CHAPTER IV

PATTERN OF NON-WAGE BENEFITS

IN

THE SUGAR INDUSTRY OF UTTAR PRADESH
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INTRODUCTION

The statistical survey of the cost of non-wage benefits in the sugar industry of Uttar Pradesh has shown that there is an utter lack of data pertaining to both the cost and pattern of non-wage benefits. Even the diminutive available data reveal a vast disparity in the cost due to the conflicting views of the agencies compiling them. Consequently, the task of determining the cost of non-wage benefits bristled with problems and I had to supplement the same by a field survey. However, these absolute figures do not give any idea either of the pattern and composition of the non-wage benefits or of their consistency with the workers' requirements. The information on these points is necessary because the same amount may be given by various methods yet their impact may be different from that of others. A voluntary non-wage benefits scheme, for instance, has a favourable impact on the workers and is liked by them and yet the same amount of benefits, if provided through compulsion might not produce the same effect. This Chapter, therefore, attempts a general appraisal of the pattern of non-wage benefits in the sugar industry of Uttar Pradesh and its region-wise description in order to know the
benefits enjoyed by the workers of this industry.

PATTERN AND COMPOSITION

Let me first examine the general pattern of non-wage benefits in the sugar industry of Uttar Pradesh. The break-up of expenditure incurred on different benefits as set out in Table XXVIII and Diagram No. II reveals that these benefits consist of profit and other bonuses, pay for time not worked, legally required payments, and voluntary non-wage benefits. Some striking variations are noticeable in the proportion of resources devoted to different benefits from year to year. Of the total non-wage benefits, those allocated for profit and other bonuses and time not worked were, by far, the most important, absorbing a little more than 55 per cent of the total non-wage benefits in 1958 and about 40 per cent in 1962. In terms of total labour cost, these benefits constituted about 8 per cent in 1958 and roughly 5 to 6 per cent in 1962. During the period under review (1958-62), bonus allocations declined while payment for time not worked remained almost constant. Legally required payments which absorbed 30.23 per cent to 42.41 per cent of the total non-wage benefits or 5 to 6 per cent of the total labour cost, claimed a comparatively larger slice in 1961 and 1962. On the contrary, the proportion of expenditure on voluntary labour welfare schemes has not recorded any significant increase.
## TABLE XXVIII

**DISTRIBUTION OF NON-WAGE BENEFITS**

**IN THE SUGAR INDUSTRY OF UTTAR PRADESH**

(1958–62)

(In percentage)

<table>
<thead>
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<tbody>
<tr>
<td>Profit and other bonus</td>
<td>44.87</td>
<td>40.71</td>
<td>44.87</td>
<td>31.39</td>
<td>27.06</td>
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<tr>
<td>Payments for time not</td>
<td>11.65</td>
<td>10.18</td>
<td>9.34</td>
<td>11.49</td>
<td>11.99</td>
</tr>
<tr>
<td>worked</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legally required</td>
<td>30.25</td>
<td>31.15</td>
<td>27.02</td>
<td>38.51</td>
<td>42.62</td>
</tr>
<tr>
<td>payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary expenditure</td>
<td>13.23</td>
<td>17.96</td>
<td>18.77</td>
<td>18.61</td>
<td>18.33</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**SOURCE**

Calculated from the published and unpublished accounts of the sampled sugar mills.
PATTERN OF NON-WAGE BENEFITS IN SUGAR INDUSTRY OF UTTAR PRADESH

Diagram II

Percent of total labour cost

Profit and other bonus, Payments for time not worked, Legally required payments, Voluntary Expenditure

1958
1959
1960
1961
1962
The item-wise distribution of non-wage benefits is presented in Table XXX. The table shows that among the legally required payments (which include employers' contribution towards Provident Fund, Provident Fund Administration Charges, gratuity and pensions, payments made under the Workmen's Compensation Act, 1923), employers' contribution towards Provident Fund constituted the biggest item in this category. Among the welfare schemes, expenditure on medical assistance and housing accommodation was comparatively higher, but money spent on entertainment, light and fuel, educational facilities and "other" benefits was insignificant. On the whole, however, the total non-wage allocations increased from Rs. 59,22,196 in 1958 to Rs. 75,29,765 in 1960 with a slight decline in 1959 due to a crisis in the industry. In 1960, as was observed earlier, these companies implemented the Awards of the Central Wage Board and this caused a marked decline in the quantum of non-wage benefits. This decline has been noticed in items like profits and other bonuses and some voluntary labour welfare schemes. Thus, the total cost of these benefits which was Rs. 74,70,279 in 1961 declined to Rs. 69,30,099 in 1962. This indicates that the allocations of non-wage benefits are directly related to the payment of wages and the quantum of one element is raised at the cost of the other. Non-wage benefits have, therefore, not been provided as an essential part of the industry's progressive personnel policy. In the post-wage Board era, for
## DISTRIBUTION OF NON-WAGE BENEFITS IN THE SUGAR INDUSTRY OF UTTAR PRADESH (1958-62)

*In Rupees*

<table>
<thead>
<tr>
<th>Pattern of Composition</th>
<th>1958</th>
<th>1959</th>
<th>1960</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In Rs)</td>
<td>(In Rs)</td>
<td>(In Rs)</td>
</tr>
<tr>
<td>Profit and other bonuses</td>
<td>26,58,141</td>
<td>23,37,189</td>
<td>33,77,135</td>
</tr>
<tr>
<td>Payments made for time not worked</td>
<td>(44.89)</td>
<td>(40.71)</td>
<td>(44.89)</td>
</tr>
<tr>
<td>Employees' Provident fund</td>
<td>6,39,497</td>
<td>5,84,208</td>
<td>7,03,727</td>
</tr>
<tr>
<td>Administrative charges of F.F.</td>
<td>(11.64)</td>
<td>(17.18)</td>
<td>(9.36)</td>
</tr>
<tr>
<td>Gratuity and pensions</td>
<td>16,33,449</td>
<td>16,06,471</td>
<td>17,97,876</td>
</tr>
<tr>
<td>Payments made under the Workmen's Compensation Act</td>
<td>(27.58)</td>
<td>(27.98)</td>
<td>(23.87)</td>
</tr>
<tr>
<td>Medical benefits</td>
<td>99,638</td>
<td>80,489</td>
<td>1,14,435</td>
</tr>
<tr>
<td>Housing facilities</td>
<td>(1.68)</td>
<td>(1.50)</td>
<td>(1.52)</td>
</tr>
<tr>
<td>Educational facilities and stipend</td>
<td>26,527</td>
<td>61,563</td>
<td>1,24,557</td>
</tr>
<tr>
<td>Entertainment and cultural facilities</td>
<td>(0.44)</td>
<td>(1.08)</td>
<td>(1.65)</td>
</tr>
<tr>
<td>Light and fuel, including cost of free sugar</td>
<td>31,860</td>
<td>33,830</td>
<td>36,699</td>
</tr>
<tr>
<td>Uniforms</td>
<td>(0.53)</td>
<td>(0.59)</td>
<td>(0.48)</td>
</tr>
<tr>
<td>Railway fare to seamen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;Other&quot; non-wage benefits</td>
<td>2,34,653</td>
<td>3,04,067</td>
<td>4,22,805</td>
</tr>
<tr>
<td>Notes: Figures in brackets show percentage to total non-wage benefits of that year.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Non-wage benefits (Total) Rs: 69,22,196 57,40,581 75,29,765
example, the employers cut down some of the important non-wage benefits to compensate themselves of the enhanced labour cost. This explains the significant decline in the non-wage benefits in the post-wage Board era.

Table XXX shows the item-wise and region-wise distribution of non-wage benefits in the sugar industry of Uttar Pradesh. It can be seen that of the total non-wage benefits offered to the workers, those paid for profit and other bonuses and payment for time not worked were the most important in all the three regions. Profit and other bonuses were the highest in Central region followed by the Western region and Eastern region. Allocations on bonus were larger in the pre-wage Board era than in the post-wage Board period while pay for time not worked did not show any significant change. Again, factories in the Eastern region spent comparatively larger sums on this benefit. Legally required payment formed larger percentage in the Central region (37) followed by Eastern region (35) and Western region (31). These payments were higher in the post-wage Board period primarily due to the compulsory gratuity scheme recommended by the Wage Board. Voluntary expenditure, on the other hand, ranged between 9.93 per cent to 22.94 per cent of the total non-wage expenditure. On the whole, factories in the Western region incurred more expenditure on voluntary schemes than either Eastern or Central regions. A detailed
### Table XXX

**Percentage Distribution of Non-Wage Benefits in the Sugar Industry of Uttar Pradesh: 1958-62**

#### (Region-Wise)

<table>
<thead>
<tr>
<th></th>
<th>Western Region</th>
<th>Eastern Region</th>
<th>Central Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit and other bonuses</td>
<td>46.19</td>
<td>45.37</td>
<td>43.66</td>
</tr>
<tr>
<td>Legally required payments</td>
<td>27.81</td>
<td>26.43</td>
<td>27.35</td>
</tr>
<tr>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

#### Sources

Compiled from published and unpublished accounts of the sampled sugar mills.
break-up of the proportion of expenditure incurred on different items by different regions which is set out in Appendices X, XI and XII would reveal striking variations in the proportion of resources devoted to different benefits on the one hand, and variations in the sums incurred by regions on the other.

A detailed study of non-wage benefits region-wise and item-wise, viz., profit and other bonuses, payments for time not worked, legally required payments and voluntary expenditure on benefits, will be made in the light of the following questions: Firstly, what are the legal and other provisions governing these individual benefits? Secondly, what has been the impact of the Awards of the Central Wage Board on the pattern of non-wage benefits? Finally, are these benefits consistent with the needs of the workers of the sugar industry? And if not, what have been the main obstacles?

PROFIT AND OTHER BONUSES

I first take profit and other bonuses which supplement the cash wages of the workers once in a year and constitute a major part of the total non-wage benefits in the sugar industry of Uttar Pradesh. Until fairly recently, this benefit from surplus profits, was regarded by the employers as an ex-gratia payment both as a
matter of goodwill as well as an incentive for enlisting the cooperation of the workers in the process of production. Workers too have become accustomed to this benefit and they appreciate it as it gives them an extra amount of money which they can use either for the purchase of expensive items of clothing and household equipments or for meeting other expenses. But they could not claim it as a matter of right because employers considered profits as a reward for risk undertaken by them. Such awards, therefore, depended on their discretion apparently because no contract, express or implied, existed between them for the payment of bonus. It must be added, however, that with the changing concept of the industry, and labour, the payment of bonus has been justified on the principle of equity mainly because profits are the result of the joint efforts of all the

1. Till the beginning of World War II, the bonus was paid only in a few industries as an ex-gratia payment. During World War II, quite a number of industries were making huge profits and the management themselves felt that it would be expedient and profitable to award the workers with some kind of remuneration, which would act as an incentive to labour who would be enthused in improving the productivity. The employers even when they gave such bonus to the workers maintained that it was an ex-gratia payment and hence workers could not demand it as a matter of right. The employers felt that it was left to their sole discretion to make any such payment. But the workers on the other hand, claimed that they were entitled to some share in the profits of the undertaking which, according to them, accrued due to their hard work, but was appropriated by the management by paying the workers low wages, and the profits in a sense a "surplus" arising out of their exploitation. (Giri, V.V., Speech at the Seminar on Bonus, Madras, National Productivity Council, 1966).
factors of production, including that of labour. It has, therefore, also acquired a legal status on this ground.

In the sugar industry of Uttar Pradesh, however, there was no uniform procedure for calculating and payment of bonus. Consequently, the bonus in different mills has neither been regulated nor paid on uniform basis. In most of the cases it was paid to the workers under agreements arrived at between the employers and the unions in conciliation proceedings. It has also been granted under the awards of arbitrators and Industrial Tribunals. But voluntary payment of bonus was resorted to only by a few establishments. However, after the establishment of the Central Wage Board for sugar industry, the payment of bonus became more or less a regular feature of the industry. The rates were determined by the State Government each year on the basis of recommendations of the Special Bonus Committee. The Committee calculated the bonus by indirect method, i.e., by calculating the surplus profits with the help of the cost structure (given by the Tariff Board) and not by consolidated balance sheets of different companies. Accordingly, the total amount distributed as bonus was allocated to individual units on the basis of their output and was, therefore, distributed to all workers employed throughout the crushing season in proportion of the basic wages earned by them, irrespective of the categories they belonged. However, factories producing less
than one lakh maund of sugar were excluded as they were not supposed
to have any residuary surplus. Again, exemption was granted to a
factory from payment of bonus in case of losses or meagre profits in a
particular crushing season. Sometimes, the rates were also relaxed in
individual cases if the profits were not found sufficient to bear the
burden of the generally applicable bonus rates.

In spite of its simplicity bonus system as prevalent in the
sugar industry suffered from some serious defects. Bonus was
calculated on the basis of savings made by the sugar industry as a
whole. It failed to afford a satisfactory basis for estimating the
saving unit-wise. Since, such adjustments were not made in the past,
bonus quantum has no set relationship to the actual profits of an unit
from year to year or to the profits of different units in the same year.
Again, the rates under the system were related to slabs of production;
For even a slight excess over the margin of a slab, disproportionately
higher rates were applicable and vice versa. Bonus rates so devised,
infact, acted as a deterrent to higher production. The Central Wage
Board looking the good points of the prevailing system recommended a
formula for Northern and Central regions which, besides retaining the
merit of simplicity, bore relationship to the actual working results
of the individual mills. In these regions 22 per cent of the profits
after tax, calculated in the prescribed manner, was recommended as
bonus. However, factories having daily crush of less than 1,000 tons
as season’s average, were required to pay 20 per cent of such profits.
Again, bonus in Northern and Southern region mills was subject to a ceiling of three months consolidated wages. The Government of Uttar Pradesh appointed an adhoc committee comprising the Labour Commissioner as the Chairman and three representatives each of the employers, the employees of the sugar mills to go into the question of bonus according to the recommendations of the Wage Board. The Committee evolved a scheme of bonus payment within the broad framework of the recommendations of the Wage Board. Since then bonus is being calculated according to the accepted basis for each unit separately.

Appendix XIII reveals that the outlays of profit and other bonuses (E.G., attendance bonus, service bonus, gratuitous payments etc.) ranged between 24.12 per cent to 46.19 per cent of the total non-wage benefits in these three regions. As between "profit bonus" and "other kind of bonus payments", profit bonus constituted the largest item of benefits while the share of latter was, however, negligible. The proportion of bonus, indeed, varied from region to region; it being 46.19 per cent in the Western region, 43.59 per cent in the Central region and 42.94 per cent in the Eastern region in the year 1958. In 1959, its proportion declined slightly due to less available profits. However, in 1960, it rose up to 49.99 per cent in the Central region followed by Western Uttar Pradesh (43.66) and the Eastern region (42.28). Although the system for the payment of bonus was regularised in 1961, on the recommendations of the Wage Board,
its amount did not show any marked variations in that year. In 1962, however, it showed sizable shrinkage in the Eastern and Western regions mainly because the mills declared lesser profits due to heavy burden of the Wage Board Awards. During the period under review, bonus ranged between 3.45 per cent to 7.08 per cent of the total labour cost in all these regions. This single benefit formed the largest item in the total non-wage structure in all the three regions. On an average, factories in the Central region paid highest profit and other bonuses (39 per cent) closely followed by Western region (38 per cent) and Eastern region (34 per cent). Within individual factories, the proportion varied from 0 to 69 per cent. In most of the mills, it constituted the largest item of expenditure, particularly, in L.H. Sugar Factory and Oil Mills, Limited, Pilibhit (69 per cent), Jaswant Sugar Mills Limited, Meerut (68 per cent) (1960) and Sri Shadi Sugar and General Mills Limited, Mansurpur (62 per cent).

In spite of the largest slice of bonus in the total non-wage benefits, the system has completely failed to benefit the workers as the amount of bonus was depressed every year, particularly, in the post-wage Board era. Again, the Sugar Bonus Committee relies on the information supplied by the management of different concerns which has not satisfied the workers. Usually, it is alleged, the employers maintain two sets of books, one for themselves and the other for the
purposes of income tax and for the calculation of bonus etc.

Besides, various constituents of cost structure are, it is also
alleged, purposely inflated to depress profits. The most important
defect of the system has been that so far no efforts have been made
to verify, the data supplied by the employers. This has resulted into
a widespread dissatisfaction among the sugar workers who have
completely lost their faith in the Wage Board formula and have demanded
the distribution of bonus according to the previous formula. The
Government of India also set up a Bonus Commission in December 1961,
to evolve suitable norms so that the uncertainty associated with the
bonus payments could be minimised and the number of disputes which

1. Rastogi, J.L., *Industrial Relations in Uttar Pradesh, Lucknow
University, Lucknow, 1965*) p 119. Besides, all the Central
Organizations of employees have expressed their lack of confidence
in the Balance Sheets. (Report of the Central Wage Board for
"The mere fact that the accounts are audited do not make the
accounts acceptable to labour for purposes of finding out the
correct profits to settle bonus disputes ... It is necessary to
give representatives of labour the right to inspect the accounts
so that they can satisfy themselves that the profit figures do
correctly reflect the trading results of the year in question".
(Replies to the Bonus Commission Questionnaire, New Delhi: Indian
National Trade Union Congress, 1962, pp 27-28). Another labour
organization expressed its views regarding Balance Sheets as
follows: "Balance Sheets are not safe guides for the purpose ...
Accountancy, being a profession looks to Employers for patronage.
It is, therefore, natural for Chartered Accountants to have bias
in favour of the industry. (Replies to the Questionnaire, Lucknow:
Indian National Sugar Mill Workers Federation, 1958, p 43).
arise over the issue substantially reduced, if not eliminated. The Commission was further asked to consider in relation to industrial employment the question of payment of bonus based on profits and to recommend principles for computation of such bonus and methods of payment, to determine what the prior charges should be in different circumstances and how they should be calculated, to consider whether there should be lower limits irrespective of losses in particular establishments and upper limits for distribution in one year and, if so, the manner of carrying forward profits and losses over a prescribed period, and to suggest an appropriate machinery and method for the settlement of bonus dispute. The Commission submitted its Report on January 18, 1964, and accordingly, an Ordinance providing for the payment of bonus to industrial employees with retrospective effect from 1964, was promulgated by the President of India on May 29, 1965, which later became an Act of Parliament. An important feature of the Act is that it gives the workers a minimum bonus of 4 per cent of the salary or wages earned by an employee during the accounting year, whether or not the factories had made profits (Section 10). Recently, the Supreme Court has, by a majority of 3 to 2 declared Sections 33 and 34(2) of the Bonus Act invalid, on the ground that they are discriminatory and infringe the

1. The Times of India, New Delhi, June 1, 1965.
Article 14 of the Constitution. It has also struck off Section 37 of the Act because it delegates legislative powers to the executive authority. As was expected, the much anxiously awaited judgement on the Bonus Act has had a mixed reception in the country. While the employers have heaved a sigh of relief, the employees are not happy at the verdict. If the reports emanating from various labour leaders are any indication, the industrial scene in the coming months may be marred by labour troubles. The leftist trade unionists are out to exploit any situation for their political advantages in the election year which is fast approaching. A series of strike calls in different industries have already been given, or are in the process of finalisation. Moreover, a few agreements on bonus questions arrived at between

1. The Times of India, New Delhi, August 6, 1966.

2. Section 33 of the Act enables the Government to apply the provisions of the Act to any pending dispute on bonus relating to any accounting years after 1961. Section 34(2) seeks to maintain the ratio of bonus to "gross profit" in the base-year. If in the base-year the quantum of bonus paid as a proportion to the gross profit was higher than that in the year for which bonus is payable, then, under this section, the higher proportion is applicable. It is this section that is said to assure for the workers the best of both the worlds. Section 37 confers unquestionable power on the Central Government to remove any difficulty or doubt in giving effect to the Bonus Act by an executive order which can be issued at its discretion. It may also be noted that the Article 14 of the Constitution declared that "the State shall not deny to any person equality before the law or the equal protection of the law within the territory of India".
the employers and the employees (as, for instance, those between the
Mill-owners in Bombay and Ahmedabad and the representative trade
unions in the respective areas), have been on the specific understanding
that it would be re-examined in the light of the Supreme Court
judgment. Since the verdict has not been as favourable as was
expected by the labour organizations, industrial unrest may be
experienced even by industries which have concluded such agreements,
if enlightened employers and responsible trade unionists do not act
with foresight and approach the problem in a spirit of accommodation.
The sugar industry, which has been paying a bonus in terms of the
Wage Board Awards, is also faced with a demand for bonus in accordance
with the Commission's formula, although members of the Board unanimously
evolved a different system of bonus for the entire industry in the full
knowledge that the matter was under consideration by the Commission.
Almost every trade union organisation recognised by the sugar mills,
has expressed its dissatisfaction with the payment of bonus and their
leaders want it exclusively to be related to the production in place of
profits. At the moment, the system has completely failed to satisfy the
workers, and in most of the factories, disputes arising out of the
payment of bonus were pending before some courts or Industrial Tribunals.
Thus this benefit has neither ensured industrial peace nor has brought
about any significant increase in the productivity.
PAYMENTS MADE FOR TIME NOT WORKED

Payments made for time not worked (e.g., paid holidays, leave etc.) usually range between 1 to 2 per cent of the total labour cost. Since most of the companies do not maintain separate accounts for wages for time worked and wages for time not worked, the cost of time not worked as presented in this study has, therefore, been estimated from reports of hours worked and hours paid for but not worked. These payments are based on the one hand, on the workers' right to leisure, and, on the other, on the necessity of preserving or restoring their health in the interest of production. Leave and holidays, thus, enable the workers to regain their lost energy and attend to their work with fresh enthusiasm by reducing monotony and strain of work. This benefit consists of two elements, viz., leave and holidays.

As regards leave, there is no uniform practice in different establishments. According to the Factories Act, 1948, every person who has completed at least 240 days service in a calendar year in a factory is entitled to leave with wages in a subsequent calendar year at the rate of one day for every 20 days of work performed by him in the previous calendar year.¹ This means that a worker is entitled to

¹ The Factories Act, 1948 (Allahabad: Superintendent, Printings and Stationery, Uttar Pradesh).
18 days leave with pay, if he has completed 240 days of service in a factory, in a year. Besides, under the Standing Order for Vacuum Pan Sugar Factories, permanent employees are entitled to casual leave and sick leave at the rate of 6 days and 10 days respectively in a year, while seasonal workers at the rate of half a day for every month of crushing season during which they are on rolls.\(^1\)

Like leave the number of holidays varies from factory to factory and region to region. The Factories Act, 1948, provides for weekly holidays and compensatory holidays only. Under the Uttar Pradesh Industrial Establishment (National Holidays) Act, 1961, every employee (including an apprentice) employed in any sugar establishment is entitled to and is to be granted holiday with wages on a national holiday (i.e., 26th January, 15th August and October 2) every year, notwithstanding anything contained in any other law, court, document, usage or practice.\(^2\) In addition, sugar workers have also been allowed 18 days paid holidays as shown in Table XXXI.

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2. But where an employee is, for any exigencies or business of the industrial establishments, required to work or works on a National Holiday, he is to be paid by the employer of the establishment twice the wages for a day or at the option of the employee wages for that day and also a substituted holiday with wages falling within the next calendar month, not being a weekly holiday. (U.P.Industrial Establishments (National Holidays) Act, 1961).
### TABLE XXXI

**PAID HOLIDAYS IN THE SUGAR INDUSTRY OF UTTAR PRADESH**

<table>
<thead>
<tr>
<th>FESTIVAL</th>
<th>No. of Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic Day</td>
<td>One</td>
</tr>
<tr>
<td>Holi</td>
<td>Two</td>
</tr>
<tr>
<td>Independence Day</td>
<td>One</td>
</tr>
<tr>
<td>Mag Pandmi</td>
<td>One</td>
</tr>
<tr>
<td>Raksha Bandhan</td>
<td>One</td>
</tr>
<tr>
<td>Janama Asthmi</td>
<td>One</td>
</tr>
<tr>
<td>Mahatma Gandhi Birthday</td>
<td>One</td>
</tr>
<tr>
<td>Dushehra</td>
<td>One</td>
</tr>
<tr>
<td>Deewali</td>
<td>One</td>
</tr>
<tr>
<td>Kartik Sran</td>
<td>One</td>
</tr>
<tr>
<td>Guru Nanak’s Birthday</td>
<td>One</td>
</tr>
<tr>
<td>Id</td>
<td>One</td>
</tr>
<tr>
<td>Moharrem</td>
<td>One</td>
</tr>
</tbody>
</table>

**SOURCE**

The total expenditure incurred on these paid holidays and leave taken together was quite substantial in all the three regions because these are regulated by the Government (Appendix XIV). There being a few employers who provide more than the minimum laid down by the law with the result that there are no sharp differences in the cost of this benefit in all the three regions. Their proportion ranged between 8.39 per cent to 13.4 per cent of the total non-wage benefit bill.¹ Factories which spent relatively larger sums on payment for time not worked are Modi Sugar Mills Ltd., Modinagar and Sarya Sugar Works Ltd., Sardarnagar. In the remaining factories leave and holidays were granted just in accordance with the minimum laid down by the law. On the whole, this benefit has helped the industrial workers, particularly, skilled and permanent, to have enough leisure and restore their health. Keeping in view the nature of seasonal work in the sugar industry, there is a need to provide the lower rank and file workers as well as the temporary staff with sufficient leave and holidays. The Standing Orders should be revised to provide for special casual, privilege and other sick leave because different types of leave have their own significance which serve different needs of the workers. For instance, the privilege leave is given in recognition of the workers' efforts.

¹ It should be noted that the statistics of time off with pay do not include the short breaks for rest or refreshment which are allowed during the working days.
and uninterrupted service, and is granted only after they have served the concern for a continuous period of time. The casual leave, on the other, is availed by the workers in cases of emergencies while the sick leave covers leave during their prolonged illness.

It may be added, however, that the "Charters of Demands" by Unions often include a demand for increase in holiday and leave facilities and reduction of hours of work even if they are quite satisfactory. The expectation behind this tactic is that if multifarious demands are pressed, at least some of them will be accepted by the employers. This policy needs revision not only in industries and commercial establishments but also in Government Offices, in view of the present economic conditions of the country, particularly, after the devaluation of the Indian rupee. The Industrial Tribunals

1. A foreign observer V.D. Kennedy has made the remarkable statement, asking for greater tolerance of conflict (that is, strikes) and in support of this says (on page 119) that the generous provisions for paid holidays, privilege leave, casual leave and sick leave that have been written into law, standing orders, and collective agreements have the total effect of subtracting a large quantity of mandays from work each year, that many of these causes of loss of production are preventable, and "if India can afford to show so little concern about more serious causes of production loss, she can be more tolerant of the smaller costs of work stoppages". (Kennedy, V.D., Unions, Employers and Government: Essays of Indian Labour Questions, quoted in "Trends in Industrial Relations: Holidays and Hours of Work" by Economicus, Economic Times, Bombay, September 15, 1966, Remarks such as these highlight the great necessity in this country of reducing these wasteful and avoidable causes of loss of production, and reducing of the number of idle days.
have also expressed concern at the loss of national production on account of a number of holidays. A stop must, therefore, be made to any extension of holidays. In my opinion, if any industry is in a position to bear some additional burden, it is better to improve other voluntary non-wage benefits rather than increase the number of paid holidays and leave.

In a seasonal industry like sugar, which has to work in the crushing season only, there is no justification for too many holidays and leave. As was observed by the Second Pay Commission, "there is a widespread feeling among those who take an intelligent interest in these matters that there are far too many holidays in this country, that these are not all necessary for religious or traditional social observances, in many of which the educated people particularly are

1. In Gordon Press Ltd., (1952 L.L.J. Vol. I page 118) a case from Madras, the Industrial Tribunal observed, "It is undesirable that we are having much larger number of holidays in our country than in any other progressive country in the world. The state of affairs is partly due to the existence of considerable number of adherents of various religions in the country". In the case of Cipla Ltd., a pharmaceutical concern, (1964 I.C.R. 71) the Industrial Tribunal, Bombay, reduced the paid holidays from 21 to 12 for the calendar year 1964 and to 10 from the calendar year 1965 onwards. In the case of Pfizer (Private) Ltd., Bombay, and its workmen (1963 I.C.R. p. 381) the Supreme Court had occasion to consider the need for reducing holidays. It observed, "It is now generally accepted that there are many public holidays in our country and that when the need for industrial production is urgent and paramount, it may be advisable to reduce the number of holidays in industrial concerns". (Economic Times, Bombay, September 15, 1966).
losing interest, and, in short, many of the public holidays are only a pretext for idleness which the country can ill afford." Another factor which is also responsible for colossal loss of production is the declaration of all-India and State holidays to commemorate the birth or death anniversaries of leaders. Such events deserve to be honoured but not by idleness for the day. The loss of production on account of such national holidays runs into many crores of rupees. Therefore, there is a need to standardise the leave and holidays in the sugar industry of Uttar Pradesh and substitute it by some other voluntary benefits such as educational facilities, medical assistance, housing accommodation etc., and also an extension of the same benefit in case of lower grade and temporary workers.

LEGALLY REQUIRED PAYMENTS

Benefits payable under the statute or legal awards are mostly meant to benefit the workers in the long run, i.e., in the case of retirement, old age or some injury. Statutory payments can be classified under three groups: (i) Employers' contribution towards Employees' Provident Fund, (ii) Gratuity and pensions and (iii) Payments made under the Workmen's Compensation Act, 1923. Among these three groups of statutory non-wage benefits, employers' contribution towards
provident fund formed the largest proportion in all the three regions
and accounted for roughly three-fourth of the total of legally
required payments. Employers' contributions in case of gratuity,
pensions and compensation made under the Workmen's Compensation Act,
1923, was relatively smaller. The nature and extent of money spent on
these three groups of benefits is discussed below:

PROVIDENT FUND CONTRIBUTION
The contributions made by the
employers to the statutory provident
fund constituted by far the largest item of expenditure in social
security schemes of sugar industry of Uttar Pradesh. The scheme, under
the Employee Provident Fund Act, 1952, was applied to sugar industry
in July, 1956 to all those establishments which employ 20 or more
persons and have completed five years of existence, and those which
employ 50 or more persons and have completed three years of existence.
A qualifying period of at least 240 days season in a period of 12 months
has been provided for the membership of the scheme. However, employees
drawing more than Rs.1000 per month have been excluded from the
benefit of the scheme. Being a contributory scheme, each member
contributes 6½ per cent of the basic wages and other allowances every
month. The employers are also liable to contribute an equal amount
for each member. The liability of payment under the scheme is of the
employers who are authorised to receive the members' contribution
from their earnings. Besides contributing towards the provident fund, the employers have to pay the administrative charges at the rate of about 3 per cent of the combined contributions of the employers and the employees. The scheme provides two types of benefits to the employees. Firstly, full accumulations with interests thereon are paid to members in case of permanent or total disability including that caused by T.B. and leprosy, superannuations, retrenchment, migration from India for permanent settlement abroad and (or) leaving service after completing 15 years membership of the Fund. Besides, full amount including employers' contribution and interest accumulated can be withdrawn if a worker is transferred by the employer to any establishment which is not covered by this legislation. Withdrawal is also allowed if a worker fails to get employment in a covered establishment for a period of six months preceding the date of his applying for withdrawals. However, in such a case, the employers' contribution which is based on the length of his service is credited to his account.

Benefits under the scheme (full accumulations with interest thereon) are paid to the nominees appointed by the member during his or her lifetime to receive the provident fund money or in the case of his death to his (or her) legal heirs. A separate Death Relief Fund has been instituted to accord to the nominees or heirs of the deceased member a minimum benefit of Rs.500 as financial assistance.
Provision has also been made for the forfeiture of employers' contribution up to a maximum period of two previous years and those of the current year in cases where members are dismissed from service for serious or wilful misconduct. The amount forfeited does not, however, revert to employees but is transferred to a separate Forfeiture Account. A provision has also been made for non-refund advance to members for financing their life insurance policies, for purchasing dwellings or shares of consumers' cooperatives and during temporary closures of establishments under certain conditions. The Employees' Provident Fund Act also provides for exemption of factories from the provision of this scheme, if their own individual schemes are in conformity with it or are more favourable to the employees and satisfy certain other specified conditions regarding investment, transfers etc. The whole scheme is administered by a tripartite body, called the Central Board of Trustees consisting of the Central and State Governments, sugar mill employers and their employees. The scheme has made a steady and continuous progress in the industry.

The employers' contribution towards the provident fund during the period under review is given in Appendix XIV. From the appendix it will be seen that its proportion varied between 22.43 per cent of the total benefits to 35.47 per cent in all the three regions of the industry. Eastern and Central regions spent comparatively higher sums
on this item than the factories in the Western region of the State. The reason for low proportion of this benefit in the over-all benefit structure in the Western region is that companies of this region provided more non-wage benefits with the result that the proportion of this item in the over-all non-wage structure declines. Contrary, factories of the Eastern and Central regions have paid comparatively lesser amount of non-wage benefits while their contribution towards provident fund was more or less the same as for the Western region. This has, therefore, enlarged the proportion of this benefit in the non-wage structure in latter regions.

In addition, as was observed earlier, employers have to pay about 3 percent of the combined contributions in the shape of administrative and inspection charges of the provident fund. The proportion of administrative charges of provident fund, however, varied between 1.27 to 2.49 per cent of the total non-wage benefits (Appendix XVI), depending on the actual amount of contribution. The system is working fairly well in the industry. Besides, providing adequate security to the members against old age and to their heirs, the scheme has facilitated the flow of small savings of the workers to the productive purposes. Steps have also been taken to ensure early settlement of provident fund claims which normally take some months. On the whole, the provision regarding the advances has
benefited an increasing number of workers every year and is an important measure of social security in the industry of the State.

Among the social security benefits in the sugar industry, gratuity and pensions absorbed 0.44 per cent of the total non-wage benefits in 1958. In 1959, however, the expenditure increased a little in the Central and Western regions, while in 1960 it declined in the Central and Eastern regions. As against this these benefits rose tremendously in the post-wage Board period when their proportion ranged between 4.08 to 9.92 per cent. The region-wise analysis as presented in Appendix XVII shows that Western and Central regions incurred more expenditure on this item. Prior to the establishment of the Central Wage Board, the payment of gratuity was a voluntary benefit and it existed only in 5 factories of the State. But the Board recommended a comprehensive gratuity scheme, known as Sugar Industry Workers' Gratuity Scheme, 1960. It was applied to all permanent and seasonal workers (except apprentices) employed in connection with sugar factories. Most of the provisions and conditions of payments are similar in all the factories. For instance, on the occurrence of death or physical or mental incapacity or superannuation the employees are entitled to one month's basic wage for every completed year up to 1st August, 1956 and thereafter at the rate of half a month's basic wage for every year up to a maximum of 15 months' basic wage. Again, on voluntary
retirement or resignation, gratuity is payable only after 15 years continuous service at full rates mentioned above, viz., one month's basic wage for every completed year up to 1st August 1956 and thereafter ½ month's basic wages. The period for which gratuity is payable at the rate of one month's basic wage again differs from factory to factory: On termination of service, employees who have put in 5-15 years service are entitled to receive ½ month's basic wages for every completed year up to 1st August 1956 and thereafter ½ month's basic wages, whereas employees who have completed 15 years service are entitled to receive full rate as mentioned against death or physical or mental incapacity. No gratuity under any scheme is payable for employees who have been discharged on account of serious misconduct. It would be seen that some differentiation has been made in respect of employment prior to August 1956. The employees received higher rate of gratuity for service before 1956.

The statement showing the quantum of gratuity and pensions in different regions is shown in Appendix XVII. From the appendix it will be noted that expenditure on this item was negligible in the pre-wage Board period. But the post-wage Board era showed a steep rise in the expenditure on gratuity and pensions because the Central Wage Board for the Sugar Industry framed a detailed gratuity scheme, which was applied from 1st November, 1960 to all permanent and seasonal workers (with the exception of apprentices) employed in, or in
connection with sugar factories. The scheme, inter alia, provided for the general superannuation at the age of 58 years, laid down other conditions in which gratuity would be payable and the rate of gratuity to be applicable in case of permanent and seasonal workmen separately for different periods of service. In the factories where basic wage and dearness allowance were paid separately, the gratuity for period of service prior to November 1, 1960, was to be calculated on basic pay immediately preceding the date of application of new wage structure subject to a minimum of Rs. 30. But in factories where consolidated wage system prevailed, such calculations were made on the notional monthly basic pay as shown in the Schedule. For the period of service from the date of implementation of the wage structure by the Wage Board, the gratuity is calculable on the basic wages and dearness allowance payable in respective cases when the gratuity claim become due. According to new scheme, gratuity is to be paid in the following scale and on the occurrence of the events listed below:

(a) On death while in employ irrespective of the length of service.

(b) On attainment of the age of superannuation.

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(c) On retirement or resignation due to continued ill-health, one half of a month's pay to a permanent and one-fourth of a month's pay to a seasonal workman for every continuous year or season of service, as the case may be, subject to a maximum of fifteen months' pay.

(d) On resignation or on termination of employment for any season other than for serious misconduct:

(i) For the period prior to enforcement of this scheme on completion of ten, but less than thirty years or seasons' continuous service, as the case may be, one third of a month's pay to a permanent and one-sixth of the month's pay to a seasonal workman for every continuous year or season of service, as the case may be.

(ii) For the period subsequent to the enforcement of this scheme on completion of ten years or seasons, but less than 20 years or season's service - one-fourth of the monthly pay to a permanent and one-eighth to a seasonal workman for every completed year or season of service and on completion of 20 years or seasons of service, but less than 30 years: one-third of the monthly pay to a permanent and one-eighth to a seasonal workman for every completed year of service.

(iii) On completion of thirty years or seasons continuous service as the case may be, the amount payable for events mentioned in clauses (a) to (c) above.

A fraction of a year exceeding six months shall count one full year and six months or less shall be ignored. In calculating the amount of gratuity the period for service after the implementation of the wage structure recommended by the Board shall be taken first and the pay for the pre-implementation period will be the basis of calculation of gratuity for rest of the year.

Benefits payable under the Workmen's Compensation Act are meant to compensate the workers in case of injury caused by accident in the course of employment. The defective working condition is an important contributory factor. The incidence of accidents in the industry is generally high in departments in which ventilation is defective and temperature uncomfortable. Improper and inadequate lighting also results in a number of accidents. Again, the accidents are more common during the night than in the day. Sometimes, workers' own undesirable traits, e.g., negligence, disobedience etc., may be responsible for industrial accidents. These are not always the hereditary attributes and sometimes may result from excessive fatigue, wrong selection and placement, inadequate induction and training of workmen etc. Besides, continuing of any disease listed in Schedule III of the Act is deemed to be an injury by accident and the victim of any such disease is entitled to compensation. In sugar industry of Uttar Pradesh occupational diseases like Bagassosis are common. Sulphur tank attendants suffer from chronic pharyngitis. The inhalation of sulphur gas harms their lungs and they contact asthma which often develops into tuberculosis. Appendix XVIII shows that payments made under the Workmen's Compensation Act are negligible mainly because the frequency of accidents in the sugar industry is practically nil.
It will be of interest to see briefly some of the objectives and the provisions of the Workmen's Compensation Act, 1923. The main objective of the Act is to make the employer pay compensation to the worker in case of injury caused by accident in the course of employment. It also provides for penalty for failure to pay compensation when due. Compensation is not payable if the incapacity does not last for more than three days or if the injury is due to the workers' fault, as for instance, if it is caused by wilful disobedience of orders, influence of drinks, drugs, etc. In case of injury resulting in the death of the workers, compensation is payable to the deceased's dependants who are classified into two types: (i) Dependents who are admitted to be such without any proof and (ii) Those who must prove that they are dependants. The first group includes a widow, a minor legitimate son, and unmarried legitimate daughter or a widowed mother, while the second group includes such dependants as a widower, a minor illegitimate son, a minor brother, etc. For purposes of compensation, injuries are classified into (i) those ending in death, (ii) leading to permanent disablement and (iii) those leading to temporary disablement. Disablement may be permanent or partial. Disability is calculated according to percentage of loss of earning capacity as set forth in Table XXXII, forming Schedule I of the Act.
**TABLE XXXII**

SHOWING THE PERCENTAGE LOSS OF
EARNING CAPACITY DUE TO VARIOUS INJURIES

<table>
<thead>
<tr>
<th>List of injuries deemed to result</th>
<th>Percentage loss of earning capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of right arm above or at the elbow</td>
<td>70</td>
</tr>
<tr>
<td>Loss of left arm above or at the elbow</td>
<td>60</td>
</tr>
<tr>
<td>Loss of right arm below the elbow</td>
<td>60</td>
</tr>
<tr>
<td>Loss of leg at or above the knee</td>
<td>60</td>
</tr>
<tr>
<td>Loss of left arm below the elbow</td>
<td>50</td>
</tr>
<tr>
<td>Loss of leg below the knee</td>
<td>50</td>
</tr>
<tr>
<td>Permanent total loss of hearing</td>
<td>50</td>
</tr>
<tr>
<td>Loss of one eye</td>
<td>30</td>
</tr>
<tr>
<td>Loss of thumb</td>
<td>25</td>
</tr>
<tr>
<td>Loss of all toes of one foot</td>
<td>20</td>
</tr>
<tr>
<td>Loss of one phalanx of thumb</td>
<td>10</td>
</tr>
<tr>
<td>Loss of index finger</td>
<td>10</td>
</tr>
<tr>
<td>Loss of great toe</td>
<td>10</td>
</tr>
<tr>
<td>Loss of any finger other than index finger</td>
<td>5</td>
</tr>
</tbody>
</table>

**SOURCE**

The Workmen's Compensation Act, 1923,
(Delhi : Government of India, Schedule I)
The amount of compensation is calculated on the basis of the nature of the injury and the average monthly wages of the worker concerned. The amount of compensation for death of the adult worker varies from the minimum of Rs. 500 to the maximum of Rs. 4,500 and in the case of permanent total disablement from the minimum of Rs. 700 to the maximum of Rs. 6,300. For the death of a minor, the Act prescribes a uniform rate of compensation of Rs. 200 and for permanent total disablement Rs. 1,200.

The Act is criticised on the ground that the amount of compensation it provides for various injuries is inadequate. The list of injuries schedule does not include such cases as loss of nose, teeth, burns disfiguring the worker etc. The estimate of the percentage of disability too is not satisfactory though it has been taken from the Western experience. It is also alleged that the workers do not use their compensation properly which defeat the very purpose of the Act. Finally, the procedure of getting the benefit is very cumbersome and there are delays in getting the benefits, which should be avoided. All the same, the Workmen's Compensation Act does constitute the first measure of social security to sugar industry workers. Most of the trade union leaders were of the opinion that the employers have the tendency to evade their responsibility under the Act and in some cases have not recognised their claims. A larger number of proportion of the
workers getting the benefit under the Act belonged to lower wage group and the temporary disablement was the highest.

On the whole, the legally required benefits have helped the workers in cases of retirement, old age, employment injuries and similar other cases of emergency. Nevertheless, a speedy disposal of the cases is needed to make the benefits more effective and useful. The survey disclosed that all these statutory benefits formed an insignificant proportion of the total non-wage structure in the pre-wage Board era while their growth in the post-wage Board period was remarkable. This obviously means that the employers of the sugar industry of Uttar Pradesh have not pursued a progressive labour policy and the State has to come into picture to fix a minimum limit of certain benefits. As already observed in Chapter I, non-wage benefit programmes, to be fully effective must be provided on voluntary basis rather than due to legal compulsion. Indeed, excessive dependence on the benefits which have some legal compulsion is likely to create a resentment among the workers which is detrimental for creating a spirit of goodwill and harmony in the industry. Instead, legally required payments must be accompanied by a comprehensive voluntary non-wage benefit schemes. The employers must exceed the minimum statutory limit in order to achieve the best results.
I will now examine the nature and composition of voluntary non-wage benefits, which occupy a very insignificant place in the pattern of non-wage benefits in the sugar industry of Uttar Pradesh. Benefits granted under this group consist of medical benefits, housing facilities, provision of and stipend for education, entertainment and cultural facilities, light and fuel, railway fare to the seasonals and miscellaneous other payments and accounted for 16 per cent of the total non-wage benefits in all the three regions taken together in the five year period. The regional distribution of voluntary expenditure was higher in the Western region (28 per cent) as against Eastern region (18 per cent) and Central region (12 per cent). Within the Western region, outlays on voluntary welfare schemes were the highest in the Modi Sugar Mills Ltd., Modinagar, Shri Janki Sugar Mills Ltd., Dehra Dun and Raza Buland Sugar Works, Rampur. In the Eastern region there were a few factories in which the outlays on voluntary schemes exceeded the sector's average. But Sarya Sugar Factory, Sardarnagar and Shri Ganesh Sugar Mills, Ltd., Anandnagar had the highest paid workers in their region. In these mills the expenditure on voluntary welfare scheme ranged round about 20 per cent. It is to be noted that expenditure on voluntary
schemes in all the three regions substantially increased in the pre-wage Board era while it registered decline in the post-wage Board era due to a change in the policy of management towards labour on account of the implementation of the Wage Board Awards. The detailed description and break-up of expenditure under this head is analysed below.

**MEDICAL BENEFITS**

Schemes of medical assistance instituted voluntarily by employers as shown by Appendix XIX constituted the largest single group of expenditure in the over-all pattern of voluntary non-wage benefit schemes. In the post-wage Board era there has been a little increase in the expenditure on these schemes, but this increase is not very impressive between 1958 and 1960, i.e., in the pre-wage Board era. As between the Western region and Central and Eastern regions, the Appendix shows that the former spent much larger sums. Eastern and Central region mills, however, showed greater variations. It is worth noting here that in the Eastern region, a few factories incurred considerable expenditure among which the pride of place goes to Surya Sugar Factory and Ramkola Sugar Mills Ltd., Ramkola.

All the sugar mills of the sample survey have their own dispensaries for giving medical relief for minor diseases to the workmen and their families. In case of outbreaks of cholera, small
pox and other diseases these dispensaries also give free injections, vaccinations and inoculations. In some cases patent medicines are also given to the workers, but generally they have to purchase out of their wages. System of treatment in most of the factories is allopathic. All the dispensaries are located in or near the factory building. Their timings differ from factory to factory, generally ranging from 9-12 in the morning and 4-5 in the evening on all week days excluding Sundays and holidays. Some factories also arrange house to house visit of doctors and nurses. Most of the dispensaries do not maintain indoor wards and as such, workers suffering from infectious or serious diseases are not segregated from their families or other workers. In case of accidents requiring hospitalisation, lack of indoor wards causes them much hardship. Only 12 of the investigated units maintain wards having 12-50 beds capacity. Some factories are having periodical medical check up and medical examination of new workers is done thoroughly. Arrangement for 15 workers is being made in the Sitapur Eye Hospital under the scheme of Labour Welfare Fund, created out of a cess on the sale of molasses under the Uttar Pradesh Sugar and Power Alcohol Industries Labour Welfare and Development Act, 1950. Dispensary Officers of sugar mills consist of a doctor, one or two nurses and compounders, one dresser or hospital boy and a whole time or part time sweeper. Medical officers are properly qualified and most of them are M.B.B.S.
while compounders are locally trained and have good experience of dispensary work. The annual expenditure on medical benefits comes to Rs. 10 per worker and roughly 83 paise per month. The annual per capita expenditure is highest in the Eastern regions (Rs. 11) closely followed by Western region (Rs. 10) and Central region (Rs. 9). The survey also revealed that the money spent on medical aid by the mills mostly account for wages and salaries to the medical staff while the amount spent on medicines is insignificant. On the whole, the per capita expenditure is too small and this illustrates the entirely inadequate and unsatisfactory nature of the arrangement for medical care. This per capita annual and monthly expenditure has been worked out on annual number of workers employed. If the number of dependants of workmen and their families is also taken into account, expenditure on medical aid will be negligible. Keeping in view the importance of medical assistance, there is a strong case for more allocations in the non-wage benefit structure. In all the companies covered in the survey, Modi Sugar Mills Ltd., Modinagar provided best medical facilities in the State. The company has two separate hospitals for ladies and gents which work for 24 hours, with two M.B.B.S. doctors (including one lady doctor) attending on the patients. Indoor facilities are available of 50 beds and any major or serious case is referred to Meerut hospital at the company's expenses.
HOUSING FACILITIES

Expenses incurred on housing formed the second largest item in the non-wage structure. In fact, the problems of workers' housing in the sugar industry of the State is a part of the bigger problem of general housing of Uttar Pradesh. The cost of this item comprised the recurring expenditure on the maintenance of tenements and subsidy included in the house rent. These two components together accounted for 1 to 3 per cent of the total non-wage benefits. There were marked differences in the expenditure incurred from region to region. The proportion of expenditure in the Eastern and Western region ranged between 2-4 per cent, while in the Central Region it was only 1 per cent (Appendix XX). Within the Western region, the proportion again ranged widely. The factories which spent comparatively higher sums were Modi Sugar Mills Ltd., Modinagar, Rosa Sugar Works, Rasa Ram Laxman Sugar Mills, Mohindraipur, and Janki Sugar Mills Ltd., Dovala. In the Eastern and Central regions the problem is not so acute since most of the workers in these regions are 'local'. The living accommodation in these regions has been provided mostly to the technical and supervisory personnel. Contrary, as was observed in Chapter II, the mills in the Western region have to recruit a larger percentage of their workers from distant parts of the Eastern districts and in order to retain their services, living accommodation is an essential factor for the success of the factories of the Western region. The investigated sugar mills have
built 7,606 tenements wherein about 11,000 workers have been housed. Thus 55 per cent of the workers in the factories are provided with housing accommodation by the employers. The extent of housing accommodation provided by these factories is shown in Table XXXIII:

### TABLE XXXIII

SHOWING THE EXTENT OF THE HOUSING ACCOMMODATION PROVIDED BY THE FactORIES

<table>
<thead>
<tr>
<th>REGION</th>
<th>Number of factories</th>
<th>Total No. of employees</th>
<th>Number of tenants</th>
<th>Employees living in houses provided by the factories</th>
<th>Percentage of employees in factory quarters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western</td>
<td>10</td>
<td>9,890</td>
<td>4,285</td>
<td>5,684</td>
<td>58</td>
</tr>
<tr>
<td>Central</td>
<td>3</td>
<td>3,860</td>
<td>1,215</td>
<td>2,125</td>
<td>54</td>
</tr>
<tr>
<td>Eastern</td>
<td>6</td>
<td>6,170</td>
<td>2,166</td>
<td>3,200</td>
<td>49</td>
</tr>
</tbody>
</table>

For the whole of Uttar Pradesh 19,920 7,606 11,009 54

SOURCE

Compiled and calculated from the information received from the Labour Welfare Officers of the sugar companies

1. The information of this benefit relates to only 19 sugar mills, since details could not be obtained from other mills: 10 Western region, 3 Central region and 6 Eastern region. The survey covered about 20,000 workers employed in these factories and about 25 per cent of the labour force in the whole industry.
It will be seen from the above table that most of the workers of the Western and Central parts of the State live in the houses provided by the factories, while a moderate percentage of the Eastern U.P. workers have been provided such facilities. Generally speaking, half of the labour force of the State is housed by the factorizes themselves and the remaining workers are provided housing accommodation by the non-factory agencies. In the sugar industry, as a whole, there is perhaps no housing problem as far as the quantitative aspect is concerned, but what is lacking in the housing accommodation is the qualitative aspect, i.e., high population density, over-crowding, poor standard tenements and lack of modern amenities.

The houses provided by these factories could be classified into three categories: (i) single room tenements (ii) family quarters and (iii) kothis and bungalows for officers. Their break-up is as follows:

<table>
<thead>
<tr>
<th>GRADE</th>
<th>NO. OF HOUSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Single room tenements</td>
<td>6,008</td>
</tr>
<tr>
<td>(b) Family quarters</td>
<td>1,293</td>
</tr>
<tr>
<td>(c) Kothis and officers bungalows</td>
<td>305</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,606</td>
</tr>
</tbody>
</table>

The single room tenements, which constitute 80 per cent of the total are meant for unskilled labour, e.g., coolies, watchman, pansman,
whichman and mates etc. The family quarters, which are generally two room tenements, having a kitchen, courtyard, store and also a verandah are allotted to permanent skilled workers such as fitters, foremen, clerks, turners, welders and supervisory staff. The kothis, which are generally two room tenements having additional drawing room and other amenities, are reserved for higher officials such as manager, engineers, medical officers and other highly paid staff.

Some factories, for instance, Rosa Sugar and Distillery works Ltd., Rosa have classified their houses into various grades like A,B,C,D,E, F,G,H,I and J Blocks. The first three blocks are meant for super-skilled workers and supervisory staff like fitters, chemists, engineers etc. while E,F,G, and H Blocks are allotted to semi-skilled labour like panaman, boiler staff and other highly skilled staff. In I and J Blocks unskilled workers are accommodated. Apart from this, there are 3 big rooms meant for seasonal labour each accommodating about 10-15 persons. In Modi Sugar Mills, Modinagar, the houses are classified into A,Al,B,Bl,C,D and DD and E class. The first four are meant for officer, C and D,DD for clerical staff and E for unskilled workers.

Classifying factory houses according to the number of habitable rooms comprised in them, it is seen that 80 per cent of the houses are only one room tenements. The family quarters form 16 per cent of the total and those meant for officers form only 4 per cent. Most
of the houses in the Eastern region are two room tenements, while in Western and Central parts of the State one room tenements are common. Although there are few employers, for instance, Sarya Sugar Factory, Sardernagar, Shri Janki Suagr Mills, Doliwa and Modi Sugar Mills Ltd., Modinagar which have gone beyond the average standard, in most of the cases workers are more or less packed rather than housed. Such houses have either low plinths or have no plinths at all. Lower paid staff in almost every factory has been segregated from the higher paid staff. The most common dimension of rooms is 4 x 4 metre in Central and Eastern regions while in the Western part it is slightly higher. Nearly all the mills have the provision of post offices, markets, schools and other recreational items in the vicinity of the factories. In spite of the attempts made by the employers, the housing problem is still very acute. The State has, therefore, to come into picture and chalked out a scheme for constructing the houses of the workers in the sugar factories through a statutory Board known as the Housing Board which was set up under the Subsidized Industrial Housing Scheme of the Government of India. Upto the end of June, 1964, the number of quarters completed under this scheme were 1524. Besides, under the Uttar Pradesh Sugar and Power Alchohol Industries Labour Welfare and Development Fund Act, 1950, a sum of Rs.49,22,500 was paid for the cost of constructing 1538 quarters upto the end of 1963, which could not possibly cope with the magnitude of the problem.
It is interesting to note that prior to the establishment of the Central Wage Board for the Sugar Industry, housing subsidy in all the three regions was one of the important elements in non-wage structure of the factories. But the Board felt that "so far housing has been free in sugar industry by and large. This is one of the reasons why the housing facilities in this industry are poor". Accordingly, the Board strongly recommended the fixation of the rent for houses provided by the factories. In doing so the Board felt that it would encourage the building of quarters of good quality with proper amenities. The Board recommended the rent according to the Wage Board Schedule. Free rent which was an important non-wage benefit in the pre-wage Board period ceased to be a non-wage benefit in the post-wage Board era. Indeed, some enlightened employers like Sarya Sugar Factory, Sardarnagar, still charge nominal rents from their workers. In other factories rent is being charged according to the Schedule of the Board. In spite of this change, the quality of the houses did not show any improvement. The expectation of the Board that quality of the housing accommodation could be improved by fixing some rent, thus, did not materialize. The Labour Welfare Officers in many of the factories were of the view that their companies were providing better houses prior to the Wage Board than after its implementation. In order to bear the heavy burden of the labour cost, employers in general have more or less neglected housing and similar other
voluntary non-wage benefits. Since housing accommodation is the primary need of the workers, as was seen in Chapter II, it is highly desirable that serious attention should be paid to the quality of the houses rather than the quantity aspect.

EDUCATION FACILITIES AND STIPEND

The cost of educational facilities and stipend consists of expenditure on the education of the workmen and their children. The allocations for the workers' education schemes in these companies were negligible. Although separate expenditure on both these items could not be obtained yet an idea can be formed from the fact that only 52 workers in these companies got their education under the scheme of the Central Board for Workers Education, Nagpur. A few factories are also having night classes for adult education but the over-all situation in this regard is not satisfactory. Since, the expenditure on workers' education schemes is an investment in human beings, its expansion is inevitable for the development of the State.

The facilities for the education of workers' children exist in most of the factories. Enlightened employers like Modi Sugar Works Ltd., Modinagar, and Srya Sugar Factory, Sardarnagar, have their own primary and middle schools where free education is imparted to workers' children. In most of the factories, these schools are run under the
Government's scheme of free and compulsory education and the primary schools are run in collaboration with the District Boards. Only one Higher Secondary School was instituted in Modi Sugar Mills Ltd., Modinagar. Allocations on educational facilities and stipend were the highest in the Western and Central regions than in the Eastern Uttar Pradesh (Appendix XXI). These schools in all the regions, though originally financed by the factories have now become self-sufficient and, in addition, meet their expenses by the Government grants and fees. So the financial responsibility of factories towards these expenditure is now very limited. Reading room and library facilities are inadequate, and where these are provided there is no arrangement for issuing the books regularly. Some factories receive newspapers also.

**ENTERTAINMENT AND CULTURAL FACILITIES**

Entertainment and cultural facilities consisting of social, religious and recreational programmes and indoor and outdoor games are provided by most of the factories for the benefit of their workers. These programmes were organised with the active financial support of factories in all the three regions. A large number of workers took part in the activities. Facilities of indoor and outdoor games have also been provided in these factories, but in most of the cases the beneficiaries were salaried staff. Many of the sugar factories
have provided gymkhana, sport and recreational clubs for playing national and foreign games. In some factories there are two separate clubs, one meant for the workers and the other for salaried staff.

Practically all these activities are financed by the management. In Ram Laxman Sugar Mills Ltd., Mchiuddinpur, there is a beautiful factory-financed temple in the immediate vicinity of the mill. Besides, the company has given a number of equipments such as Carom Boards, Radios, Microphone and other game equipments etc. to the labour union for organising recreational programmes. The company spent substantial sums in organising various festivals in which a majority of the workers participated actively. Lord Krishna Sugar Mills Ltd., Saharanpur, provided a wrestling ground to the workers, where programmes are organised on every Sunday. Indoor games are also provided on a wide scale. The Dramatic Club organises Ramlila and Dussehra festivals. The company which has provided best recreational and cultural facilities in all the three regions is Rosa Sugar Works, Rosa. There are two separate clubs for the recreation of the employees. One is meant for the officers of the company and is known as Rosa Club. The club provides facilities for outdoor games such as football, badminton, cricket and several other indoor games including Billiards and chess. The second club, meant for the workers is known as staff club. It arranges social and cultural gathering and holds tournaments
of football, volleyball, carom, chess etc. Newspaper and magazine facilities have also been extended to the club. A library well-equipped with books and periodicals form part of the club. The company has constituted two committees for the administration and the organisation of these activities: Rosa Club Committee and Recreational Staff Club Committee. These committees are looked after by the factory Labour Welfare Officer. The Manager of the factory is ex-officio President of these clubs while Labour Welfare Officer, the Secretary and few other employees are the members of the managing Committee. Administration facilities in other factories are practically nil.

Region-wise analysis indicates that the Western and Eastern region factories incurred expenses ranging between 1.07 per cent to 5.55 per cent (Appendix XXII). In 1962, however, after the implementation of the Wage Board Awards, the expenditure on this item has been curtailed. In view of the favourable impact of these activities on the productivity and industrial relations, there is a need for more allocations to these recreational items. Moreover, these clubs should be administered by a committee consisting of employers and workers representatives in order to ensure smooth administration. Finally, these programmes should also provide an opportunity of participation of lower grade workers, so that they may mix-up with the rest of the working force and minimise the social inequalities.
LIGHT AND FUEL

This item consists of free electricity, light, kerosene oil, cost of free sugar etc. Out of the 35 investigated mills such facilities were available only in 12 factories. The cost of this item ranged between 0.64 to 3.36 per cent (Appendix XXIII). In all the three regions the average expenditure ranged between Rs.6,862 to 55,776. Kerosene oil was distributed to the workers of The Simbhaoli Sugar Mills (P) Ltd., Simbhaoli while a sizable quantity of sugar was distributed to the workers of L.H. Sugar Factories and Oil Mill (P) Ltd., Pilibhit. Free electricity which was common before the year 1960 in many factories was withdrawn after the implementation of the Wage Board Awards. In some good factories, however, the amount, though charged for this, was a nominal one. Saryu Sugar Factory (P) Ltd., is an example in point. These basic requirements of life should be provided to the workers, who usually have to live in the interior part of the State.

UNIFORMS

Appendix XXIV shows that the expenditure incurred on uniforms forms a negligible proportion of the total non-wage bill. Its proportion is higher in Western Uttar Pradesh, while in the Eastern and Central parts of the State, the Expenditure is practically below 1 per cent of the non-wage bill. However, the categories of workers and their number to whom these were supplied
differ widely. In majority of the cases workers were provided with one set of uniform. A few companies also pay washing allowance to their workers, particularly watchmen, oilman, motor-drivers, peons, engine-drivers, pumpmen etc. Keeping in view the nature of the jobs in sugar mills the amount and the categories of the workers should be enlarged.

RAILWAY FARE Appendix XXV shows the expenditure on railway fare given to the workers, which is common in Western Uttar Pradesh, where a majority of the workers, as we have seen in Chapter II, are drawn from the Eastern Uttar Pradesh. The railway fare (III class single way or both ways) is paid to the seasonal employees for resuming work at the commencement of the crushing season or for going home at the end of the season. In view of higher ratio of the workers of the Eastern region, it is necessary that the scheme may be extended to all the mills and the coverage of the workers be widened.

"OTHER" NON-WAGE BENEFITS The miscellaneous category of 'other' non-wage benefits represents a variety of benefits — expenditure incurred by the employers on the provision of the canteens, assistance to cooperative societies, fair price shops and sundry benefits. Taken together, these constitute about 1-2 per
cent of the total non-wage cost in all the three regions. Region-wise analysis (Appendix XXVI) shows that this item absorbed a much larger slice of the total non-wage bill in the Western region, while in the Eastern and Central regions the allocations declined in the post-wage Board era. A major part of this benefit consists of provision of canteens in the factory. These canteens are run on no-profit-no-loss basis. Tea, lunch etc., are served in these canteens. But in most of the factories these canteens exist just to fulfil the provisions of the factories act. Their management, building and the food served all leave much to be desired. Dogs and other petty animals have been seen sleeping on the dusty chairs and tables of these canteens. The best canteen in the sugar industry of Uttar Pradesh, and, perhaps in all the industries of the State, is that run by Jenki Sugar Mills Ltd., Diowala. The company has built a new building at the cost of Re. one lakh and has furnished the furniture, light, and other equipments free of cost.

Besides, this item includes expenses on the cooperative societies. Some of the factories have thrift and Credit Cooperative Societies for the benefit of their workers. But most of the Labour Welfare Officers complained that the membership was sought only when workers wanted to borrow money for, mostly, unproductive purposes. Likewise, the Cooperative Stores lack organization and administration and do not have enough supplies. Some of the mills, for example,
Modi Sugar Mills Ltd., Modinagar and Sarya Sugar Factory, Sardarnagar have well-organised cooperative societies where items of necessities like cloth, soap, wheat etc., are provided at reasonable prices. Some sugar companies, in addition, have fair price shops. These fair price shops and the cooperative societies supplement the wages of the workers indirectly, viz., instead of providing cash wages, the membership of the society helps to create surplus in the budget of the workers through cheap and good commodities, reasonable rents and moderate interest on loans. In practice, however, the cooperative movement has not played any significant role in the sugar industry of Uttar Pradesh. The workers, instead of deriving the benefits offered by the cooperative societies, are indulging in undesirable activities detrimental to the healthy growth of the cooperative movement. For instance, sugar taken on the quota by the workers at controlled prices is sold in the open market at higher prices. The cooperative movement should, no doubt, cover the sugar industry workers of Uttar Pradesh but honesty and sincerity on the part of the promoters and members is necessary so that they may actually be "cooperatives" rather than "corruptives", which is the usual practice now-a-days.

This completes our discussion on the pattern of non-wage benefits in the sugar industry of Uttar Pradesh. It would, thus, appear that the pattern is not fully consistent with the workers'
requirements as described in Chapter II. The provision of housing accommodation which is the prime need of the workers has not been fully met. Likewise, medical benefits, education of their children, cultural and recreational programmes, have not been satisfactorily provided, with the result that the pattern of non-wage benefits is glaringly inconsistent with the workers' requirements. In order to make the pattern more effective, due considerations should be given to various voluntary non-wage benefits. It may be added, however, that there is no sound administrative machinery to organise the non-wage benefit programmes effectively. In this connection, the Labour Welfare Officer can play an important role in organising these programmes and making the life of the workers happy and comfortable in and outside the factory. Unfortunately the position of Labour Welfare Officer is such which brings him and his welfare work into great disrepute. He not only cannot function efficiently but becomes a victim of suspicion and distrust from both sides: employers and workers. Indeed, the workers in several instances quite wrongly attributed their frustrations to the Welfare Officer. Instances are not wanting where in the cases of disciplinary action and such other delicate contexts, fanatical workers have even murdered welfare officer.

COMCLUSIONS

The above examination of the pattern of non-wage benefits shows that a major part of these benefits consists of profits and other bonuses and payments made for time not worked. The legally required payments entail more than one third of the total non-wage benefits while expenditure on voluntary non-wage benefits forms a negligible proportion. Also, the regional variations in the pattern indicate that profits and other bonuses as well as legally required payments claim the biggest slice in the non-wage structure in the Central region while payments made for time not worked absorb the highest share in the Eastern region, closely followed by the Central and Western regions. Again, factories in the Western region spent greater amount on voluntary non-wage benefits than factories in either of the Eastern or Central part of the State. That the pattern of non-wage benefits reflects the attitude of management towards its work force can be visualised from the fact that legally required payments rose up sharply in the post-wage Board period at the expense of voluntary non-wage benefits. In other words, the benefits of the new wage structure which was implemented on the recommendation of the Central Wage Board were neutralised as it was simultaneously accompanied by a curtailment of various non-wage benefits. This attitude of the
employers towards labour in the post-wage Board period underlines the need for an enlightened personal policy in place of the present one which aims at satisfying only the legal provisions.

Again, the survey reveals that the benefits such as housing accommodation, medical facilities, education for their children and cultural and recreational facilities are too inadequate to meet the workers' requirements. On top of this, these schemes are not administered by a sound machinery and workers are not associated with the formulation of these programmes. Due to these deficiencies, non-wage benefits in the sugar industry of Uttar Pradesh have not made any impact on the workers and quite naturally their role in increasing the productivity or maintaining better industrial relations is insignificant. This calls for a complete re-orientation in the pattern of non-wage benefits, if they are to play the same role in the sugar industry of Uttar Pradesh, as in the sugar industry of Hawaii, Philippines and Cuba etc. A study of non-wage benefits in these countries provides a useful background for re-orientating the pattern in the sugar industry of Uttar Pradesh. They have, therefore, been discussed in the next Chapter.