

CHAPTER X

SUGGESTIONS AND RECOMMENDATIONS :

I. On the basis of the data presented, I believe the following points become clear.

1. Contract workers are discriminated against. There is virtually no way in which they are treated on equal basis with the company employees.

2. They are paid lower wages than the company employees for the same work. They are sometimes paid less than the minimum wage.

3. The service conditions applicable to them are different and worse than those for the company employees. These include Leave with wages, working hours, Bonus, Overtime, Canteen, Personal protective Equipment Provident Fund, Employees State Insurance etc.

4. Though their length of service is as much as or in some cases more than that of the regular employees, they have no security of service and they can be terminated at any time, by the principal employer telling the contractor that his services are no longer required for any reason what so ever. A relatively large number of contract employees move from one contractor to another perhaps because of this provision.

5. This is a deliberate strategy of the Management. It seeks to use human resources for different types of work, both for production and non production related, at rates which are significantly lower than those paid to the company employees, thus depriving them of of permanency of employment, Security of services and wages and service conditions generally obtaining in "Regular Employment".

6. In real terms a parallel set of employment has been created but with entirely different compensation parameters. In this two parties have connived with the employers. One is the Union of the Company employees and the other is the Government.

7. The Union has connived by its indifference to the plight of the contract employees and the Government by its lethargy in not strictly implementing enacted legislation and by the petty greed of those officials charged with this task.

8. The Union of the company employees is generally indifferent and apathetic towards the contractors employees. Instead of looking after the interest of the employees as a whole, they concentrate more or rather almost exclusively on the company employees. In a few cases, they have made demands that at least minimum wages should be paid. This is however, by no

means universally true.

It would seem that Unions do not perceive their own role as extending to the contractor employees but prefer to take a much narrower view and restrict their efforts only on the behalf of the company employees. In fact it would seem that by their silence they contribute to the exploitation of the contract workers.

9. The Government is the agency to be held responsible for the present state of affairs. It lacks the will to set matters right though the machinery exists and is itself the largest user of Contractor workmen in all spheres of manufacturing and service activities. These include Ordnance Factories, Ports & Docks, Mines and the Core sector like Electricity Generation and Distribution, Steel, Defence Production factories etc. There is a rampant

use of Contract Labour by the Government.

10. The same is true for so called Public Sector where companies with diverse activities as Hindustan Antibiotics or Hindustan Machine Tools or Indian Air Lines - all use large number of contract labour.

11. Perhaps it is for this reason that in this respect at least Government has legislated inadequately but it is mostly in the enforcement sectors that the Government lack of seriousness is to be seen. In the perception of both the employers as well as the contractors, the Government machinery emerges as petty and grasping ; to use the contract labour Act simply as an other source of illegal income.

12. The enforcement machinery is so slack as to be virtually non existing. There is no attempt made by the concerned officers to guide or educate the parties

concerned regarding their duties and responsibilities. They rather look on the Contract Act as an opportunity to make money in order to overlook non compliance and for issue of licences.

13. The act itself does not achieve what it states in the preamble or in the statement of objectives and reasons as setting out to achieve. In fact the Government lacks the Will to implement the Act and instead of ameliorating the lot of contract labour, it discriminates against the very people whom it is supposed to protect as is seen in the House Rent Act of the Government of Maharashtra.

14. The Government has in fact encouraged Employers to appoint people of Contract by doing so itself and also by turning a blind eye to breaches of the Law enacted by it.

This along with the fact that the Union of workmen are

by and large un-involved and apathetic towards the contract workmen, has encouraged employers to virtually stop recruitment of regular employees and employ Contract employees instead.

II RECOMMENDATIONS

1. Taking a radical view is never easy. However, it may better serve the purpose to have it done and as such it is my recommendation that the contract system should be entirely abolished and that the work should be done by the employees of the company only where wages and service conditions would be the same for the same types of work for all employees.

This may sound like an unrealistic proposal but so did the Law relating to abolition of untouchability when it was promulgated. Here in Maharashtra, we have

succeeded in abolishing un-touchability. Why should it not be possible to abolish the system of contract labour also? There will be an immediate hue and cry from individual companies, from various interest lobbies as well as Chambers of Industry that costs will universally go up and may perhaps even drive some companies out of business.

But in a Society where the stated objectives of the Government are social justice to all citizens there can be no excuse for not vigorously pursuing such a move. The Government will have to undergo the acid test of its political will and to stand up for issues which matter. The same is true for many other issues which cannot be discussed in detail but where the Government is aware of the real solution but lacks the will to implement it for fear of becoming un-popular and hence losing power .

The result would be a situation where two employees who work side by side on the same type of job , would be in receipt of wages and services conditions which were the same in both the cases instead of one being discriminated against, and receiving wages much lower than the other.

The title of the Act would be amended to read the Contract Labour Abolition Act. It would provide a time limit within which it would be mandatory that all employees including the Government itself would be required to cease employment of persons through Contractors.

This would be beneficial to all concerned. The Contract employees would receive wages on par with regular employees. They would in fact cease to be contract employees any more. The employers who are profiligate in their use of workmen simply because they

have access to relatively cheap labour would be required to review systems and procedures and employ only as few/many as are really required. The Government could justifiably hold its head a little higher in coming a step closer towards becoming the type of society we really wish to become.

2. The logic of the above is irrefutable to me. I see no reason why it should not be done. However reality being the crutch it is, I am constrained to admit that the chances of implementation of the above recommendation are rather slim. Since this is so, I am offering another recommendation that does not go the whole hog, but is a step in the right direction.

a. The Government should itself cease to employ contract labour in all its departments.

b. The Public sector should immediately follow suit

c. As the model employer this should not be hard for the Government to do. It would show the way and would convey the seriousness of purpose that would indicate that this scheme would be extended to the private sector also.

Perhaps with the passage of some time the message would get across and in due season the new scheme of things could be implemented all over.

3. The most pragmatic approach without in any way detracting from the above two could be to have existing Act vigorously implemented by :

i. allowing contract workers only on jobs which are not directly production or production related

ii. the rates pf wages paid to them should in no case be less than the minimum specified for that industry

iii. they should be entitled to the same statutory benefits vis-a-vis the principal employer, including security of service and compensation in the event of its termination.

iv. The enforcement machinery should convert itself petty veniality to the forceful executive arm of the will of the people. Its role should be widened to include education and guidance of the concerned parties.

If this seems like a come down, it is these measures however are only proposed as a sop. The real recommendation is given under number 1 above. However small the step forward, it is after all a step forward. Rather than insisting on an all or nothing solution, any significant improvement should be heartily welcomed. Even the acceptance of recommendations made under number 3 should bring about a good change.