

CHAPTER III

OBJECTIVES OF THIS STUDY

A. OBJECTIVES

General observation would lead one to believe that with the spread of the system of employment of Contract Labour for various activities inside the factory premises, a whole new set of conditions seems to arise with reference to their employment, their wages and their service conditions vis-a-vis the employment wages and service conditions offered to those in the permanent employment of the company.

The objectives of this study were to determine whether the above assumptions were in fact true or not, and if true the extent to which there exists a difference between the two sets of conditions. Information was

also sought to be collected on the reasons for employment of contract labour from the company point of view and the problems if any, at that end. So also the awareness of their obligations towards their employees and the motivation of the contractors.

An attempt was also made to ascertain the point of view of the enforcement and inspection machinery of the Government of Maharashtra i.e. the labour department, with reference to these questions and particular with reference to the implementation of the enacted legislation within whose purview these matters fall. How this turned out to be an exercise in futility will be described in detail in the next chapter.

It was hoped that responses from all the constituencies i.e. the principal employers, the

contractors, the contract employees and the officials of the labour department of the government of Maharashtra could be compared with one another so that deeper insights could be obtained regarding the working of the system. Arising out of all the above, it was hoped that some recommendations could have been arrived at, in the nature of suggestion for action to be taken with reference to the total system of employment of contract labour.

Thus the objectives of this study could be summarised as follows:

1. Collect information with reference to wages and service conditions on the employment of contract labour.
2. Compare this with wages and service conditions offered to permanent employees of the same

company where the contract employees work and with wages and service conditions that should actually be offered to contract employees as well as those they feel should be offered to them.

3. Ascertain the reasons for employment of contract labour both from the point of view of the company employing them as well as the contractor who is the immediate employer.
4. Ascertain the extent to which the Law relating to employment of contract labour is complied with.
5. Collecting the views of the labour department of Government of Maharashtra with reference to the employment of contract labour.

6. Come up with some recommendations and suggestions which would lead to same improvements in the present system.

B. HYPOTHESIS:

It was decided to proceed from the underlying hypothesis that the conditions of the contract labour are satisfactory and that the wages and service conditions obtaining in their case are in compliance with the Laws which are supposed to govern them. It would therefore follow that they are empowered to exercise the rights vested in them by virtue of laws covering them and are in receipt of wages, service conditions, facilities etc. which are due to them.

Proceeding from this assessment and in order to verify its veracity, it was felt that the points relevant to the employment of the contract labour need to be studied in detail. The premise from which this goes out however is that the law in case of contract labour is strictly observed that there are no breaches and under hand dealings, that everything is in fact as it should be. Accordingly, this study was undertaken to see whether it would be possible to verify the above.

C. Summary of the main provisions of the Contract Labour (Regulation and Abolition) Act 1970.

This act is to regulate the employment of Contract Labour in certain establishments and to provide for its abolition in certain circumstances. It applies to establishments where 20 or more workmen are employed

and to contractors who employ 20 or more workmen. It provides for creation of Central and State Advisory Boards, and for the constitution of committees. Those establishments to which the Act applies, have to obtain registration. So also those contractors employing more than 20 workemnn have to obtain licences.

After consulting the Central or State Board, the appropriate Government is empowered to prohibit the employment of Contract Labour in any process or operation or other work in any establishment. Before doing so it has to ascertain :

- a) Whether the process, operation or other work is incidental to or necessary for the manufacture/business etc., carried on in that establishment or

- b) Whether the work is perennial in nature or
- c) whether it is ordinarily done through regular workmen.
- d) whether it is sufficient to employ a considerable number of whole time workmen.

If these conditions are fulfilled the government can decide to prohibit or abolish the employment of Contract Labour in a particular Department of an establishment or in the establishment itself or in a set of establishments.

The act goes on to make provisions for the welfare of Contract Labour including items such as like canteen, rest rooms, supply of drinking water, latrines and

urinals, and first aid facilities. It also makes provisions for Payment of wages and Holidays.

Though it is the contractors responsibility to pay wages and provide the facilities listed above, the government will hold the principal employer responsible for payment of wages and all the measures to safe guard the welfare and health of workmen, if not provided by the Contractor.

The Act prescribes certain penalties in case of contravention of its provisions in terms of imprisonment upto 3 months or fine which may extend upto Rs. 1000/- and enhanced penalties for on going contraventions. It prescribes registers and records to be maintained and authorises the Government to make rules for carrying out the purposes of the act.

In the rules framed by the Government of Maharashtra is clearly stated that rates of wages shall not be less than the minimum fixed under the Minimum Wages Act, and where workmen employed by a contractor perform the same kind of work as the workmen of the principal employer, then the rates of wages, hours of work and other conditions of service of the contractors workmen shall be the same as those paid to the workmen of the principal employer.

The Act goes into detail on the above and some other points. However for purposes of understanding its main provisions, the summary of its main features given above should suffice.