of trade unionism requires a clear understanding of the term ‘Trade Union’. But any attempt to give a preside definition of trade union is a difficult task, because it is a complex institution which has many aspects, economic, sociological political and legal.

Of all the definitions of a trade union, the most outstanding classical and off-quoted definition as given by Sidney and Beatrice Webb\(^5\) is as follows. “A trade union is a continuous association of wage – earners for the purpose of maintaining or improving the conditions of their working lives”.

Danket\(^6\) formulates what he calls a comprehensive general definition. “A trade union is a continuing organization of employees established for the purpose of protecting or improving through collective action, the economic and social status of it’s members”

Hence a trade union is an integral part of labour movement. A labour movement without trade unions cannot exist. In this context G.D.H. Cole\(^7\) rightly said that “the labour movement cannot exist without them because they are the principal schools in which the workers learn the lesson of self-reliance and solidarity.
2.5.3 Objectives of trade unionism

According to Sidney and Beatrice Webb, the objective of the trade union is to take labour out of the competitive process. Under such free competition, consumer’s sovereignty may result in a competitive reduction of wages. Trade unions ward off against such unhealthy competition. This can be done either by adopting the principle of restriction numbers in which supply of labour is restricted, thereby maintaining and even raising the wages of a group of workers, or by adopting the principle of common rule in which the objective of ensuring a minimum standard of living for workers is achieved by what the Webbs calls the methods of trade unionism. The principle of restriction of members is sectional in outlook and although it has the seeming advantage of paying the monopolist capitalist in their own coin. In cannot solve the problem faced by the working class as a whole. Workers in a strategic position can use it with advantage, and sometimes they may gain at the cost of other workers.

The objectives of trade unions have been excellently put by a Samuel Gompers the founder president of the American Federation of Labour in the following words. “Trade unions …. Were born of the necessity of workers to protect and defined themselves from encroachment, injustice and wrong….” To protect the workers in their inalienable right to higher and better life; to protect them not only as equals before the law, but also in their rights to the product of their labour to protect their lives, their limbs, their health, their homes, their firesides, their liberties as men, as workers, as citizens to overcome and conquer prejudice and antagonism; to secure them to right to life, and opportunity to maintain that life the right to be full
sharers in the abundance which is the result of their brain and brawn, and the civilization of which they are the founders and mainstay.

According to Singh Jiwitesh Kumar\textsuperscript{58} The generic goal of protecting and promoting workers interests consists of such specific objectives as

a. Improved economic status.

b. Shorter working day

c. Betterment of working and living conditions.

d. Income security i.e. pensions provident fund, compensation for work-injuries and unemployment; obtaining job security such as protection against layoff, retrenchment and victimization etc.

e. Better health, safety and welfare standards.

f. Respect for the personality of the workers humane treatment from supervisors and others.

g. A greater voice in industrial administration and management by the establishment of industrial democracy and

h. Improving political status.

It is pertinent here, while discussing the fundamental objectives of the trade union movement to refer to the ideas of perlman.

2.5.4 FUNCTIONS OF TRADE UNION

Generally, functions of trade unions can be divided into two parts viz. protecting factions and development functions. First type of functions protects labourers against wage, working hours, working condition etc. And second type of functions include steps for social and cultural development of workers and to take steps for improvement in their status.
Prof. Ghosh says that, “Modern trade unions are interested in problem of productivity, social trends, employment and price expansion”

An expert named Broughton says that, “In Industries the trade unions depend on strikes, discussion or collective bargaining for the labour welfare functions like good working condition, regulation of working hours, sufficient wage, security education, entertainment, housing facilities, medical facility etc.” It also tries for facilities for religious or social functions.

According to Trade Union Act, 1926 “The unions must work to protect and promote the interest of the workers and conditions of their employment”

Joshi M. V. explained in his book “Labour economics and labour problem”, the Indian National commission for labour has recommended to give more attention on following trade union functions.

i. The labourer should be given due wages.

ii. To improve working condition by maintaining safety

iii. To expand opportunities for promotion and training.

iv. Improvement in working condition and training.

v. To provide amenities for education, cultural activities and entertainment.

vi. To increase various know-hows of labourers and co-operate in technological development.

vii. to make efforts for improving labour interest in industry.

viii. to provide responsible co-operation for improvement of production, quality of production, discipline and high standard quality.

ix. To increase personal and mass welfare.
x. To increase temperament of national unity.

xi. To participate information and implementation of economic social polities of society.

xii. To create sense of responsibility among workers towards industries and society.

In the documents of first five year plan following matters were suggested.

1. To make plans for workers.
2. To make wage demands which is appropriate to the social justice and financial need.
3. To bear more responsibility for industrial success.

Kennedy\textsuperscript{62} has recommended some important standards for Trade Union, which includes.

1. To improve level of labour effectors.
2. Improvement of industrial efficiency to technological improvement by giving liberty to the owners.
3. Reduction in industrial benefits absolute.
4. Demand for wage and relevant benefits.

2.5.5 STRUCTURE OF TRADE UNION IN INDIA

According to Singh\textsuperscript{63} there is no statutory provision which has outlined a definite structure and laid down a specific basic for the formations of trade unions in India. Hence there are different bases and a variety of structure. However, for having a clear grasp of the pattern and structure, the unions have been classified into following three categories.
A) PRIMARY UNIONS

Primary union is that union which enroll a worker as its member. It is in direct touch with its members. It is the basic unit of a federation or a trade union structure. Primary unions are organized at the work place and conduct industrial disputes. It is the basic fighting unit which directly come in clash with the employer. However they have been organized on a variety of bases depending upon the needs of its member, local situations and problem. Hence it is difficult to have a systematic classification of them. However, for the soke of better comprehesion and convenience primary unions have been placed into three categories in India.

a) INDUSTRIAL UNIONS

Primary unions of industrial types have further been placed in two groups i.e.

a. Plant level Industrial Unions – These unions are organized on plant basis or an industry basis. All persons employed in a factory or an establishment belong to one union. Such union cover a single plant. e.g. a factory, a mine or a plantation. The National commission on labour also stated that “Formation of plant level unions, veering different departments was the trend in early 64.”

b. Industry – cum - centre unions :- Industry wise or area-wise unions are those unions which organize all workers irrespective of their crafts and skill in one industry at a given centre. Thus, the membership of this union is open to all workers employed in particular industry located in a particular city or particular region.
The main reason for the development of such industry – cum – centre unions has been the concentration of certain industries in particular areas; organization of employers in those centres has also been a contributory cause.

b. GENERAL PRIMARY UNIONS

A primary union of general types covers all employees working in all variety of industries under one owner located at the same place.

The activities of these unions are confined to local levels i.e. they function at local. These unions cannot function at national and regional level, since their base is common employer and a common place and such a base cannot be had at the national or regional level. Such unions may be called as employer-cum-local level general unions.

c. PRIMARY UNIONS OF THE CRAFT TYPE

A craft union is an organization of those workers who are employed in the same occupation or craft, craft union have also come up in air transport, in some section of ports and dock, and industrial units based on modern technology, skilled workers in these industries find or approached that their interest will not be protected by a general purpose union.¹⁶⁵

B] INDUSTRIAL FEDERATION

Industrial federations are the next higher unit of the structure of Indian trade union movement. Generally, there are two types of federations in India

a. Regional federations

b. National federations.
Primary industrial unions can deal with the local problems of individual units. The national and regional federations of an industry deal with the problems of regional level and national level respectively. Industrial federation at national level are also in operation in cotton textiles, cement, engineering, iron and steel, plantations, sugar, chemicals, banks, insurance, post and telegraph, ports and docks, railways, coal, oil refining and distribution and defense establishments.

C] THE NATIONAL CENTRES

The National centers are on the top of the structure of the Indian trade union movement. The primary unions, the regional and the industrial federations are affiliated to these national centres according to their convenience and political inclinations. In India, there are four central federations, namely, the INTUC the AITUC, the HMS and the UTUC. The INTUC continues to be the most dominant of national centres from the point of view of the number of affiliates as well as membership. As such, it still continues to recommend the names of workers’ delegation to the International Labour conference. Besides these four central federations the Bhartiya Jan Sangh [and now the BJP] has set up a central federation of trade unions called the Bhartiya Mazdoor Sangh [BMS] under its domination and influence the communist party [Marxists] has also set up a central federation, know as the centre of India Trade Unions [C.I.T.U.]
2.6 SOCIAL SECURITY

The main purpose of any plan for social security is insurance against interruption and destruction of earning power and for special expenditure arising at birth, marriage or death. Social insurance and social security are based on a common principle: production against those hazards of life which threaten health or economic existence. In order that the protection afforded in any contingency may be reasonable adequate, not only must the rate of the benefit meet some standard of adequacy, but the benefit itself must be payable as long as the loss resulting from the contingency persists and be available whenever the contingency occurs, subject only to prevent substantial abuse on the part of claimants. There are thus three aspects to the question of adequacy of protection 1] the rate of benefit 2] the duration of benefit 3] the qualifying period of work or contribution which must have been fulfilled at the time the contingency occurred.

2.6.1 CONCEPT OF SOCIAL SECURITY

The growth of informal economy, particularly in developing countries, implies increasing income insecurity and vulnerability of the workers. It is over contention that the concept of social protection need to be broadened to include economic security and not just social security for contingencies or what we term as the basic security. Dreze and Sen\textsuperscript{68} had developed a border concept of social security. They distinguished the two different aspects of social security called ‘protection’ and ‘promotion’. Protection is concerned with preventing a decline in living standard in general and in the basic conditions of living. It is important in dealing with
sudden economic crisis, famines and sharp recessions. The promotional aspect of social security is broader and includes eradication of problems that have survived for decades, such as poverty. The objective of promotional social security is “enhancing the normal living conditions and dealing with the regular often persistent deprivation”

The international labour organization, ILO consolidated the notion of social security in 1952 with an international convention, No. 102, in the International Labour Conference. A comprehensive definition was proposed which included nine core contingencies, leading to the stoppage or substantial reduction of earnings, to be covered under social security. It included sickness maternity, employment injury, unemployment invalidity, old age and death, the provision of medical care and subsides for families with children.

According to Cole⁶⁹ broadly speaking the idea of social security is that “The state shall make itself responsible. For ensuring a minimum standard of material welfare to all its citizens on a basis wide enough to cover all the contingencies of life” the womb to the tomb. It envisages that members of a community shall be protected by collective action against social risks, causing undue hardship and privation to individuals whose private resources can seldom be adequate to meet them. It covers, through an appropriate organization, certain risks to which a person is, thus, to protect an individual who contributes or is likely to contribute to social welfare. The hazards that necessitate protection of individual by the society are essentially economic, but at times they may be even social. These risks to which an individual in the society is exposed are caused by physical [sickness, invalidity, old age, maternity, accidents and death] and economic
technological change and burden of large families] factors. Both physical and economic risks deprive an individual of his earning power. It is the social security, that is designed to eliminate five giants of Beveridge, Viz want, Disease Ignorance, Squalor and Idleness.

In the developing countries large proportion of the population are engaged in self-employment and in informal activities and it is difficult to cover them under formal schemes of unemployment benefits, insurance and other benefits. Bringing the dimension of the informal economy, the massive and persistent poverty in the developing countries, the concept of social protection has to include the idea of productive employment and poverty reduction. The goal of assuring sustainable livelihood to population should be part of social protection policy of the state.

2.6.2 SIGNIFICANCE OF SOCIAL SECURITY

According to Datar\textsuperscript{70} Social security measures have a tow fold significance in many country. In the first instance, no longer does a state discharge its functions merely by maintaining law and order as their idea of a ‘Police State’ has been replaced by that of a “Welfare state” which provides a wide range of social services. From the modest beginnings in a few industrially developed countries in the early decades of the present century, social security has now become a fact of life for millions of people throughout the world. It has acquired on emphasis in countries like India where in view of the transition taking place, traditional values associated with small community and joint family and the in-built security which they used to provide, are losing ground.
The ideals set before the country through the Fundamental rights and directive principles of state policy as embodied in constitution are a recognition of this need. The Indian constitution, therefore, contains the specific provision that “the state shall within the limits of its economic capacity and development make effective provision for securing …. Public assistance in case of unemployment, old age, sickness, disablement and other cases of undeserved want”. The subsequent acceptance by the parliament of the objective of socialist pattern of society has further added a measure of urgency to meaningful state action for comprehensive social security measures that constitute an important and indispensable chapter of the national programme to strike at the root of poverty, unemployment and disease.

Secondly, social security measures are of great importance to a country which has embarked on a large-scale programme of rapid industrialization in the interest of national economy as they improve employee’s morale by providing sense of security to them against various industrial hazards including unjustified dismissals. It’s cost is offset by gains in the productive efficiency, on the one hand and increased saving on the other.

2.6.3 SOCIAL SECURITY SCHEMES FOR THE UNORGANIZED SECTOR

Given the importance and the size of the unorganized sector, the government has enacted several schemes to provide social security for the workers in the unorganized sector. The schemes can be classified into four
groups namely centrally funded schemes, social insurance schemes, social assistance. Schemes and public initiatives

A] CENTRALLY FUNDED SCHEMES

As the name suggest, they fall within the aegis of central government and covers the rural as well as the urban areas. The programmes are grouped under National Social Assistance Programme [NSAP]. The working of NSAP is under a three fold system which can be tabulated as follows [All the beneficiaries have to be below the poverty line as defined from time to time]

<table>
<thead>
<tr>
<th>Branch of scheme</th>
<th>Amount</th>
<th>Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>National old age pension Scheme [NOAPS]</td>
<td>75 per month</td>
<td>Old people with little / NO income / support</td>
</tr>
<tr>
<td>National Family Benefit Scheme [NFBS]</td>
<td>10,000 consolidated</td>
<td>Families who lose their primary bread winner [18-65] years of age</td>
</tr>
<tr>
<td>National Maternity Benefit Scheme [NMBS]</td>
<td>500</td>
<td>Women aged 19 and above up to 2 live births</td>
</tr>
</tbody>
</table>


Under these programmes a total amount of around 750 corees was dispensed covering about 72 lakh workers. Besides NSAP, there are several other schemes provided by the Central Government.

<table>
<thead>
<tr>
<th>Name of scheme</th>
<th>Aim</th>
<th>Features</th>
<th>Coverage / Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Assurance scheme [EAS]</td>
<td>Generate further employment opportunities</td>
<td>Cost sharing basis between centre and state</td>
<td>Rs. 4000 corees approximately</td>
</tr>
<tr>
<td>Swaran Jayanti</td>
<td>Improven of</td>
<td>Credit cum</td>
<td>Rs. 3000 corees</td>
</tr>
</tbody>
</table>
B] SOCIAL INSURANCE SCHEMES

They are provided at the behest of the state using its insurance arm. The schemes are operated through Life Insurance Corporation [LIC] and extended to workers in 24 approved occupation groups who are in the age group of 18-60 years. The following schemes are provided under this.

1. SOCIAL SECURITY GROUP INSURANCE SCHEME

Workers are covered by paying a nominal premium of Rs. 10 for every 1000 rupees insured. Half of this sum is paid from the social security fund. Around 50 lakh workers are covered in this scheme. The workers are covered thus. Rs. 25000 in case of death or permanent disablement and Rs. 12500 in case of partial disablement.

2. JANASHREE BIMA YOJNA
It applies to a group of at least 25 people and covers over 3 lakh people. The contribution pattern is the same as in social security Group insurance scheme but the insurance cover has more slabs under this scheme.

<table>
<thead>
<tr>
<th>Amount Insured</th>
<th>Circumstance</th>
</tr>
</thead>
<tbody>
<tr>
<td>20000</td>
<td>Natural death</td>
</tr>
<tr>
<td>50000</td>
<td>Death in case of accident</td>
</tr>
<tr>
<td>50000</td>
<td>Permanent Total disablement</td>
</tr>
<tr>
<td>25000</td>
<td>Partial disablement</td>
</tr>
</tbody>
</table>

3. KRISH SHRAMIK SAMAJIK SURAKHSA YOJNA

It covers agricultural labourers but the upper age limit is 50 years. The contribution of Government from the social security fund is just the double of the workers contribution. Benefits include life cum accident insurance money back and superannuation. The amount insured is the same as in Janashree Bima Yojna Workers also get pension on attaining the age of 60 years.

INDIVIDUAL RETIREMENT ACCOUNT

As the name suggests, it is on old age benefit. Individuals are encouraged to open up a retirement account as soon as possible in their working life. They get a unique / RA number and workers can contribute to this account as frequently as they wish. It translates into pension benefits and annuities at the time of retirement or withdrawal from work due to old age as the case may be.
The minimum contribution is Rs. 500 per year and one time contribution should be at least Rs. 100.

4. WELFARE FUNDS

These are the various schemes launched for different sectors like Beedi workers and other working mainly in hazards industries. The system works on the basis of a 2% less levied per 1000 units produced. The finance so generated is utilized for the welfare of workers by providing them amenities and medical benefits.

5. PUBLIC INITIATIVES

They include all the schemes that are initiated [other than the government] by the public bodies and institutions. They may involve the government but are mostly NGOs and Non Profit Organisation who try and protect and interest of the weaker section of the society by providing them social security. Some such initiatives are as follows:

I. SELF EMPLOYED WOMEN ASSOCIATION [SEWA]

The extremely popular scheme started in 1975 and provided insurance cover for as low a premium as Rs. 45 per annum. The member women are entitled to maternity Benefit, Health Benefit and Financial Benefit in case of husbands death. It covers more than half a million women and has helped provided them financial support.

II. MATHADI BOARDS

This scheme is prevalent in Maharashtra and covers all workers indulging in hard manual labour. The Mathadis are organized in unions and their representatives sit along with employers and government
representatives to form Mahadi Tripartite Boards. These boards help provide social security by setting up hospitals and dispensaries. Highly successful, Mathadi Boards charge only Rs. 20 per month from each worker almost every year new schemes are being introduced under them.

**III. OTHER LOCAL AND REGIONAL BODIES** like association for health welfare in the Nilgiris [ASHWANI], voluntary Health service [VHS], society for promotion of Area Resources centre [SPARC] in Tamil Nadu, SAMAKHAYA in Andhra Pradesh, etc work in tandem with the workers. They try to collect money from the workers under different schemes which are used up for their benefits in times of emergencies. The main aim is to provide medical facilities to target groups. Some of these are working as nodal agencies while other take up the initiatives themselves.

Report of National Commission of Labour Mathadi Boards in Maharashtra have been successful in decasualizing the head load workers to a great extent.

Though many witnesses who appeared before us in Maharashtra as well as in other states recommended it as a model for the unorganised sector all over India some witnesses did point out that the system works like a closed shop some representatives of the management also felt that this system created a monopoly and resulted in arbitrary fixation of wages.

There are around 50,000 registered employers with almost 1.5 lakh workers registered under 30 different boards in Maharashtra.