CHAPTER VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

7.1 Introduction

7.2 Demographic Variables of the Contract Labourers

7.3 Socioeconomic Conditions

7.4 Prime Factors Influencing Persistence of Contract Labour System

7.5 Working Conditions of the Contract Labourers

   7.5.1 Workplace Facilities
   7.5.2 Welfare Measures
   7.5.3 Leave and Health Facilities
   7.5.4 Hours of Work, Rest Intervals
   7.5.5 Weekly Off, Leave and Public Holidays
   7.5.6 System of Payment
   7.5.7 Employment by Length of Service
   7.5.8 Mode of Recruitment
   7.5.9 Pay/Wage Period

7.6 Trade Union and Industrial Relation

7.7 Social Securities

7.8 Problems Related To Contract Labourers in Their Work Place

7.9 Suggestions

7.10 Conclusion

7.11 Further Research
CHAPTER VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

7.1 INTRODUCTION

Changes in global and national contexts over the last two decades have led to changes in employment relations such as temporary forms of employment with low pay and low fringe benefits in developing countries like India. The process of liberalized economy led by globalisation has converted the services into commodities. The services provided for the society at large by the Welfare State have now become commodities and in turn the main source of profit. The State owned sectors are also in the open market facing stringent competitions in placing the services exclusively provided by them as an attractive commodity to attract customers and thereby sustain their profitable business. Most studies on changes in employment relations in industrialised countries have especially focused on automobile and telecommunication industries. This is because these two industries are important in industrialised countries in terms of shares of employment and total industrial production. The telecommunication sector once a service to link the people has become a business to extend its operations beyond the realm of services to the main media for business communications.

According to Tapomoy Deb (2010), the labour cost constitutes a major component of operating and consequently product cost of firms. In the process of exhibiting the cheapest products in the market, companies are concentrating on getting cheap labour in order to reduce the cost of production. That is invariably resulting in naked violation of the very scope of various legislations and in turn creating deviations in ensuring the social justice and principles of natural law. The
study finds objective-based results and suggestions for the betterment of the contract labourers.

Globalization provides more employment opportunities in the informal way. Contract labour is one of the informal ways of employment. But it differs from other form of employment. Contract labour is, any person employed, or hired in connection with the work of an establishment through the contractor with or without the knowledge of the principal employers. They can appoint for any kind of work as skilled, semi skilled or unskilled, manual, supervisory, technical or clerical work. In this era where communication plays a major role in the economy, there are plenty of job opportunities in the service sector. This has led to a hike in the number of contract labourers working under telecom industries. In this background it is important to study and understand the condition of contract labourers in the telecom industry, especially in one of the industrially advanced cities of India - Bangalore.

This study has, as main objective, the study of demographic variables of contract labourers in select telecom industries. It evaluates the socio economic conditions and locates the factors that influence the persistence of the contract labourers. It assesses the working conditions, welfare measures and trade union activities of the labourers. It also finds the problems of the contract labourers and suggests the ways and means for the betterment of the contract labourers.

This study is confined to contract labourers employed in various public and private sector companies of the telecom service industries in Bangalore city. This study focuses on the socio-economic conditions, working conditions, welfare measures and the union activities of contract labourers and based on that focus the null hypotheses are framed.
This study analyses the null hypotheses that there is no significant difference between independent variables like genders, age, organization types, work types, literacy level, community and working hours per day of the labourers and their level of income.

The study also tests the null hypotheses such that there is no significant difference between independent variables like organization types, age, family types, and community with saving and borrowing habit of the labourers.

This study reveals the result of null hypotheses by testing the satisfaction level of the labourers by their work place facilities, welfare measures (statutory and non statutory), leave and health facilities with respect to genders, age, marital status, family types, income level, work type, literacy and community.

It also analyses the null hypotheses of the opinion about the trade union activities with respect to age, gender, work type, illiteracy and income level.

This study analyses these null hypothesis with the help of data collected from the contract labourers by the interview scheduled method using the structured question. The population of the study consists of contract labourers working in different telecom companies covered by licenses issued by the Office of Labour Commissioner, Bangalore and collected information from General Manager of BSNL Bangalore. Out of total population 10 per cent of the population is taken as a sample and the data is collected through personal interview with labourers.

For analyses of the data descriptive statistics like mean, standard deviation, percentage and univariate analysis of variance (one way ANOVA), independent’t’
test, factor analysis, Garrett’s Ranking and chi-square test tools have been used. The results of these analyses are as following.

7.2 FINDINGS DEMOGRAPHIC VARIABLES OF THE CONTRACT LABOURERS

Contract labourers have been hired by employers in various occupations in various industries for cost effectiveness and to reduce the administrative costs. The public sector, a model employer, reduces regular work force and seeks to engage contract labourers in its various operations and jobs. The private sector, particularly the transnational corporates are engaging contract labourers in order to acquire the right to hire and fire from the back door. The diluted protection of employment is the main source of extracting cheap labour, which adversely affected the capacity to spend of the majority of the commercially active citizens of the society. Further the contract system has become a major contributing factor for unequal wealth distribution and economic disparity among the work force of the nation.

The survey reveals that 56 per cent of the sample respondents belong to the public telecom sector whereas 44 per cent of them belong to private telecom sector. Out of 393 respondents nearly 74 per cent of the labourers are male and the remaining 26 per cent are female.

The study reveals that 46 per cent of the labourers are in the age group of 25 to 36 years, and only 9 per cent of them are above 45 years. Most labourers are working on contract basis for 3 to 6 years without any job security.

The study reveals that 69 per cent of the labourers are married, 45 per cent are living in a joint family with low salary and without job security.
This study has found that the labourers are engaged through the contractors and are on job contracts of unskilled, semi skilled and skilled types. The Public sector engages more number of labourers through the contractors. The private sector engages both on labour contracts and job contracts. It covers both the indoor and outdoor labour. 19.6 per cent of the labourers are employed for skilled type of work such as computer operators, accountant, supervisors, and maintenance of electronic equipments in the exchanges. 47.8 per cent of the labourers are employed for semi skilled, and 32.6 per cent of the labourers are employed for works such as manual labour, sweepers, housekeepers, attendees, which are termed as unskilled.

The study reveals that only 18.8 per cent of the labourers finished their graduation and other studies like ITI and polytechnic, nearly 73 per cent of the labourers have completed their education up to higher secondary and 7 per cent of the labourers are illiterate. Thus most of the labourers are less literate, are not aware of labour laws and accept the work for very less pay. Often they are cheated by the contractors without any payment slip and illegal wage deductions.

Nearly 80 per cent of the labourers working on a contract basis in this sector are engaged for semi skilled or unskilled work. 41 per cent of the labourers belong to SC/ST community and 36 per cent of the labourers belong to other backward communities.

Young labour force constitutes of 69.2 per cent of contract labourers. They are drawn overwhelmingly from the weaker sections of the society. Majority of these labourers are also unskilled and illiterate. Demographic pressures also have acted against them. They go through early marriage, have relatively more dependants in their respective families. They are also largely migrants, drawn from rural areas.
They have to shoulder the responsibilities of supporting dependants left behind in their places of origin.

7.3 SOCIO ECONOMIC CONDITIONS

The study on socio economic conditions of contract labourers covers income, expenditure, and the living conditions. The study reveals that nearly 40 per cent of the labourers come under medium level of income category of Rs. 5001 to Rs 7000, which corresponds to the statutory minimum wages. And 23 per cent of the labourers are in the relatively higher level of monthly income of Rs.7000 and above. Nearly 37 per cent of the labourers working in this industry are in low income group, not even getting the minimum wage prescribed by the state government. The contract labourers have to support their entire family within their income. The average monthly income of the study group works out to Rs.7442.75 (average taken from the individuals’ income).

In the expenditure pattern, the contract labourers spend a major part of their income for food and rent. Nearly 40 percent of the income is spent for food and 50 per cent of the income is spent on rent and the remaining 10 per cent is spent for medicine, fuel and other items. In this study 65 labourers have marked that they are living in their own house, which would act as a relief factor in their expenditure. The average expenditure of the contract labourers in the study group works out to as Rs.9424.87. So in the income and expenditure pattern of the contract labourers, expenditure exceeds by Rs.1982.12 (27%).

This study analyses, the socio economic status of the workers with the association of income and the other independent factors such as organisation type, age, gender, work type, education level, community, and working hours per day with
the help of chi square test using ‘p’ value. The study has found the income of the labourers is significant with respect to the factors such as age, organisation type, gender, work type, education level, community and working hours per day. This shows that the income level varies in accordance with different groups- age, organisation type, gender, work type, education level, community and working hours per day.

This study reveals that the male labourers are getting high level of income than their counterpart as female labourers are appointed for the semi skilled and unskilled works. And even for the same kind of work some contractors discriminate the wages for male and female.

The labourers get more income in the private sector. High level income group of the labourers belong to the private sector. The public sector labourers are getting middle level of income for all kinds of work. But in the private sector the salary is based on the basis of the level of education and skillfulness.

The skilled workers get higher level of income as demand for skilled labour is more. And the private sector employers attract more skilled labourers by their salary offers. For contract labourers in the age group of up to 25 years; the income level is higher than the others. These labourers after completing their education join the jobs like marketing, cable maintenance, computer operators and accountant; on the other hand, the labourers in the age group of 36-45 years get lesser income, though they would be having more than 8 years’ experience. This is due to the workers’ education level and the labourers in the public sector expecting their work permanency.
Educated labourers are getting high level of income as they are performed skilled work. And the labourers working more than 8 hours are getting higher level of income.

The period of service rendered in the organisations has not been given weight-age during period of wage fixation. Marital status and size of the family are eliminated in the appreciation process of the wage. Marital status, family type of the labourers, total work experience, and work experience in the present company of the labourers do not influence the level of income.

Despite lower incomes of the contract labourers, they are forced to to save some amount for their future or for their period of joblessness. This study reveals that nearly 31 per cent of the labourers are having saving habits.

This study analyses the significant difference between the independent variables such as organisation type, age, family type and community with saving habits. And the result reveals that for the organisation type, age and community the null hypotheses are rejected for saving habits of labourers showing that there is a significant difference between the groups. The null hypothesis is accepted for the family type.

The savings level of the labourers in the private sector is more as their income more as compared to the public sector. The public sector employees are expecting their job permanency. The saving pattern of the labourers is significant for the age and community. The age group of labourers from 26-35 years and the labourers belonging to the OBC and other communities appear to have a higher level of saving. The pattern of saving is not significant for labourers with the types of family. The
labourers belonging to the nuclear family have the capacity to save money more than
the labourers of joint family.

Nearly 77 per cent of the labourers are in the low income or minimum
income group. This study finds that 48.6 per cent of the labourers are having
borrowing pattern. Ignorance among the contract labourers about medical and ESI
facilities makes them to borrow for fulfilling their family commitment with with their
lower incomes.

They borrow money from the different sources like banks, money lenders,
friends and relatives for unexpected expenditure or some times to meet their month
end expenses. The banks and money lenders demand some collateral security for
lending money. Thus they depend mostly on their friends, relatives and neighbours.

The study reveals that, there is a significant difference between the
organization type and borrowing pattern. The labourers of public sectors borrow more
than private sectors as their income level is lower.

This study finds that, there is a significant difference between age and
borrowing patterns of the labourers. The labourers of the age group 26-35 borrow
more than the other groups as they are young and possess the ability to repay the
money by earning through other sources of income. This study finds that the pattern
of borrowing is significantly high for labourers belonging to the nuclear family as
they are not getting any economic support due to small family structure. Further they
have the repaying capacity as they have less commitment.
7.4 PRIME FACTORS INFLUENCING ON PERSISTENCE OF THE CONTRACT LABOUR SYSTEM

The study reveals some of the factors influencing the persistence of the contract labour system; the factors are easy availability of job, poverty of the labourers, flexible working time, illiteracy unskilled nature of work, reliable payment of wages, and reliable work continuity. These factors are making the labourers to continue as contract labourers in the telecom industry. The factors have been ranked by the labourers in the decreasing order as - ‘poverty’, ‘reliable payment of wages’, ‘unskilled nature of job’, ‘illiteracy’, ‘easy availability of job’, ‘continuous work’ and ‘flexible working time’.

7.5 WORKING CONDITION OF THE CONTRACT LABOURERS

The enactment of various labour statutes from time to time regulated the working conditions such as workplace facilities, welfare measures and trade union activities of the laborers. The Karnataka Shops and Commercial Establishments Act 1961 is an important Act regulating the working conditions of labourers. According to this act it is mandatory for the contractor to have the license in order to obtain labour contract with BSNL. The private telecom operators are covered under this act since they are having registration under the jurisdiction of Karnataka. But the contract labourers are not provided coverage under this act. Moreover, it is a matter of concern that provisions regarding suitable working conditions have not been included under the Contract Labor (Regulation and abolition) Act 1970. Therefore, the contract laborers are deprived of fair working conditions. There is a wide disparity between the working conditions of direct labour and the contract labour.
This study analyses the status of contract labourers in their working environment by four factors grouped from factor analysis. This study analyses the labourer’s satisfaction level in those four dependent factors such as working place facilities, welfare measures and leave and health facilities.

7.5.1 WORKPLACE FACILITIES

It is mandatory to ensure hygienic work place facilities such as, drinking water, light and ventilation, hygienic restrooms, cleanliness, safety measures and canteen. This is compared, by its mean, with the factors such as gender, marital status, family type, type of work, age, income literacy level and community. The higher mean score shows the level of satisfaction high and the ‘p’ values (significant) are computed to find out the significant level of satisfaction. This study reveals that the marital status and family type of the labourers are not significant and there is no difference in the satisfaction level of the labourers of different marital status and family type with respect to the work place facilities.

The seven dependent variables are compared with independent variable gender and their mean scores are computed. The study reveals that the mean score in the work place facilities for female labourers is higher than that of the male labourers. The female labourers are working in indoor and they are getting all the work place facilities of regular workers. Most of the workers working in outdoor are not getting proper work place facilities like drinking water, hygienic rest room, canteen, safety appliances, and cleanliness.

Age is one of the important factors which influence the satisfaction level of the labourers in the workplace facilities. The mean score is high for the age group ‘up to 25’ for the work place facilities. After completing their study the labourers are
getting the job with some reasonable salary in this tough competition. Moreover, they have lesser commitments and hence they are satisfied with the workplace facilities which they get.

Out of three types of work, the satisfaction levels are more for the skilled labourers. The mean score is high for the skilled and unskilled compared to semi skilled. Most of the skilled labourers are indoor workers and they are getting all types of workplace facilities at par with the regular workers. The semi skilled and unskilled are working in outdoor and doing the works like digging, trenching, and cable maintenance.

‘Level of Income’ is another factor which measures the satisfaction levels of the labourers in their workplace. Out of three levels of income, the satisfaction levels of the labourers belonging to the income group ‘5001-7000’ are less as compared to the income groups, ‘3001-5000’ and ‘above 7000’. The middle level income groups of the workers are working in outdoor.

Among the different literacy levels of the labourers, the satisfaction levels in workplace facilities, the ‘graduate’ scored more than other variables as they are indoor workers.

For communities group, in the workplace facilities, this study concludes the workplace facilities the labourers belonging to other community are getting more satisfaction than the SC/ST and OBC communities as the workers are doing unskilled or semi skilled works in outdoors.

The study reveals the overall scores for the each variables in the workplace facilities, that out of 5, ‘drinking water’ availability scores 3.8, ‘cleanliness’ in the
workplace scores 3.6, ‘light and ventilation’ gets its score 3.7, ‘hygiene restroom’ scores 3.4, ‘safety’ and ‘canteen’ facilities score the least as 2.8 and 2.9. The mean score reflects the satisfaction level of the contract labourers in their workplace. The variables like ‘safety measures’ and ‘canteen’ means score, less compared to the other facilities. The study concludes, with reference to mean scores, that the contract labourers are provided with all the workplace facilities except the safety equipments and canteen facilities.

7.5.2 WELFARE MEASURES (STATUTORY AND NON-STATUTORY)

Labour welfare activities increase the efficiency of the labourers. According to the Royal Commission on Labour, welfare is one which must necessarily be elastic bearing a somewhat different interpretation in one country from another according to different social customs, the degree of industrialization and educational development of labourers. According to general report of International Labor Organization, labour welfare should be understood as meaning such services, facilities and amenities which may be established in or in the vicinity of the undertakings to enable the persons employed in them to perform their work in healthy, congenial surroundings and provided with amenities conducive to good health and moral. Labour Welfare deals with providing of opportunities for the labourer and his family for a good life as understood in its most comprehensive sense. It includes intellectual, physical, moral and economic betterment of the workman and his family. Labor welfare is an essential part of social welfare.

The provision contained in Contract Labour (Regulation and Abolition) Act, 1970 has made it mandatory for every contractor/principal employer to provide welfare measures such as compensation for accidents in the working place, maternity
benefits for the women labourers, lay-off compensation, overtime wages and shift schedule as statutory measures and, washing facilities, housing and transport facilities as non-statutory measures.

The satisfaction levels of welfare (statutory and non-statutory) measures variables are analysed with the independent factors such as gender, family type, marital status, type of work, age, income, literacy and community. The mean score and ‘p’ value help to determine the significant level of satisfaction of the labourers.

For the factor ‘gender’ the satisfaction level of the welfare measures both statutory and non- statutory the mean score for male and female labourers are more or less same. Therefore the study finds that there is no significant difference in the welfare measures (statutory and non- statutory) of the above variables between the male and female labourers.

In the age and marital status of the labourers, the welfare measure (statutory and non-statutory) the mean scores for all groups are more or less same. The study accepts the hypothesis and the study concludes that the satisfaction level of the labourers belonging to all age groups and marital status are same regarding welfare measures (statutory and non-statutory).

The analysis of satisfaction level of labourers in the welfare measure with respect to other factors such as family type, work type, income level, literacy level and community rejects the hypothesis and there is a significant difference in the satisfaction level of the labourers in the welfare measures (statutory and non- statutory). The welfare measures differ for the different family type, work type, income level, literacy and community.
In the family type the independent labourers are getting more satisfaction than joint and nuclear family as the independent labourers have less or no commitments. In the work types skilled are getting more satisfaction than the other labourers in the welfare measures. In literacy and income level also graduates and the labourer’s income group of above 7000 are getting more satisfaction. Other community labourers are getting more satisfaction than the SC/ST and OBC in welfare measures. The other forward community labourers are involved mostly in skilled type of work.

7.5.3 LEAVE AND HEALTH FACILITIES

Leave and health facilities are important for the work life balance of contract labourers. Leave and health facilities include the variables ‘elevated working hours’, ‘rest intervals’, ‘leave facilities’, ‘holidays’, ‘weekly off’ and ‘medical’. The mean values are compared with the factors like gender, age, marital status, family type, income, work type, literacy and community and the ‘p’ values are computed. The satisfaction for marital status, family type and literacy are not significant. For these factors there is no significant difference in the leave and health facilities that is all labourers are getting same level of satisfactions. For other factors like age, gender, work type, income and community it is significant. Hence this study concludes that the satisfaction levels of the labourers differ with respect to the factors like age, gender, work type, income and community. Further this study concludes that the contract labourers are not getting leave facilities with pay. For medical facilities, the ESI amount is deducted from the labourers.

This study assigns points to the satisfaction level of the labourers in the welfare measures out of 5 points; the variables such as ‘elevated working hours’ and ‘rest intervals’ score above 4. The ‘leave facilities’ scores above 3.5. The study
revealed the dissatisfaction of the contract labourers with welfare measures such as ‘holidays’ with pay, ‘compensation for accident’ and ‘overtime wages’ as these scores are lower. Regarding ‘maternity benefit’ and ‘layoff compensation’, the labourers are highly dissatisfied as they score less than 1.5. The study reveals most of the contract labourers are satisfied with the medical facilities as they are covered under ESI (Employees’ State Insurance). The facilities such as ‘washing’, ‘housing’, ‘transport’ and ‘shift’ score less than 2, which shows the dissatisfaction level of contract labourers. These facilities are not provided by the employers to the contract labourers.

7.5.4 HOURS OF WORK, REST INTERVALS

The working hours of contract labourers are regulated through the provisions of the Karnataka Shops and Commercial Establishments Act, 1961. It provides that normally an adult worker shall not be allowed to work for more than 9 hours in a day and 48 hours in a week. As regards rest intervals the Act stipulates that no worker shall work for more than 5 hours before he/she has rest intervals of at least ½ hour. In the study it is revealed that 64 per cent of the labourers work for 8 hours per day with their rest intervals. Nearly 32 per cent of the labourers work for 9 hours per day with their rest intervals. Only 1.5 per cent of the labourers work more than 10 hours with 1 hour as their rest intervals. Night shift work has not been found in the study. The outdoor labourers and the cable maintenance labourers work longer hours to complete their work.

7.5.5 WEEKLY OFF, ANNUAL LEAVE AND PUBLIC HOLIDAYS

Under the Karnataka Shops and Commercial Establishments Act, 1961, every worker who has worked for a period of 240 days during the calendar year is entitled during the subsequent year annual leave with wages at the rate of one leave for 20
days worked in case of adults and one leave for every 15 days worked in case of young. The contract labourers are entitled for holidays and leave. This study reveals that contract labourers are not getting leave and holidays with pay. The contract labourers are not getting paid weekly off. Nearly 7 per cent of the labourers reported that they are working even on Festival holidays without any additional compensation. The contract labourers are provided leave with deduction from their salary.

The study reveals that the contract labourers are being provided national holidays with pay. It has also been recorded that no scientific shift system is in practice. The labourers engaged in the guest houses are having prolonged working hours and do not have proper shifts.

7.5.6 SYSTEM OF PAYMENT

It is found that 265 labourers (67%) are getting wage in time through the contractors. 128 labourers (33%) are not getting wage in time. Among this, 28 per cent labourers are from public sector. None of the contractors reported making payments to their labourers on piece rated basis.

7.5.7 EMPLOYMENT BY LENGTH OF SERVICE

The employment for contract labourers is found to possess a continuous nature; in the telecom sector nearly 35 per cent of the labourers are having more than 6 years of continuous service and 42 per cent of the labourers are having up to three years service and 24 per cent of the labourers are having 3 to 6 years of service. The labourers who have completed more than 5 years of service are not covered under the Payment of Gratuity Act 1972. The contract workmen are not generally appraised with the additional wage increase in the form of weight-age for the service rendered.
It is found that the contractors are renewing the contracts every year and continuously engaging the same set of labourers. In some cases it is found that the change of contractor does not affect the continuity of employment of respective set of contract labourer. The wages are paid by the contractor on the basis of the conditions of contract agreement with the principle employer and primarily wage cost quoted by the contractor in response to the tender notifications. In the terms of the contract agreement between the principal employer and contractor they do not recognise the service and skill of the worker for fixation of wages. It is found that the contract labourers are engaged in uninterrupted continuous service without having any security of job and superannuation benefits.

7.5.8 MODE OF RECRUITMENT

The contract work is easily available because the process of recruitment need not be followed on defined parameters. The parameters like basic qualification, reservation on social status and streamlined selection process need not be followed during the recruitment. This study reveals that 48 per cent of the labourers are recruited through contractors and 24 per cent are recruited through regular employees, 17 per cent are recruited through friends, relatives and neighbours, a very low percentage i.e. (10.4%) are recruited by the principal employer. The principal employers are not ready to take any responsibility regarding the mode of employment, working condition and even wage distribution. Family members and friends working as contract worker are the main sources of information on the job market.

7.5.9 PAY/WAGE PERIOD

The Payment of wages Act 1936 stipulates that wage period should not exceed the particular interval usually a month. To ensure the application of this Act, sec 21 of
the Contract Labour (Regulation and Abolition) Act 1970 provides that a contractor is responsible for payment of wages to each worker employed by him as contract labour and such wages shall be paid before the expiry of such period as may be prescribed. In case the contractor fails to make the payment within a prescribed period, the principal employer is liable to make payment of wages in full or the unpaid balance due. It recommends that the principal employer shall nominate a representative duly authorized by him to be present at the time of disbursement of wages by the contractor. The Contract Labour Act (Regulation and Abolition) Act 1970 further provides that the rate of wage payable to contract labourers should not be less than the rate prescribed under the Minimum Wages Act 1948 by the appropriate government, for such employment the workmen employed by the contractor performed, the same or similar kind of work as the workmen directly employed by the principal employer of the establishment.

It is found that 265 labourers are getting wage in time through the contractors; it is nearly 67 per cent. 128 labourers are not paid wages in time; it is 33 per cent. In that 28 per cent are from public sector. This study reveals that 36 per cent of the labourers are not getting minimum wage prescribed by the appropriate government. In the public sector the labourers get same wages for all kinds of work (skilled, semiskilled and unskilled). It is found that none of the labourers are paid on piece rated basis. The contract labourers are not getting equal wages on par with regular employees engaged in similar nature of jobs. The regular employees are provided with better working conditions than the contract labourers.

This study reveals that 64 per cent of the labourers work 8 hours per day and 35 per cent of the labourers work 9 to 10 hours and 7 per cent of the labourers work even on public holidays. Facilities like overtime payment for elevated working-hours,
legitimate leave facilities, compensation for accident and maternity benefits are not provided for contract labourers. The Principal employers are ignoring the obligation of their presence at the time of dispersing wages to the contract labourers.

7.6 TRADE UNION AND INDUSTRIAL RELATION

Industrial relation is a subject of wide importance in its scope and complexity today because it provides the interplay of law and labour management. Any law which regulates the employer-employee relationship has to be carefully integrated and applied in accordance with the social and economic requirements of the country.

The Indian Trade Union Act 1926 defines a trade union as a combination whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and for the purpose of regulating the relation between employers and employees in the working place. This study reveals that there are many Trade Unions for protecting the interests of regular workers and the employers also recognize their Trade Unions. But the employers are not recognizing the contract labourers union though they are formed with or without regular employees. In some industries the regular employees are not supporting the contract labourers’ union. They are also exploiting the contract labourers by shifting their work load.

The Public and Private Sector institutions are not recognising the trade unions of Contract workmen and are not entertaining the office-bearers of the union in the collective bargaining process. The contract labourers organized themselves in the trade unions affiliated to the Central Trade Union Organisations in the public sector. Even those unions are not given the status of recognition. In most of the cases the contractors and principal employers are preventing the labourers from forming trade union or from getting membership in any union. This study found that if there is any
union for contract labourers, a number of contract labourers would get enrolled as the members of that union and participate in grievance resolving process as a member or leader of union. Further this Study reveals the existence of victimisation of office bearers or members of the union for their legitimate trade union activities and nonexistence of grievance redressal measures such as mutual consultation and agreement for the contract labourers which the other regular labourers are enjoying. The contract labourers have fought for their minimum wages for the past two years in the Public Sector. The workmen emerged partly successful through their collective union activities and got the Minimum wages implemented from 2011 onwards.

The public sector contract labourers have formed their own union and that union is a part of national level federation of contract labourers union and is affiliated to central trade union organization. Because of that collective effect the workmen have been given identity cards, payment slip, coverage under ESI, EPF and minimum wages notified by the government.

The study has collected the labourers’ opinion about the union activities and analysed the satisfaction levels of the labourers by using 5 points, higher points denoting the higher opinion about the trade union. Using five factors and five variables of trade union activities such as ‘to improve working condition’, ‘provide job security’, ‘increase salary’, ‘provide fringe benefit’, ‘to get bonus’ are analysed with the hypothetical test and mean score.

The first factor ‘gender’, the opinion of the trade union activities for the variables improves working conditions and job security differs for male and female. There is a significant difference in the opinion among the labourers in the trade union activities like improves working conditions and job security. For other variables, like
increase salary, to provide fringe benefits, and to get bonus, the null hypothesis is accepted that there is no significant difference in the opinion among the male and female. The mean score values of both genders are having more or less equal values. This concludes that among male and female there is no difference of opinion about the trade union activities.

The opinion about the trade union among labourers of different ‘ages’ for the five variables, except the variable ‘improve working condition’ and ‘job security’ are having the same opinion. The mean score for other variables, ‘provide fringe benefit’, ‘increase salary’, and ‘to get bonus’ are more or less same and the null hypothesis is also accepted. This study concludes that all the age group labourers are having the same opinion that the trade union helps to improve the working condition and they are fighting for the job permanency.

In ‘types of work’ the opinion of labourers are different about the variables like, ‘job security’, ‘to provide fringe benefit’, and ‘to get bonus’. The opinions given display a high mean score for skilled compared to semi skilled and unskilled. From this the study concludes that ‘improve working condition’ and ‘increase in salary’ are the variables acceptable to all types of labourers. All types of labourers have the opinion that the union helps to increase the salary and improve working conditions.

In ‘income level’ the opinion of the labourers are significantly differing with the variables like, ‘improve working conditions’, ‘to provide job security’ and ‘provide fringe benefit’, as their mean scores for all three type of labourers, skilled, semi skilled and unskilled are differing. From this the study concludes that ‘increase in salary’ and ‘to get bonus’ the opinion of the labourers with respect to income level is same.
The opinion of the labourers differ for the variables such as – ‘providing job security’, ‘provide fringe benefit’, and ‘to get bonus’ in accordance with their literacy level. Labourers with low level of education are of the opinion that the trade union helps them in acquiring job security and a reasonable salary.

7.7 SOCIAL SECURITIES

The state provides some welfare facilities to labourers such as ESI (Employee State Insurance), PF (Provident Fund) and gratuity. These all are called social security measures. The social security schemes provide and furnish relief, through appropriate organizations, against certain risks to which its members are exposed. These risks are essentially contingencies against which the individual, who has small means, cannot protect himself. These contingencies include sickness, injury, maternity, old age, widowhood, orphanhood, employment etc. These contingencies can impair a workman’s ability to support himself and his dependents decently and in a healthy manner. Therefore supplementary comprehensive measures should be organized by the society or by the state. All the industrial countries of the world have developed such comprehensive measures to promote the economic security and the welfare of the individual and his family.

This study reveals that social security measures undertaken by the government of India are denied for these labourers. The compensation for accident, maternity benefits, provident fund, layoff compensation, and gratuity are not given to the contract labourers by the contractor or principal employer. In any major accident involving the workplace there is no liability for the contractor and the principal employer towards the contract labourers. This study reveals that none of the women employees are getting maternity benefits. In the case of EPF (Employee Provident
Fund) or Family Pension Fund, contribution is collected from the employees but contractor’s contribution is doubtful. The contract labourers reported that there is a deduction in their wage for the ESI and EPF but they didn’t get any benefit from those contributions. The study finds that 97 per cent of the employees are covered under the employees’ provident fund, but are not aware of the benefits under “The Employees’ Provident Funds and Miscellaneous Provisions Act 1952”.

The Payment of Gratuity Act, 1972 is applicable to the regular workers but the Act is not applicable to the contract labourers. So the contract labourers are not paid gratuity in the case of termination of their employment even after long period of service.

7.8 PROBLEMS RELATED TO CONTRACT LABOURERS IN THEIR WORKPLACE

This study has found some problems related to contract labourers in the workplace such as health hazards, irregular work time, deprived national holidays, deduction in wage, more working hours, work life balance and, safety measures. Among these the worker marked the highest score for the deduction in wage and non-availability of safety measures in their workplace. The contractors make deductions from the salary for ESI and EPF, but are not ensuring the benefit to the labourers.

7.9 SUGGESTIONS

Several studies on contract labour system pointed at the increase of unprotected workforce in the organised industries including the service sector as a major shift in employer-employee relationships. This system develops a volatile order of ‘neither the employer has commitment on employees nor the employees having commitment to the organisation for which he is working for’.
The findings of this study on contract employees of the telecom sector reveals, the same order on various parameters. The scarcity of job with decent working conditions make majority of the job seekers to stick on to the incidentally available job opportunities for the immediate rescue and force them to continue in similar jobs for a longer period. The bargaining power for better service conditions and job security has been denied for this workforce.

Further this system leads to unfair income sharing and leads to wide and inhuman wage disparities in similar jobs. Further it creates wage islands within the organisation and makes the organisation a permanent terrain of rough industrial relations. This system contributes to an already existing major social imbalance and curtails capacity to acquire reasonable living standards for a major section of workforce.

The system needs serious attention and needs thorough examination in order to eliminate the exploitation of cheap labour. This study suggests the following constructive steps:

1. There is a need to establish proactive labour market policies for job search, skill inventory, matching demand and supply, information dissemination, counseling etc.
   a. An administrative mechanism of registering labour force at the civic body levels (Gram panchayat/Ward) should be made mandatory.
   b. The employers should report the details of employees engaged by the organisation to the respective civic bodies. The details should include the period of employment, wages paid and so on.
c. The data base should be synchronized at the district level and zonal level to cater to the needs of the employment. This system will help to upgrade the skill level and productivity of the labour force in general. This center should be able to provide the information of availability of jobs and availability of labourers with suitable skill set to the information seekers.

d. Such data base will help the respective government to frame policies in order to eliminate the disparity and to ensure the purchasing capacity of a vast majority of the community.

e. District level and Taluk level counseling centers for unemployed labour force and partially employed labour force will help to guide the work force to advise and pursue the skill up-gradation and make them more productive.

2. The State should intervene and make mandatory policies to regulate the contract labour system, such as declaring status of any employment for which the labourers are engaged on contract basis for more than 240 days, as of permanent nature. The Act should ensure the equal wage for equal work for contract labourers, on par with the regular employees.

3. A national level wage policy for the casual and contractual nature of job be framed which should include the skill matrix and weight-age for the service rendered in. A scientific and periodical neutralization scheme to balance the inflation in the economy should be ensured. The period should not exceed six months.

a. National level Minimum Wages should be notified by the central government for the unprotected workers with 15% additional weight-age
for skill set. The Minimum wages notified by the State Governments should not be less than the wages notified by the Central government.

b. Minimum of 3% of wages should be notified for every year of service as service weight-age to appreciate the service rendered in a particular organization.

c. Variable dearness allowance should be mandatory with the notified minimum wages and should be revised once in six months on the basis of Consumer Price Index in order to neutralise inflation.

4. The governments should ensure the social security coverage of these labourers as an immediate step. The coverage under the existing social security schemes like EPF and ESI should be made mandatory and the principal employers should be made responsible to ensure the coverage of the social security measures.

5. Recognition of trade unions should be mandatory and the government should ensure the collective bargaining rights to the workmen. Proper tripartite mechanism with industry-wise representations should be made at National level and State level in order to scrutinize the order of the employment in various industries. This will help to eliminate the industrial unrest, cruel exploitation and violent protests.

6. The Contract Labour Abolition Board at the Central and State level should be strengthened. A periodical review of industry specific contract employment should be taken up for discussion. The contract labour system should be abolished where the ratio of regular and contract workmen is in an un-scientific ratio.
7. A complete and concrete study and review of employment pattern evolved in the telecom industry should be conducted. The Government should come forward to abolish the contractual employment in the perennial nature of jobs in the telecom industry. The telecom industry is not only catering the communication needs of business but also delivering sovereign duty of the Government of India. The government should have control on the workforce at all levels of telecom industries.

7.10 CONCLUSION

The overall study of contract labour in service industries especially in telecom sector extract the socio economic aspects and status of employment of the contract labourers and the problems of the contract labourers in the work environment. Contract labour system is an unavoidable in the techno flexi, liberalised world. This study concludes that labourers of deprived class, unskilled with less literacy are exploited by this system which in the long run brings the disparity in the income distribution. A proper and well defined regulation of state over the contract system will reduce the exploitation of cheap labour and curtail the income disparity.

7.11 FURTHER RESEARCH

The existence and continuity of this contract labour system may be unavoidable but legal regulation and proper registration can streamline the system. This necessitates further research in the field of contract labour system for the proper implementation of the contract labour system in our society and in particular to Telecom industries. A further research on ‘Reforming Legislation on working Conditions of Contract Labour’ and “A Competitive Analysis on any two or three important Service Sector Industries” could be undertaken.