In this chapter, we shall study Government labour policy in regard to small-scale industries. We shall deal with the organisation for its formulation and implementation, the nature of the labour force in our sample, and the labour policy, in that order. Under the Constitution of India (Article 246), there is a division of powers between the Union and State Governments. The Seventh Schedule prescribes three lists of subjects: The Union List, the State List and the Concurrent List. Parliament has exclusive powers to make laws on matters in the Union List, the same applies to State Legislatures in respect of subjects in the State List. In regard to the subjects in the Concurrent List, both Parliament and State Legislatures have powers to make laws but in case of a conflict, Union laws prevail over State laws (Article 54).
The principal matters related to labour in each of these lists are as follows:

1. **Union List**

   (i) Participation in international conferences, associations and other bodies and implementation of decisions made therein.

   (ii) Major ports and port quarantine.

   (iii) Regulation of labour and safety in mines and oil fields.

   (iv) Industrial disputes concerning Union employees.

   (v) Union agencies and institutions for -
       (a) professional, vocational or technical training,
       (b) the promotion of special studies or research.

   (vi) Inquiries, surveys and statistics for the purpose of any of the matters in the Union List.

   (vii) Railways.

   (viii) Airways, aircraft and air navigation, air traffic and aerodromes etc.

   (ix) Post and telegraphs, telephones, wireless, broadcasting etc.

2. **State List**

   Relief of the disabled and unemployable.
3. **Concurrent List**

(i) Economic and social planning.

(ii) Trade unions, industrial and labour disputes.

(iii) Social security and social insurance, employment and unemployment.

(iv) Welfare of labour including conditions of work, provident fund, employer's liability, workmen's compensation, invalidity and old age pension and maternity benefits.

(v) Vocational and technical training of labour.

(vi) Factories.

(vii) Inquiries and statistics for purposes of any of the matters specified in the Concurrent List and the State List.\(^1\)

It is notable that according to this division labour is mostly a concurrent subject: trade unions, industrial disputes (excluding those concerning employees of the Union Government), social security, welfare of labour, vocational and technical training of labour, factories and inquiries and statistics relating to these matters, are all in the Concurrent list. Hence, Union legislation on these prevails over State legislation. The Union Government is perceived to

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have the responsibility to sort out problems of inter-state coordination.

As a result, the working arrangement has consisted mainly of legislation by the Union, but its implementation mainly by the States. Coordination in the formulation and implementation of labour policy is achieved through circulation of proposed legislation, and conferences of Union and State Ministers and high officials.

**Tripartite Bodies**

Tripartite consultation among the three parties of employer, labour and the Government with a view to formulating the agreed labour policy and legislation derived its impetus from the International Labour Organisation. While no statutory organization was set up, the Indian Labour Conference and the its Standing Labour Committee were instituted in 1942 for this purpose. Initially the Conference consisted of 44 members and the Committee of about half this number. The pattern of representation followed the International Labour Conference. An important change in the composition of these two bodies, made in 1952-53, is relevant to labour policy related to small-scale industries. In this year, representation to the unorganized sector was given up, "in response to the demands of other organizations". In effect, this meant loss
of representation for the labour working in small-scale industries, unless it got organized. One of our major hypotheses was that labour in small-scale industries was unorganized. If this was so, it might result in lack of legislation for the protection and welfare of this segment of industrial labour. This constituted another of our hypotheses.

**ADMINISTRATIVE MACHINERY**

**Central Level**

In the Union Government, there was a Minister of Labour assisted by a permanent Secretary, Joint Secretary and other high officers that is Additional Secretary. The Ministry of Labour is fully responsible in respect of subjects in the Union List and for coordination in regard to the subjects in the Concurrent List. It maintained a number of executive agencies. To name a few, these were: The Director General of Employment and Training, New Delhi; the Chief Labour Commissioner (Central), New Delhi, the Director General of Factory Advice Service and Labour Institutes, Bombay, the Director Labour Bureau, Chandigarh, the Employees' State Insurance Corporation, New Delhi; the Central Provident Fund Commissioner, New Delhi, and the National Safety Council.
Punjab State

In February, 1981, there was provision for 23 Labour-cum-Conciliation Officers but their actual strength was only 14. The Labour Commissioner also functioned as the Chief Inspector of Factories. In this function, he was assisted by one Deputy Chief Labour Inspector of Factories and two Medical Inspectors of Factories. For the field, there were one Scrutiny Inspector, five Field Investigators, 25 Labour Inspectors (Grade I) and 30 Labour Inspectors (Grade II), though there was a provision for 35 Inspectors of Each Grade.

Ludhiana District

In Ludhiana District, the functionaries of the State Government were four Labour-cum-Conciliation Officers, four Factory Inspectors, seven Labour Inspectors (Grade I) and four Labour Inspectors (Grade II). There was one Labour Court also.

NATURE OF THE LABOUR-FORCE IN LUDHIANA DISTRICT

Hired Labour

Table 9.1 gives the numbers of units in our sample which employed hired labour and those which depended on family labour. It is notable that of the total of 18 units

*Chart 4 shows the organization at the State level.
which employed only family labour, 17 belonged to the low-
investment group and one to that of medium-investment; there
was no such unit in the high-investment group. Thus only the
smallest units depended on family labour. Of these, 11 were
jobbing units - fabricators of hosiery or engineering goods.
Of the remaining, three were manufacturing hosiery and one
each soap, candle, nuts and bolts and cycle and cycle parts.

<table>
<thead>
<tr>
<th>Investment Group</th>
<th>Hired labour</th>
<th>Family labour</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-investment group</td>
<td>40</td>
<td>17</td>
<td>57</td>
</tr>
<tr>
<td>Medium-investment group</td>
<td>45</td>
<td>1</td>
<td>46</td>
</tr>
<tr>
<td>High-investment group</td>
<td>14</td>
<td>-</td>
<td>14</td>
</tr>
</tbody>
</table>

| Total                     | 99 (84.6%)   | 18 (15.4%)    | 117 (100.0%) |

In our sample, only 15.4 per cent of the units had family
labour. This contrasts with the situation at Moradabad\(^2\)

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\(^2\)Baljit Singh, *The Economics of Small-Scale Industries: A
Case Study of Small Scale Industrial Establishments of
where more than 58 per cent of the small units worked exclusively with family labour.

**Employees by States of their Origin**

The distribution of the employees by States of their origin has been presented in Table 9.2. It may be seen

<table>
<thead>
<tr>
<th>Investment Group</th>
<th>Punjab</th>
<th>U.P.</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-investment group</td>
<td>122</td>
<td>106</td>
<td>9</td>
<td>237</td>
</tr>
<tr>
<td></td>
<td>(51.5%)</td>
<td>(44.7%)</td>
<td>(3.8%)</td>
<td>(100.0)</td>
</tr>
<tr>
<td>Medium-investment group</td>
<td>265</td>
<td>171</td>
<td>20</td>
<td>456</td>
</tr>
<tr>
<td></td>
<td>(58.1%)</td>
<td>(37.5%)</td>
<td>(4.4%)</td>
<td>(100.0)</td>
</tr>
<tr>
<td>High-investment group</td>
<td>315</td>
<td>336</td>
<td>12</td>
<td>663</td>
</tr>
<tr>
<td></td>
<td>(47.5%)</td>
<td>(50.7%)</td>
<td>(1.8%)</td>
<td>(100.0)</td>
</tr>
<tr>
<td>Total</td>
<td>702</td>
<td>613</td>
<td>14</td>
<td>1356</td>
</tr>
<tr>
<td></td>
<td>(51.8%)</td>
<td>(45.2%)</td>
<td>(3.0%)</td>
<td>(100.0)</td>
</tr>
</tbody>
</table>

that a little more than half (51.8%) of the employees belonged to the Punjab State, 45.2 per cent to U.P. and three per cent to Bihar and Himachal Pradesh. The medium-investment group units employed 58.1 per cent of Punjab labour and the high-investment group 47.5 per cent. The data did not indicate any
relationship between unit size and employment of migratory workforce.

About the migratory workforce, it was hypothesised that the workers employed in these industries did not consider Ludhiana District to be their home. The questions asked were: Why did they migrate to Ludhiana District? Did they bring their family with them? Would they like to go back to their village, if they could secure sufficient food and clothing there?

Pull and Push Factors in Migration

Of the total of 99 workers interviewed, 57 had come from States other than Punjab. Of these 14 came to Ludhiana District in search of better job opportunities but the other 43 were forced to leave their home-village to seek employment because they could not find work for themselves. Thus, 24.6 per cent of these workers were pulled to the city, whereas 75.4 per cent were just pushed. A study of Ludhiana made in the sixties revealed that the workers left their villages for a variety of reasons: insufficiency of cultivable land, family quarrels arising from division of ancestral property, and unemployment and under-employment had compelled

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them to migrate. In many instances, the dominant motive was a higher wage and eventually the ownership of a business out of savings.

Of the 57 workers in our sample who had migrated to Ludhiana District, only 10 had brought their families and had decided to stay permanently in Ludhiana District. However, the other workers maintained that they would like to go back to their village if they got work there. They left their family behind and always had ties with the home-village. They went home periodically once or twice a year.

The migratory character of this labour force created some problems both for the employers and the employees, and was one of the causes of infringement of certain labour laws. About 75 per cent of the workers in the sample had been pushed to the District for seeking sustenance. Entrepreneurs acknowledged that they preferred to employ workers from the State of U.P. because the latter were available at cheaper wages. This hindered the implementation of the Minimum Wages Act. Being unorganised the workers were in a weak bargaining position. On the other hand, the entrepreneurs maintained that sometimes a worker who went on leave did not come back; he did not even inform the employer if he was coming back. This created a problem for the employer: after a worker had left, somebody else had to be engaged and trained in his place.
Mobility of labour among industries and among units, and the turnover of labour was high. Of the 99 workers interviewed, only 21 had been working with the same employer for more than five years, 37 for 1-5 years, and 41 for a period of less than one year. The owners stated that labour could always be lured by paying a little higher. About 83 per cent of the workers stated that they were always on the lookout for a better job; therefore, whenever the opportunity arose, they changed the job.

Recruitment and Training

The National Employment Service aimed at helping both employers and potential workers by bringing them together. The Service functioned through employment exchanges managed by State Governments with Central aid. In Ludhiana District there were four employment exchanges, three in Ludhiana city and one at Jagraon. In Ludhiana city these were as follows: Sub-Regional Employment Exchange, the University Employment Information and Guidance Bureau, and the Technical Employment Exchange. At Jagraon it was known as the Town Employment Exchange.

None of the entrepreneurs in our sample, however, had recruited a worker through the exchange. They said that potential workers, most of whom were migrants, approached them through their existing workers. In some cases, tea-stall
owners acted as the go-between.

When entrepreneurs needed workers they usually put up an advertisement on a board outside their unit.

The Employment Officer stated that the reason why entrepreneurs did not recruit labour through the exchange was that they wanted to avoid fulfilling the labour laws.

For the training of workers the Government of Punjab had set up institutes. There were three such institutes at Ludhiana: the Industrial Training Institute, the Government Industrial Training Institute for Girls and the Institute of Textile Chemistry and Knitting Technology. The Industrial Training Institute provided vocational training in 18 trades such as those of fitter, turner, grinder, electrician, wireman, draughtsman, welder, meter-mechanic, watch and clock repair, radio mechanic and stenography. The Government Industrial Training Institute for Girls provided training in tailoring, embroidery, and fruit preservation. The Government Institute of Textile Chemistry and Knitting Technology imparted training in textile chemistry, knitting technology, dyeing and calico printing.

In our sample, there were 1356 workers. Of these only four had been trained at an institute before recruitment.

The entrepreneurs said that they preferred to train workers on the job. Trained workers demanded higher
wages and still did not often know about the exact job they were to perform. Their training, according to the industrialists, was much too theoretical.

The teachers of the institutes acknowledged that the trainees did not have enough practical experience since their workshop could not be maintained properly due to scarcity of power and coal. They were of the view that the theoretical preparation of the trainees was useful for them. They were able to get employment in advanced countries. The reason they were not in demand by local industry was that the level of knowledge and skill required here was low.

Most of the workers in our sample had been trained on the job; they were described as 'skilled' by the entrepreneurs. A minority of the workers was said to be 'unskilled' and performed miscellaneous work.

Table 9.3 gives a simple breakdown of the workforce in different investment groups according to 'skilled' and 'unskilled' categories. It shows that about three fourth of the labour force was skilled. There was not much difference in the percentages of skilled labour employed by units of different sizes. They were 75.1 per cent in the low-investment group, 69.3 per cent in the medium-investment group and 75.7 per cent in the high-investment group.
TABLE 9.3

Classification of Labour Employed into Skilled and Unskilled

<table>
<thead>
<tr>
<th>Investment Group</th>
<th>Skilled</th>
<th>Unskilled</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-investment group</td>
<td>178</td>
<td>59</td>
<td>237</td>
</tr>
<tr>
<td></td>
<td>(75.1%)</td>
<td>(24.9%)</td>
<td>(100.0)</td>
</tr>
<tr>
<td>Medium-investment group</td>
<td>316</td>
<td>140</td>
<td>456</td>
</tr>
<tr>
<td></td>
<td>(69.3%)</td>
<td>(30.7%)</td>
<td>(100.0)</td>
</tr>
<tr>
<td>High-investment group</td>
<td>502</td>
<td>161</td>
<td>663</td>
</tr>
<tr>
<td></td>
<td>(75.7%)</td>
<td>(24.3%)</td>
<td>(100.0)</td>
</tr>
<tr>
<td>Total</td>
<td>996</td>
<td>360</td>
<td>1356</td>
</tr>
<tr>
<td></td>
<td>(75.5%)</td>
<td>(26.5%)</td>
<td>(100.0)</td>
</tr>
</tbody>
</table>

The perception of the entrepreneurs who were all Punjabis, was that Punjabi workers, specially Ramgarhias generally had an aptitude for metal work. Ramgarhias were said to be descendants of Vishvakarma, the mythical architect-cum-engineer of the universe, and as such highly gifted. However, Punjabi workers were said to be quarrelsome and dishonest. Non-Punjabi workers, on the other hand, were said to be honest and hardworking but lacking in skill required for precision work.

Child Labour

There were a number of laws to regulate the employment of children. On the recommendation of the Royal
Commission on Labour (1929-31) the pledging of child labour was made a criminal offence under the children (Pledging of Labour) Act, 1933. The Employment of Children Act, 1938, prohibited the employment of children below the age of 15, in certain industrial employments. The Factories Act, 1948, and the Punjab Shops and Commercial Establishments Act, 1958, also prohibited the employment of children below the age of 14. The Factories Act provided that children up to the age of 18 were to be employed on the basis of a health certificate which would be valid for one year only at a time. The employment of children and adolescents below the age of 17 was not allowed during the night and restrictions were also laid on employment of children in certain dangerous occupations. The Punjab Government Factories Rules, 1952, provided for the maintenance of the notice of periods of work for child workers and their register to be maintained in prescribed forms. According to Article 24 of the Indian Constitution, "no child below the age of 14 years shall be employed to work in any factory or mine or engaged in any other hazardous employment". It was further provided that the State should see that "the tender age of children is not abused" and that "childhood and youth are protected against exploitation and against moral and material abandonment".

In our study, evidence of the employment of
children was found. The employment of child labour in small industries was higher during periods of sowing and harvesting on farms. This was apparently because the adult labour was busy with farm work where they got higher wages. In eight of the 99 units which had hired labour, children were observed working. Two of these were hosiery manufacturing units, three cycle and cycle parts, one each re-rolling and bar-drawing, electroplating, and nuts and bolts. In all the three cycle and cycle-parts units, children were engaged in light work like counting the pieces and packing them in polythene bags. In one of these units an adult labourer and his young son were working together. When the father was asked about it, he denied that the son was actually working in the unit. Two children themselves overstated their age. In a hosiery unit, a child was engaged in labelling and in another doing machine work. In electroplating and nuts and bolts units children were engaged in light work such as packing. However, in a re-rolling and bar-drawing unit, they were seen working on furnaces. When an attempt was made to interview the children working there, the entrepreneur refused to allow it. However, interviews with other workers revealed that these children were not pledged.

The workers said that they were forced to send their children to work due to economic necessity. They were of the view that all members of the family should contribute to
the family income and that children should be "schooled at work". The entrepreneurs justified the employment of children who according to them were being saved from starvation. They claimed that they provided for the children's welfare and loved them like their own children.

Women Workers

The Factories Act and the Punjab Shops and Commercial Establishments Act prohibited the employment of women in certain dangerous occupations and at night between 7 P.M. and 6 A.M. The Punjab Shops and Commercial Establishments Act provided that no woman was to be employed in any establishment during six weeks following the day of her confinement or miscarriage. The Maternity Benefits Act, 1961, provided for maternity benefits to women workers. The Act also made it unlawful for an employer to discharge or dismiss a woman during pregnancy.

Our study revealed that women worked mostly in the hosiery industry. However, in only two of the hosiery units were they employed on a regular basis. Generally they worked for a contractor, and did work like embroidery or that of putting buttons on garments in their homes. In the two engineering units, there were two women working as clerks. The responses of entrepreneurs with regard to the employment of women may be analysed as follows:
(i) 8 stated that women did work for them but in their own homes;
(ii) 11 were of the view that women did not come forward to work due to social mores;
(iii) 20 expressed the view that women were not fit to work in their units because of the arduous nature of work;
(iv) 31 maintained that most of the workforce was illiterate and rustic and so the atmosphere was not suitable for women.
(v) 29 gave no specific reason.

The percentage of women workers was very low. The legislation about employment of women workers was generally adhered to. However, they were not given the maternity benefits. Most of the women workers were either widowed or old or were unmarried girls. There was no young married woman worker, in our sample. One of the entrepreneurs stated that they purposely employed either young unmarried girls or aged women to avoid payment of maternity benefits.

Contract Labour

Contract labour is the term used for labour employed by a contractor to do work which is ancillary or incidental to the main manufacturing process. The Contract Labour (Regulation and Abolition) Act was passed in 1970.
It applied to establishments in which 20 or more workmen were employed. While the existence of contract labour was found in 11 units, none of these was covered under the Act. In seven, the contractor gave work to women workers to be done by them at home. In four of the units, workers came to work in industrial units. Of these, two were manufacturing hosiery, one agricultural implements and one stationery. In none of these units 20 workers had been employed; working conditions of these workers were not regulated.

**INDUSTRIAL RELATIONS**

The laws relating to industrial relations were the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947. The Trade Unions Act helped workers to organise themselves and use their collective bargaining power. The Industrial Employment (Standing Orders) Act provided that the terms and conditions of work should be made known to workers in advance so that there was no misunderstanding or dispute on that account. The Industrial Disputes Act provided for the prevention and settlement of disputes.

**Trade Unionism**

In 1979-80 in the manufacturing sector of Ludhiana District, there were 63 trade unions with a total membership of 30,151 including 663 females. In the same year,
the industrial population of registered units - large, medium and small - was 149,197. Thus about 20 per cent of the workers were members of unions.

In our sample, of the 99 workers interviewed only 9 were members of unions. When asked the reason for their not being members of the trade unions, their responses were as follows:

(i) 21 of the workers stated that they had no grouse against their employer; so they did not want to be members of any trade union. According to their perception the function of trade unions was to organise strikes and fight labour cases; hence the workers who had no quarrel with their employer considered them of no use to them;

(ii) 19 stated that they had no time to take part in trade union activities;

(iii) 9 showed ignorance about the activities of trade unions;

(iv) 6 stated that they could not afford to pay the membership fee and the annual subscription;

(v) 5 did not want to displease the employer;

(vi) 40 gave no specific reason.

Standing Orders

The Industrial Employment (Standing Orders) Act was passed in 1946. The Act applied to all industrial under-
takings employing 100 or more persons and required a set of rules called Standing Orders, to regulate the classification of workmen, working time and holidays, attendance and late coming of workmen, leave, termination of employment, disciplinary action and complaints of workers.

In the Punjab State, the Act covered all industrial establishments employing 20 or more workers with effect from May 1973\(^5\). Of the 99 units which employed hired labour, there were 20 units where 20 or more workers were employed. However, none of the entrepreneurs had got his unit registered under the Act nor did any of them get any standing orders certified. Thus there was infringement of the law but no entrepreneur was prosecuted for this. The officials of the Labour Department said that they had issued warnings to defaulters.

**Settlement of Industrial Disputes**

The Industrial Disputes Act, 1947, provided for the establishment of works committees to promote harmonious relations between the employers and workers. It was amended in 1956, 1964, 1965, 1971, 1972 and 1976. The Punjab Government made rules under the Act in 1958 which were amended in 1975 and 1977 and were called the Industrial Disputes (Punjab First


Works Committees   Under Section 3(2) of the Act, works committees were to be constituted in every industrial establishment in which hundred or more workmen were employed. In our sample three units employed 100 or more workers each but no works committees had been formed in any of them. Neither did the entrepreneurs fulfil their responsibility nor did the workers take any initiative.

Disputes   In the surveyed units, there were only 10 industrial disputes in a period of ten years from 1971 to 1980. Of these ten, four were over wages, five on account of dismissal of workers and one due to deduction from wages on account of an advance already given. Eight disputes had been settled by mutual agreement. Only two were before the Labour Court and had been pending for more than six months.

Lay Off and Retrenchment Compensation   Under the Industrial Disputes Act, workers in any factory having an average daily number of 50 or more workers and where the work done was of intermittent or seasonal character, were entitled to compensation for lay off provided they had a qualifying service of

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a certain number of days. Besides, there was a long procedure for laying off a worker.

Workers, when interviewed, however, said that no compensation had been paid to retrenched workers. To avoid the long procedure of laying off a worker, workers were kept on a daily basis and were not made permanent. Of the total of 1356 workers in the sample units, 584 were temporary. Sometimes changes were made in the names of workers or they were given a break in service. The owners argued that labour laws had given all rights to workers and none to them. They stated that these rights made workers haughty and obstinate and created problems for them. They argued that the Industrial Disputes Act had given the workmen security of tenure and there was a complicated procedure of taking disciplinary action and the right to be reinstated in case of wrongful dismissal. They maintained that large and medium-scale industrialists could afford the luxury of engaging a highly qualified and therefore highly paid labour welfare officer, but not small-scale industrialists. In all matters, large and small-scale industries were treated alike which was indeed a case of discrimination, that is treating unequals equally.

**Strikes and Lock-outs** The appropriate Governments were authorised to prohibit the continuance of any strike or
lock-out if the dispute had been referred to a Court or Tribunal. There was no strike or lock out in any of the surveyed units during the period 1971-80.

**WORKING CONDITIONS**

Physical conditions of work were regulated by the Factories Act, 1948, the Punjab Shops and Commercial Establishments Act, 1958, and the Punjab Industrial Establishments National and Festival Holidays and Casual and Sick Leave Act, 1965. Compensation was regulated by the Payment of Wages Act, 1935, the Minimum Wages Act, 1948, and the Payment of Bonus Act, 1965.

**Physical Working Conditions**

The main object of the Factories Act was to "ensure adequate safety measures and to promote the health and welfare of workers". It covered all units employing 10 or more workers where power was used and those employing 20 or more workers, where power was not used. Under Section 85 of the Act, State Governments were empowered to apply the provisions of the Act to other units also, except where the work was done solely by family members.

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Of the 99 units which employed hired labour, 3% were covered by the Act because 10 or more workers were employed there and power was being used. However, even of these, only 28 units were registered under the Act; six of the entrepreneurs evaded the law by not getting their units registered. There was one unit with 100 workers but the entrepreneur had not got it registered. Besides, the four units of electroplating and printing were covered under section 85 of the Act, but these were also not registered. Of the 28 factories, 13 were manufacturing cycle and cycle parts, five hosiery, three machine tools, two re-rolling and bar-drawing, one sewing machines and parts, one auto-parts, one diesel engines and one was doing dyeing work.

The Punjab Shops and Commercial Establishments Act, 1958, was "an act to provide for the regulation of conditions of work and employment in shops and commercial establishments". The Act was to apply in the first instance to areas by notification. Of the 99 units with hired labour, 71 were covered by this Act. The Punjab Industrial Establishments, National and Festival Holidays and Casual and Sick Leave Act, 1965, applied to all the industrial units.

*The Act is also referred to as the Shops Act.
Building

The Rules framed under the Factories Act provided for a minimum height, minimum floor area, and at least two doors in a work room. Personal observation indicated that, on the whole, in the factory buildings, the room where the workers worked had two doors. However, in 12 of the 28 factories the height of rooms was less than that prescribed; the minimum floor area was also not according to the provisions of the Act. There was congestion in the working area.

The working conditions in the units not covered by the Factories Act were appalling. The units were lodged in very small rooms. Sometimes there were three or four units in the space meant for one. Some units were housed in old buildings with a mud floor. There was no provision in the Punjab Shops and Commercial Establishments Act for regulating the type of building.

Sanitation and Health

The Factories Act and the Punjab Shops and Commercial Establishments Rules provided for sanitation and healthy atmosphere of work in industrial units.

In all the 28 units registered under the Factories Act, the floor was swept at least once a day but it was not washed or disinfected. Dusting, cleaning and rearrangement of instruments was also done every day.

8These units are referred to as non-factories.
However, the standard of general cleanliness was satisfactory only in the seven bigger and newly built factories; in remaining 21 small factories it was not. Some of these factories were very old and had mud floors. Drainage and sewerage systems were of a poor standard except in some areas. In all the 28 factories, there was infringement of the law regarding white washing, painting or varnishing of factory building.

In non-factories also floors were swept at least once during the day. However, there was much accumulation of dirt and refuse; iron scrap and other waste materials had accumulated in corners of rooms or outside them. The walls of 15 units were almost dark with smoke and dirt. In both the electroplating units, the floor had become wet in the manufacturing process but there was no proper drainage.

Dust and Fumes Both the Acts provided for measures to prevent the inhalation of dust and fumes injurious to health. However, we found that in a yarn spinning factory there was dust due to processes such as mixing of wool, batching, carding and finishing. In this unit and in a wool dyeing unit, some fume giving processes were also being carried out. In cycle and cycle parts manufacturing factories, the processes of buffing, glazing, polishing, parting of castings and mouldings, melting of iron ore and heating of iron for forging
were giving off a considerable amount of dust. In one of the factories protective equipment like dust masks, gas masks or fresh air breathing equipment had been provided to workers. The workers covered their mouths and noses with towels or handkerchiefs to avoid inhalation of dust. Only in one unit dust was suppressed by sprinkling water, and in two local exhausts had been installed.

Electroplating units carried on processes which gave off fumes, against which no protective measure had been taken. Thus there was infringement of the law in both factories and non-factories so far as dust and fumes were concerned.

Ventilation and Light Personal observation indicated that on the whole the factory buildings were well-lighted and well-ventilated. In 19 non-factories there was no proper ventilation. In seven of these, there was so much congestion and suffocation that it was difficult to sit there even for one hour for the purpose of interviewing. However, there was provision for light in all the industrial units.

Drinking Water All the industrial units had made provision for drinking water for the workers by means of water-pumps, tanks made of iron-sheets, and pitchers.

Latrines and Urinals It was found that latrines had been provided in all the sample units covered under the Factories
Act. However, these were not of the approved type. Separate arrangement for latrines and urinals had been made only in three factories. Two hosiery units which employed women workers made separate arrangements for them. In four factories the latrines had no doors. The latrines or urinals were not white-washed as required. These were stinking and very dirty. The Punjab Shops and Commercial Establishments Act did not have any provision relating to these. However, in twenty seven of the 71 units, there were latrines. In the rest, workers used open space or public latrines.

**Spittoons**

Of the 28 units covered under the Factories Act, only four had provided spittoons but these were not according to specifications. These were also not disinfected every day; the spittoons were apparently merely show-pieces. Of the 71 industrial units covered under the Punjab Shops and Commercial Establishments Act (the Shops Act) none maintained a spittoon. In the absence of the spittoons, workers used corners of the premises for spitting.

No entrepreneur or workers reported that any of the two Medical Inspectors of Factories had made a medical inspection.

Thus, we found that the laws relating to health and sanitation were frequently infringed but no employer was prosecuted for doing so.
Both the Acts fixed the maximum hours of work per day and per week and the maximum hours of overtime. Under both the Acts, maximum hours of work for adult workers were 48 per week and 9 per day. It was found that a six day week was observed, so the hours of work per day were eight. In three of the 28 factories, the number of hours exceeded 48 per week. The workers were also aware of the provisions of the law. Of the three units which did not observe prescribed hours of work, two were hosiery units and one cycle and cycle parts unit. One of the reasons for hosiery units not observing the prescribed hours was its seasonal nature. To meet the seasonal demand of the product, workers worked for more than eight hours a day. In the low-investment group there was only one unit which was a factory and this unit did not observe the prescribed hours of work; the other two units belonged to the medium-investment group. This indicated that relatively smaller firms did not observe labour laws strictly.

Table 9.4 shows the daily hours of work in non-factory units. We may note that there was not even a single unit where the daily working hours were less than eight. In seven units an eight hour working day was observed
and in 22 a nine hour working day. In all other units, working hours were more than nine, sometimes extending up to 12 a day. The weekly hours ranged between 56 and 70. To meet the seasonal demand, sometimes the workers worked even for 12 to 15 hours a day, but this was done only in units where wages were paid on a piece rate basis. Twenty-two of the entrepreneurs were fined Rs. 25-50 for not observing the prescribed hours of work. These fines were much smaller than the gains made through the contravention of law.

**Rest-interval and Duration of Spreadover** We found that in all the units whether covered under the Factories Act or

### TABLE 9.4

Number of Non-factories according to Daily Hours of Work

<table>
<thead>
<tr>
<th>Investment Group</th>
<th>7½-8 hrs</th>
<th>8 hrs</th>
<th>9 hrs</th>
<th>More than 9 hrs</th>
<th>Total No. of units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-investment group</td>
<td>-</td>
<td>2</td>
<td>13</td>
<td>24</td>
<td>39</td>
</tr>
<tr>
<td>Medium-investment</td>
<td>-</td>
<td>4</td>
<td>9</td>
<td>18</td>
<td>31</td>
</tr>
<tr>
<td>High-investment</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>7</td>
<td>22</td>
<td>42</td>
<td>71</td>
</tr>
</tbody>
</table>
the Shops Act, owners allowed rest intervals to their employees and in 96 of these, its duration was more than the prescribed half an hour. However, the duration of the spread-over in 26 out of the 28 factories and the 71 non-factories was more than the prescribed spreadover of 10½ hours. One of the reasons for non-observance of this provision of the Act was the uncertainty about the availability of electricity. The industrial units had to be operated in day time or at night according to the availability of electricity. Sometimes workers came to the units in the morning at the usual time and waited for hours till power was available. Their working hours were counted from the time electricity was available. This caused inconvenience to both the workers and the employers because the spreadover of total hours of work was sometime 15 to 16 a day; thus circumvention of the law was there. Only two of the factories which had their generators observed this provision of the Act.

**Overtime Work**  Both the Acts provided that total hours of overtime work were not to exceed fifty for any one quarter and the payment for overtime would be at double the rate of normal wages. It was found that in 10 of the 28 factories, no overtime work was given. In 16 overtime was also paid for at ordinary rates; in the remaining two it was paid for at a little more (8/7 times the ordinary rate).
In the non-factories, 15 of the 71 units paid piece rate wages and workers were happy to work overtime. In the remaining units, workers did work for more than eight hours but they were not paid at even the ordinary rate for the overtime work; sometimes the entrepreneurs gave them a cup of tea or food.

**Hours of Work for Young Persons** Both the Acts fixed the maximum hours of work in case of a child and an adolescent at 4½ hours a day with a spreadover of 5 hours. It was found that in all the units, where young persons or children were employed, they worked for as many hours as the adult workers. Thus, there was infringement of the law but no entrepreneur was prosecuted.

**Leave** Besides a weekly day of rest, both the Acts provided that every worker who had worked for a period of at least 240 days during a calendar year, was to be allowed during the subsequent year, leave with wages at the rate of (a) one day for every 20 days worked in case of adults, and (b) one day for every 15 days in the case of children

**Annual Leave** We found that the provisions regarding leave were not being observed. Of the 28 factories, in seven workers did not avail of the earned leave due to them but
Instead preferred to get wages in lieu of leave. Employers and workers resorted to this practice by mutual consent. An employer stated that the factory was closed for fifteen days in the month of August every year, for maintenance and repairs and all the workers were given leave with wages. Therefore, all the workers, were forced to take leave, whether they needed it or not.

In 71 non-factories, 59 entrepreneurs infringed the law. In these units, workers said that annual leave was not considered a right of the worker but an obligation by the employer.

National and Festival Holidays Under the Punjab Industrial Establishments National and Festival Holidays and Casual and Sick Leave Act, 1965, workers were allowed eight festival holidays and three national holidays in 27 of the 28 factories. In non-factories these holidays were allowed in 27 units. The remaining 44 units worked even on national holidays like the Republic Day, the Independence Day and the Gandhi Jayanti.

Casual Leave We found that casual leave with wages was granted to workers only in 22 of the 28 factories and 29 of the units covered by the Shops Act. Even those employers who did grant it, did not give the full 10 days' leave to which workers were entitled.
Weekly Off

Generally units observed weekly off day except in seasonal industries like hosiery where the workers worked even on Sundays to meet the seasonal demand.

Sick Leave

Sick leave with pay was granted to 65 of the units.

Wages and Earnings

Wages, allowances and bonus were regulated by the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, and the Payment of Bonus Act, 1965. The Payment of Wages Act fixed the wage period and the time of payment, prohibited the imposition of fines without prior approval of the Government, and provided for the maintenance of certain registers and notices and submission of annual returns. The Minimum Wages Act fixed the minimum wages in certain industries; the Payment of Bonus Act provided for payment of bonus to workers. The Payment of Wages Act and the Payment of Bonus Act covered only factories; in our sample 28 units were covered. The Minimum Wages Act covered all the sample units with hired labour.

Wage-Period and Time of Payment

Under the Payment of Wages Act, wages were required to be paid by the seventh of every month. In 100 of the factories, wages were paid on the seventh of every month; often even an advance was provided. In the
remaining factories wages were paid on the 10th of every month, thus leading to a slight contravention of the Act. Of the 71 non-factory units which were not covered under the Act, daily wages were paid in nine units, weekly wages in six, monthly wages in 56. Wages were paid on the 10th of every month in all the units except one.

Deductions and Fines Of the total of 28 units, one unit made deductions from wages on account of sub-standard work but the amount so deducted was not spent for the welfare of workers. In the 71 non-factories, not covered by the Act, there had been only one case, during the previous ten years of deduction of wages; it had finally been settled between the parties.

Registers and Notices The Act and Rules thereunder required the maintenance of various records, registers and display of notices. The employers found the task too much. In most cases these were not properly maintained. The employers stated that they escaped penalties by bribing the Inspectors of the Labour Department.

Annual returns None of the units covered under the Act sent annual returns to the Office of the Labour Commissioner in the prescribed form (No.IV) containing particulars relating to the total number of workers employed, total days and man-days worked, deductions, and gross wages paid. However, there was no warning or prosecution on account of this.
Minimum Wages

Under the Minimum Wages Act, the State Government was required to fix minimum rates of wages payable to employees in any employment specified in the Schedule (Part I or Part II) to the Act. Table 9.5 shows the monthly wages fixed in Punjab in employments related to our sample. We note that there was little increase in the

<table>
<thead>
<tr>
<th>Industry</th>
<th>Unskilled workers</th>
<th>Semi-skilled workers</th>
<th>Skilled workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textiles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>or 6.50 per day</td>
<td>187.50</td>
<td>230.00</td>
<td>197.00</td>
</tr>
<tr>
<td>or 7.50 per day</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saw mills</td>
<td>166.50</td>
<td>225.00</td>
<td>201.50</td>
</tr>
<tr>
<td>or 6.50 per day</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electroplating</td>
<td>166.50</td>
<td>225.00</td>
<td>186.50</td>
</tr>
<tr>
<td>or 6.50 per day</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural implements,</td>
<td>166.50</td>
<td>225.00</td>
<td>176.50</td>
</tr>
<tr>
<td>machine tools, general engg.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>or 6.50 per day</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundaries</td>
<td>166.50</td>
<td>225.00</td>
<td>176.50</td>
</tr>
<tr>
<td>or 6.50 per day</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ferrous metals rolling</td>
<td>166.50</td>
<td>225.00</td>
<td>176.50</td>
</tr>
<tr>
<td>and re-rolling</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Punjab Government Gazette Notifications.
wages fixed by the Government. In many small industries even during 1975-79 despite inflation these wages were not paid. It was found that 18 entrepreneurs paid wages at a piece rate. All the remaining 81 entrepreneurs stated that they paid wages according to the Act. Fourteen out of 81 workers, however, claimed that they were being paid lower wages.

Thus, apparently, the law was being infringed. The Act provided for penalties for offences under the Act. Any employer who paid to the employee less than the amount due to him under the provisions of the Act was punishable with imprisonment for a term which might extend to six months or with fine which might extend to Rs. 500 or with both. None of the employers interviewed was punished for infringement of the provision of the Act. The employers made workers to sign on wages received according to the Act.

**Bonus**

The Payment of Bonus Act, 1965, makes annual payment of bonus obligatory on the employer. In Punjab, its applicability was extended to establishments with ten or more workers.

Of 99 units which had hired labour there were 34 units which employed 10 or more workers. The employers and workers made conflicting statements regarding the payment
of bonus. While employers stated to have paid bonus in all the eligible units, workers of 11 units stated that they had not received bonus.

Payment of Minimum and Maximum Bonus At the time of enactment of the Act in 1965, minimum payable bonus was at the rate of 4 per cent of the wages of the employee, whether there were profits or not but the subsequent amendments of 1976 raised the limit to $\frac{1}{3}$ per cent or Rs.100 which ever was higher (Rs.60 in case of persons below the age of 15 years). The maximum limit of bonus was 20 per cent of the wage. In our sample in three units, bonus was paid equal to one month salary and in all others equal to $\frac{1}{3}$ per cent of wages - the minimum amount payable.

Time limit for payment of bonus It was found that bonus was paid by the employer not within the time limit but at his convenience. In 11 of the units it was paid within the specified period of eight months from the close of the accounting year but in 12 units it was paid after 1\frac{1}{2} to 2 years of the close of the accounting year.

Penalty The Act provided for penalty for contravention of any of the provisions of the Act. According to the statement of workers, no bonus was paid in 11 units but no entrepreneur was punished for non-payment which meant that entrepreneurs either maintained false records or managed to escape the penalty by bribing.
WELFARE

In India, interest in welfare activities started during the Second World War, when the Government of India introduced schemes of labour welfare in ammunition and other factories engaged in war-production to keep up the morals of the workers in the midst of a politically difficult situation. With the achievement of Independence and the emergence of a republic wedded to the ideal of a welfare state and a socialist pattern of society, further efforts in this direction were made.

The Committee of Experts on welfare facilities for Industrial Workers convened by the ILO in 1945 had divided welfare services in the two groups – (a) within the precincts of the unit and (b) outside it.10

The Factories Act and the Shops Act, besides regulating the physical conditions of work, provided for some welfare measures as follows:

9 Welfare measures with in the premises relating to physical conditions of work have already been covered in detail under the previous section.

Safety  Both the Acts provided for safety of workers and required that every dangerous part of the machinery should be securely fenced by substantial construction to be kept in position when parts of the machinery were in motion or in use.

Of the 99 units which had hired labour, 78 were using machinery which could be dangerous. In 62 of these the dangerous parts had been fenced. The provisions of the Act were infringed in 16 units. All these units were covered by the Shops Act. None of the employers was fined or prosecuted.

First-aid appliance Of the units studied, only 13 out of the 28 factories had first-aid boxes. Thus there was contravention of the law in 15 factories. None of the non-factories maintained a first aid box; thus all the 71 employers contravened the law but none of them was prosecuted.

Welfare amenities outside the precincts of the unit may be discussed under the following categories: (i) social security, (ii) housing, (iii) benevolent fund, (iv) recreational and other amenities.

Social Security

A system of social insurance would consist of (i) accident insurance; (ii) sickness insurance; (iii) maternity
insurance; (iv) unemployment insurance; (v) old age insurance; (vi) invalidity insurance and (vii) survivorship insurance.

**Accident Insurance**

The Workmen's Compensation Act, 1923, was the earliest step in the direction. The provisions of the Act applied to specified categories of workmen getting monthly wages up to Rs. 1000 per month. The Act imposed an obligation upon the employers to pay compensation to workers in case of accident arising out of, and in the course of, employment which might result in death or total disablement or partial disablement for a period exceeding three days. Compensation was also payable for some specified occupational diseases.

Another Act providing accident insurance was the Employees' State Insurance Act, 1948. The Act was originally applicable to all factories run with power and employing 20 or more persons, later it was extended to power using factories employing 10 or more workers. With the amendment of the Act in 1975, the wage limit for coverage of employees was enhanced from Rs. 500 to Rs. 1000 per month. The Act provided for disablement benefit for insured employees. It was payable for temporary or permanent, partial or total, disablement as a result of employment injury which included certain occupational diseases. Workers who were covered

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under the Employees' State Insurance Act, were not entitled to compensation under the Workmen's Compensation Act.

Thirtyfour units fell under the perview of these Acts but as already mentioned six units had not got themselves registered under the Factories Act; so these Acts also were applicable to 28 units. Hence 71 out of 99 units were not covered by the law and their workers were not entitled to any accident benefit.

In the surveyed factories, no case of death, permanent or temporary disablement or occupational disease due to work in the unit was reported either by the workers interviewed or by the entrepreneurs. However, the entrepreneurs stated that minor injuries were got treated by the employers at their own expenses.

Medical Insurance The Employees' State Insurance Act also provided for sickness and medical benefit which consisted of periodical cash payments to an insured person in respect of such days of sickness in a benefit period as were certified by the duly appointed medical practitioner. 13

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13 Under the Act, the benefit period was not less than 25 weeks but not exceeding 27 consecutive weeks of six consecutive months.
Of the 1356 workers employed in our sample units, 1069 factory workers could be covered by the Employees' State Insurance Act, in fact only 462 were covered. This was because 263 workers were temporary to whom the Act did not apply and 344 workers did not contribute towards the Scheme.

Both, the workers and the employers, were critical of the implementation of the programme. They stated that the Employees' State Insurance Corporation, like other Government agencies, was heartless, slow, inefficient and corrupt. The employers stated that as long as a workman was covered by the Employees' State Insurance Act and reported sick, he was immune from termination of services, so the workers sometimes managed to get false certificates. The entrepreneurs found it difficult to collect contributions every week from the workers and maintain their cards. They complained that treatment under the programme took away a lot of the worker's time. Hence, they were prepared to provide medical facilities to their employees on their own.

On the other hand, workers, alleged that they did not get proper attention. Physicians were paid their fees by the Government at fixed rates; they did not have to attract patients.
Maternity Benefits

Maternity benefits were provided by the Employees' State Insurance Act or the Maternity Benefits Act, 1961.

Old Age Insurance

The Employees' Provident Funds and Miscellaneous Provisions Act was passed in 1952 to provide old age benefits to industrial workers. The Act became operative with effect from 1st November 1952. By the end of 1978 the total number of industries covered stood at 155. The Act as amended on 1st August, 1976, empowered the Central Government to frame the Deposit Linked Insurance Scheme to provide the life insurance benefit to employees covered by the Act. It applied to all factories and other notified establishments employing 20 or more persons. The employee's statutory contribution to the Fund was 8 per cent and an equal amount was required to be contributed by the employer.

In the sample, there were 20 units which employed 20 or more workers. The owners had provided for a provident fund in 15 units only. Even in these 15 units, some of the workers had not been covered; some of them were given a break in their service precisely to avoid extension of this facility. There were 941 workers employed in the 20 units but only 202 were contributing towards the scheme.

\[\text{\footnotesize 14 Detailed discussion has been done in the above section.}\]
The entrepreneurs did not want to implement the scheme because it involved financial burden on them since they had to contribute to the fund. Some of the entrepreneurs stated that they did not implement the scheme because it involved cumbersome procedures; cards had to be maintained separately in case of all the employees and contributions had to be deposited regularly. They maintained that they did not have full time accountants and it was difficult for them to maintain the accounts and cards.

In our sample, only two were contributing to the Fund. Eighteen out of the 20 workers did not want deductions on account of the provident fund. The reasons given were as follows:

(i) Nine did not know about the benefits they could get by contributing towards the Fund;

(ii) Five were not certain of their stay in the District, hence did not want to join the scheme. They were not certain of getting the provident fund amount in the future after they returned to their village.

(iii) Two stated that the formalities for getting back the provident fund were too many,

(iv) Two did not want deductions because these decreased their immediate wages.
The main object of the Act was to provide for payment of gratuity to employees employed in every (a) factory, (b) every shop or establishment in which ten or more persons were employed on any day of the preceding twelve months. Under the Act, gratuity was payable to an employee on the termination of his employment after rendering continuous service for not less than five years, on superannuation or retirement or resignation.

The survey revealed that 34 units were covered under the Act but only one employer had paid gratuity to two workers. In other industrial units, the employers did not pay the gratuity and infringed the law. If a worker served an employer for a period of 15 to 20 years, the employer gave him a few thousands of rupees as a kind of benevolence.

Survivorship Insurance The Employees' State Insurance Act also provided for a dependant's benefit if an insured employee died as a result of employment injury. None of the owners of the sampled units reported any fatal injury.

Housing

The Industrial Truce Resolution 1947, recommended that "as a first step towards improving the standard of living of workers, immediate attention should be devoted to the problems of housing of industrial labour".

The Government of India formulated in 1949 a scheme of industrial housing. In September 1952, came the Subsidised Industrial Housing Scheme.16

The Punjab Housing Act, enacted in 1956, had the limited objective of managing the houses built under the Scheme. By the end of 1978, the State Labour Department had under its control 1,894 houses constructed under the Scheme for giving on rent to industrial workers. Of these 750 houses had since been allotted. In Ludhiana District 592 houses constructed at Dhandari Kalan were under the control of the State Labour Department and by the end of 1980, 246 workers had been given houses. None of the workers in our sample got a house. In the absence of proper housing, workers lived in small and dark rooms and in unhealthy conditions. Some of the workers did double duty of an

16 The Scheme envisaged the grant of long-term interest bearing loans and liberal subsidies by the Government of India to the State Governments and through them to other approved agencies such as Statutory Housing Boards, Local Bodies, industrial employers and registered co-operative societies of industrial workers. The assistance was for construction of houses for industrial workers.
Industrial worker in day time and watchman at night. These workers were allowed to stay in the premises of the industrial unit. The other workers who migrated from other states lived in inhuman conditions. They lived in bunches of 10-12, in lice and bug infested windowless 8 ft. x 8 ft. rooms with smoke smeared walls on which slogans like "welcome" were painted. For each common courtyard of 5-6 rooms, one handwater pump was provided. These courtyards were without trees and lavatories. Such barracks existed at Sherpur, Giaspur, Deba and Dhandari Kalan in Ludhiana District.

Benevolent Fund

The Punjab Labour Welfare Act, 1965, provided for the constitution of a Fund consisting of (a) all fines realised from the employees, (b) unpaid accumulations transferred to the Fund, (c) grants and subsidies to the Board made by the State Government, (d) voluntary donations and (e) borrowed sums.

The Act was implemented by an autonomous Board. The Board had a few welfare schemes - grant of interest free loans to eligible industrial workers for purchase of bicycles and sewing machines, grant of stipends to children of eligible industrial workers studying in high classes, technical courses and colleges, and grant of 50 per cent subsidy for purchase of
spectacles and dentures. The Board was running 14 balwadis (creches) for children of industrial workers, in the age-group of 3 to 6 years. There were 25 labour welfare centres located at important industrial places.

There were two welfare centres located in the District - one at Ludhiana and one at Dhandari Kalan. Here free training in sewing, knitting and embroidery was imparted to womenfolk. Of the total of 99 workers interviewed, only one took advantage of a welfare centre. None of the workers got any financial assistance in the form of a loan or subsidy. In fact, 92 of the workers were not even aware of the welfare measures; 80 stated that only influential workers and labour leaders who had political connections could get the facilities. Thus, the Fund was not of much help to poor workers. None of the employers interviewed deposited any amount in the Fund.

**Recreation and other Amenities**

For providing recreation and some other amenities the following measures were taken:

(a) **Holiday-home for Industrial Workers**  It was set up at Dalhousie in July, 1963 to provide free accommodation up to 15 days to a visiting worker and his family with free light and water, furniture, crockery, library and
reading room facilities. One way second class rail or bus
fare was payable to each worker, his wife and children below
the age of 18 years.

None of the workers in our sample availed of the
facility. Two of the workers of our sample who were aware
of this facility thought that the holiday home was only for
labour leaders.

(b) Recreation For recreation of workers and their
families, there was a film projector under the charge of a
whole-time operator. The film-shows were to be arranged in
the premises of Labour Welfare Centres.

None of the worker interviewed was aware that
film-shows were arranged in welfare centres. However, an
employer organised an athletic meet for the workers of his
factory. No other employer did anything for their
entertainment.

From the foregoing we note that of the 117 sample
units 99 had hired labour. These units employed 1356 workers.
A little less than half (49.2%) of the employees came from
other States. Of the 99 workers interviewed, 57 had come from
States other than Punjab. Of these 57, 43 were forced to
leave their home village. There was evidence of child labour
in the sample units. Employment of women workers was low. Of
the sample workers, only 9 were members of trade unions. In
the previous ten years, there were 10 industrial disputes.
Of these, eight had been settled mutually and two had been
pending with the labour court for more than six months. There
were no works committees. During the previous ten years, there
had been no strike or lock out. The standing orders were not
followed by the employers.

The working conditions were far from satisfactory.
They were worse in non-factory units. In three of the fac-
tories and 64 of the non-factories, hours of work were more
than the prescribed. The rest interval in all the units was
more than the prescribed half an hour. The spread-over of
the working period was more than the prescribed 10½ hours
except in two units where they had electric generators.
Children also worked for as many hours as the adults. Laws
relating to leave were not adhered to. Of the 87 one units
where time rate wages were paid, less than the prescribed
minimum wages were paid in 1½ units. Conflicting statements
were given by the employers and workers regarding the payment
of bonus in seven units.

Of the 1356 workers employed in our sample units,
1069 factory workers could be covered by the Employees'
State Insurance Act but in fact 462 were covered. The Provident
Fund benefit was not given in five units and in the 15 units
where the benefit was given some of the workers were not covered. Thus there was infringement of laws. The reasons relating to their infringement are discussed below.

Coverage of the Law

Most of the laws applied to factories, thus workers in non-factory units were not covered. Workers in non-factories were not entitled to benefits under some important acts such as the Employees' State Insurance Act, the Provident Fund Act, the Punjab Housing Act, the Payment of Wages Act, the Payment of Bonus Act, the Industrial Employment (Standing Orders) Act. In our sample workers of 71 out of 99 units were not entitled to benefits under these acts.

Formalities

There were a number of formalities involved in implementing the law. An entrepreneur had to maintain 35 registers and many forms and notices if his unit was registered under the Factories Act. A small factory owner found this difficult.

Punishment

Offenders were generally punished very lightly. The fine was smaller than the extra profit made by the offender.

Financial Burden

The entrepreneurs maintained that the labour laws imposed a financial burden on them without taking into consideration the vital question whether the
industry had the capacity to bear it. They argued that small entrepreneurs could not afford to provide separate urinals, latrines and spittoons and got the premises of the unit white washed every year. They argued that bonus, which was originally a voluntary payment had become a statutory obligation.

**Weak Position of Workers**

Workers generally were in a weak position. The most important reason was their poverty. Being non-literate and afraid of losing the job, they were reluctant to give evidence against their employers. In some cases, they were ignorant of the provisions of the Acts and their rights.

**Inadequacy of Implementing Staff**

In Ludhiana District there were 6,223 registered small-scale unit, 52 large and medium-scale industries and 17,401 commercial establishments in 1967; by the end of 1979 their number had risen to 14,241, 158 and 25,681 respectively. In the year 1967, there were 3 Factory Inspectors, 6 Labour Inspectors (Grade I) and 3 Labour Inspectors (Grade II) by 1980 their number had increased to four, seven and four respectively. Thus while the number of factories had increased and the Acts had been extended to cover smaller units, the number of inspectors and other officers had not increased much. Vacancies had not been filled for years. The staff maintained that
it was not possible for them to visit the units frequently. Lack of proper conveyance facilities also was a handicap to them.

**Corruption** The inspectors were influenced by the entrepreneurs through bribes. Of the 99 units which had hired labour, 76 employers stated that they paid some money to the inspector either every month or every year or whenever he came to the industrial unit. Some of the entrepreneurs alleged that the inspectors came to the unit not for inspection but only for making money. In some cases, the peon of the inspector came for collection of money but he himself never came. The laws could not be enforced unless the persons concerned worked conscientiously.