CHAPTER VII
FINDINGS AND RECOMMENDATIONS

Findings

Gold mining in Kolar Gold Fields as an industry developed in the 1880s. Before the development of gold mining as an organized industry, local people were involved in mining operations. Primitive and crude methods were adopted by them for the excavation of ore and extraction of gold. Accidents were reported to be high and frequent and this led to the intervention of Mysore Government and stopping the mining operations.

Potential of the gold resources of KGF was discovered by Lt. John Warren a British Army Surveyor in the year 1802. Then the matter was reported to the British Government.

Under the initiative of the British East India Company attempts were made to mine gold but the attempts did not succeed. Many other operators also attempted to develop mining. But all those efforts failed. Later on in 1870 Michael Lavelle, an Irish soldier obtained concession for mining from the Mysore Government. He also failed in his efforts. After this many companies
were floated under the initiative of various British entrepreneurs. All these companies also failed in their attempts.

In 1880, the arrival of Messers Taylor & Sons, the famous mining engineers from London, changed the situation. By 1883, with Taylor & Sons as managers five mining companies were floated in KGF. The registered offices of these companies were in London.

Under the initiative of John Taylor & Sons, KGF was developed as a well planned modern town. Industrial and social infrastructural facilities were developed. Well laid roads, electricity, railway, houses, water supply, sanitation, places of worship, clubs, schools, hospital etc. came up. Mysore Government extended full support to John Taylor & Sons. They were thus given full authority over the mining township. This situation continued till Indian independence.

With India becoming independent, demands to nationalise the gold mines of KGF gained prominence. However this demand was conceded to only in 1956. During this year Mysore Government took over the mines. By the time the mines were taken over by the Government of Mysore they had exhausted most of its valuable reserves. Later on in 1962 the Government of India (GOI)
took over the mines and in 1970 and renamed it as Bharat Gold Mines Limited (BGML).

Ever since the BGML was formed, falling production, and sales were regular features. The Company started incurring heavy losses. Poor quality of the ore reserves became one of the factors for high cost of production.

Due to social compulsions the GOI extended different forms of supports like subsidies, price differentials and loans to the Company. But these measures did not help in resolving the crisis. Under this circumstance the GOI referred the Company to Board for Industrial and Financial Reconstruction (BIFR) in August 1992, under the Sick Industries Act.

After studying the situation, in 1996 BIFR ordered the winding up of the Company. This order was set aside by the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) in 1997 with whom the Company had filed an appeal against the BIFR order and the matter was referred back to BIFR. Efforts were then made by the GOI and the Company to identify a joint venture partner to revive the Company. But when these efforts did not succeed the GOI recommended the winding up of BGML. In January 2000, BIFR once again ordered winding up of BGML. In March 2000, all operations in BGML stopped.
The labour unions approached the AAIFR and appealed against the winding up order. This appeal was dismissed. As a result the GOI gave permission to BGML to close down. The labour unions challenged this in the Karnataka High Court. The Single Judge passed an order in April 2001 quashing the closure order. However BGML and the GOI got this order reversed by the division bench of the same Court.

With the emergence of commercial mining in the year 1880, accumulation of labour force took place. Labour was accumulated in large numbers from the impoverished peasantry belonging to the socially deprived classes of Tamil Nadu, Andhra Pradesh and Kerala. The British owners of the gold mines with the support from the Government of Mysore (GOM) introduced various rules and regulations exclusively meant for the mining area. Mysore Mine Regulation 1897 and Mysore Mine Regulation 1906 were the two comprehensive laws that gave absolute powers to the mining companies over the geography and populace of KGF. The Kolar Gold Fields had five mining companies. They were: The Mysore Gold Mining Company Ltd., The Champion Reef Gold Mining Company Ltd., Nundydroog Mines Ltd., The Oorgaum Gold Mining Company Ltd. and Balaghat Gold Mines Ltd. The labour strength came to 35,000 by the year 1907.
The socio-economic conditions of the workers were miserable. Poor wages, inhuman living and working conditions and high rates of accidents were the reasons for the miserable plight. These miserable conditions created a fertile ground for the labour to organise themselves. Workers showed their opposition to these inhuman conditions through spontaneous and sporadic protests. But these protests were put down strongly by the company authorities.

The authority of the company received its first major setback in the year 1930 when an unprecedented strike paralysed the entire mining operations for 21 days. The strike forced the management to concede the major demands of the workers. It also resulted in the GOM appointing a senior Government official to enquire into the conditions of labour and recommending measures for improvement.

The recommendations of the enquiry officer suggested various measures for the betterment of the living and working conditions of the workers. These were: comfortable housing, improvement of amenities in the residential areas, relief to the workers from indebtedness and ruinous interest charges, the improvement of the workers earning capacity, provision of education, especially technical education, sick and provident fund benefits, promotion of temperance and other welfare measures.
Based on the recommendations of this enquiry report, some improvements in the workers conditions were effected. They were revision of pay, introduction of service gratuity, sick pay, and formation of mine level committees for the implementation of welfare schemes, improvements in housing and sanitation etc.

The absence of a trade union to argue the case of the workers was strongly felt during this period. As there was no union to argue the case of the workers some of the recommendations in the Report about labour welfare were overlooked by the Company management. The recommendation to treat silicosis as an occupational disease was not considered. Compensating the workers who suffer from silicosis was strongly opposed by the companies and was not implemented. Further, many schemes concerned with the welfare of the workers, mainly improvements in housing were watered down or ignored from what was envisaged.

The strike of 1930, however, provided momentum needed for the formation of the workers’ union. After the 1930 strike, demands and protests by the workers became more frequent. These protests ultimately resulted in the formation of the first trade union of the KGF workers in the year 1940. However this union was not able to function from the Kolar Gold Fields. This was due to the lack of legislation that permitted legitimacy to trade unions.
The Union therefore functioned from *Kuppam* a far off place from the mining area.

Legal sanction for the formation of trade union was granted to the workers of Mysore State when the Mysore Labour Emergency Bill was enacted by the GOM in 1941. This bill, which paved way for the Mysore Labour (Emergency) Act 1941, insisted upon forming the unions unit wise instead of industry wise union. This led to the formation of four separate unions such as the Mysore Mine Labour Association, Champion Reef Mine Labour Association, Nundydroog Mine Labour Association and Oorgaum Mine Labour Association.

With the formation of the trade unions and their legitimisation in 1941 the unions adopted a strategy of confrontation by organising strikes for improving the overall conditions of the workers. From 1940 -1950, seven strikes were organised. The strikes resulted in improving the average annual wages by 109% in 1952 from that of 1940. It also entitled the workers for other benefits like bonus, gratuity, provident fund etc. The monetary benefits got doubled in 1952 compared to that of 1940.

By 1950 the position of the company started showing signs of deterioration. There was decline in production, sales and profitability. As
years progressed the situation deteriorated further. By 1960 the company was operating with meagre profit. Its net profit for this period was Rs. 4,98,492. From 1970 onwards losses became a regular phenomenon. The accumulated loss of the company in the year of closure was Rs. 556.7 crores. The average monthly wage of an employee which stood at Rs. 53.18 in 1952 had been increased to Rs.1143 in 1990, an increase of 2409%. Even after the company’s position started deteriorating the unions resorted to frequent strikes and protests demanding rise in wages and other benefits.

Between 1940, i.e. the year of the birth of formal trade union, and 2002, the year of closure of the mine, there were 19 strikes. It is observed that only one strike had succeeded in full and that was of the year 1946. Five strikes were partially successful. But a perusal of the records of the company indicates that negotiated settlements have also brought about rise in wages and other benefits to the workers.

On comparing the negotiated settlements and the strikes for the benefits gained, it is observed that better results were achieved through the former. While negotiations fetched such benefits on 12 occasions, strikes could contribute towards gaining enhanced benefits 6 times only. It has also been discovered that the rise in wages as a result of negotiations was much higher than that earned through strikes. Prolonged strikes resulted in heavy loss of
wages to the workers. The above realities make the researcher to come to the conclusion that negotiations were a better device than strikes in fetching benefits to the workers. Hence the hypothesis “Negotiations and arbitrations played a more important role than the strikes in the settlement of the workers’ problems and getting improved monetary and other benefits for the workers” is proved to be true.

The attitude of confrontation and the consequent disturbance in the industrial relations were a worrying factor. The company’s deteriorating position had never been in the mind of the trade unions. They ignored the fact that the welfare of the workers depended upon the prosperity of the company. These incidents confirm the hypothesis, “The trade Unions of Kolar Gold Mines have failed to identify the interest of the workers with that of the company and thus to adopt a balanced approach in protecting the interest of both the company and the workers.”

Multiplicity of unions also was a major problem that prevailed in the Kolar Gold Mines labour scene. By the year 1952, the number of registered unions went up to 11. In 1965, there were 12 registered unions and of them 5 were recognised unions and 7 unrecognised unions. One of the criteria for recognition of a union, as per the Code of Discipline formulated in 1958, at the central level, in the Indian Labour Conference 1958, was that the membership
of the union should cover a minimum of 15% of the workers in the establishment concerned. Thus the existence of seven unrecognised unions in this context indicates that these were unions with meagre membership.

The recognised unions in the Kolar Gold Mines were: Nundydroog Mine Labour Association (NDMLA), Mysore Mine Workers Union (MMWU), Champion Reef Mine Workers Union (CRMWU), Oorgaum Mine Labour Association (ORMLA), KGF Electricity Dept Labour Association (KEDLA) and Kolar Gold Mining Undertakings Medical Establishment Employees Association (KMEEA). The last two were confined to the specific departments and were mostly craft unions. The unrecognised unions, depending upon the situation, aligned with one or the other of the recognised unions. ORMLA became defunct with the closure of the Oorgaum Gold Mine in 1953.

By the mid 1950s, the unions were completely controlled by major political parties. NDMLA and ORMLA were arms of the Indian National Congress. MMWU was controlled by the Communist Party of India and the CRMWU was controlled by the Republican Party of India. NDMLA and MMWU were affiliated to the two central unions INTUC and AITUC respectively. The splits that happened in the political parties at various stages affected the fate of the unions also. The Scheduled Caste Federation which
was a caste based group of the early days paved way for the formation CRMWU in 1962.

The number of registered unions in the year of closure of BGML came to as high as 20. Multiple unions had generated and bred rivalry among the workers and resulted in physical clashes, police firing etc. affecting the peace of the township. Presence of many unions had resulted in lack of consensus on various issues that were faced by the workers. Settlements related to monetary issues like wage revision, gratuity, bonus etc. were delayed. Collective bargaining mechanism was scuttled and during times of need it was not possible to put up a strong resistance. These incidents prove the hypothesis “Multiplicity of unions has affected the interest of the workers adversely” as true.

Single union concept was introduced in the year 1980 and elections were held regularly. At the time of deciding the single union during the year 1980, there were three major unions and the contest was between them. They were the Bharat Gold Mines Employees Union (BGMEU), Bharat Gold Mines Labour Association (BGMLA) and the Bharat Gold Mines Workers Union (BGMWU). These unions were the labour wings of the Communist Party of India (Marxist), Indian National Congress and the Republican Party of India in that order.
Elections by secret ballot were held on seven occasions. An analysis of the results shows that the workers tried their luck with different unions on different occasions indicating that they have no permanent faith in a particular union. During two terms, 1980 and 1990 BGMEU was elected. BGMLA was elected thrice, 1985, 1987 and 1993. BGMWU could win only once and that was in 1983. After 1993 these unions which enjoyed vast membership base were almost wiped out. The results of 1999 election substantiate this fact. The votes polled by these unions registered steep fall. The vote share BGMEU and BGMLA were 6.2% and 8.6% respectively and 7.7% for BGMLCEA which replaced BGMWU. On the strength of the above analysis the hypothesis “The workers have not maintained a permanent faith in any one union” is proved to be correct.

The field survey conducted on the socio-economic conditions of the workers brings to light negative results. The following observations are arrived at out of the survey.

- 86% of the workers do not have own houses.
- 75% of the workers have oversized families.
- 60% of the children of the families have studied only up to SSLC or Pre- University and thus failed to acquire better qualifications.
- 85% of the workers have not taken steps to take care of their future by investing in life insurance schemes etc.
• Rate of indebtedness among the workers is as high as 51%.

• Habit of liquor consumption is very high and 39% are still under its grip.

• There is lack of alternate skills resulting in the workers who are now unemployed not getting remunerative jobs.

The survey leads the researcher to the conclusion that the trade unions had not made any effort in improving the socio-economic conditions of the workers. Thus the hypothesis, “The unions were interested in organising protests and strikes against the management for improving the monetary benefits of the workers but they neglected reforming of the socio-economic conditions of the workers” is proved correct.

Recommendations

• Avoiding mushroom growth of trade unions.

• For the settlement of grievances instead of confrontation an attitude of cooperation and collaboration with the employers has to be adopted.

• Collective bargaining mechanism has to be strengthened.

• Negotiations on and settlement of disputes must be held and finalised only with a union or a consortium of unions. The consortium should not have more than three unions in it. Such a union/consortium must have the support of more than 50% of the workers of the industrial unit. This
fact has to be decided by a referendum held by the Labour Department or Registrar of Trade Unions.

- While the unions argue for betterment of benefits to the workers the state of affairs of the company should be taken into consideration and a balanced approach has to be adopted.

- In the days of competitive world order failure of industrial units and their closure are common. Unions must educate the workers the necessity of developing alternate skills and help them in getting remunerative jobs in the event of closure of an industrial unit.

- The unions must pay special attention to the social conditions of the workers. They should be taught the necessity and importance of having small sized families, providing better education to their children, making provisions for their future from their monthly or daily earnings and discourage them from undesirable habits like alcoholism.

- Unions must involve families of the workers in creating awareness of the vulnerabilities faced by the children, women and the old aged.

- A specific tenure for holding office has to be fixed for an individual leader. The ideal period is a maximum of five years.

- Training camps, refresher course and orientation programmes must be made mandatory for the leaders annually.
• Only those individuals who had successfully completed a refresher course or a training programme must have eligibility to occupy official positions in a particular union. This criterion has to be applied for the executive committee members also.

• Declaration of assets by union leaders including executive committee members at various points of time must be made mandatory.

• Appropriate strategies have to be evolved to develop a collaboration of unions and other social organisations that are involved in the amelioration of social maladies that hamper unity and peaceful coexistence.

• Instead of getting affiliated to any national level central union, the workers of all Public Sector Undertakings must formulate a single union.

• The structure of this central union must be such that each branch union organised at unit level will function as an autonomous unit and a proportional delegate congress will be elected every five years.

Scope for Further Research

Trade union movement in the Kolar Gold Mines had evolved out of a situation which was hostile towards the workers. The movement played a crucial role during the early days but at a later stage failed in its objective of
safeguarding the interest of the workers. This experience of success and failure provides the necessary inputs for all the present day trade unions to strengthen their position. The labour scene of the country is undergoing tremendous pressure under the era of globalisation. The trade unions are finding it difficult to enroll new members. Safeguarding the trade union movement and offering a strong united platform for the workers has become an important requirement. This necessitates further studies about the situation. The experiences of the trade union movement of Kolar Gold Mines may be of help in undertaking such studies. Specific topics that can be recommended are:

- Comparative study of the trade unions of Kolar Gold Mines and other mines of India.
- Issues of multiplicity of unions and how they failed in safeguarding the interest of the mine workers of Kolar Gold Mines.
- Voluntary Separation Scheme, its economic and social significance – A case study with special reference to Kolar Gold Mines.