CHAPTER - 1

Introduction
Chapter 1

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1.1 INTRODUCTION:

In these modern days and the days of industrialisation, universalisation and recognition of unionism, the labour has been treated as a very important and live factor of production in the industrial setup. The manpower planning and development of human resource have occupied the prominent place in economic and industrial development of the country and therefore the present problem of the study has a direct bearing on and relevance to the present industrial problems like -

1. Wage structure problem.
3. Labour productivity problem.
4. The problem of scientific recruitment of labour.
5. Problem of industrial relations.
8. The problems created because of the seasonal nature of the sugar industry in particular.

In the present study an attempt has been made to highlight the labour of sugar cooperatives who has remained neglected because of typical nature of the industry. There is a difference between the problems of the sugar industry and other perennial industry in
India. Sugar industry is a seasonal and agro-based industry as well it is a rural industry. Therefore sugar industry in India is facing the severe problems of varied nature. Sugarcane is a perishable raw-material. You can have 100 textile mills in Bombay alone and Ahmedabad but sugar factory must be at a close distance. It has to be in the midst of the sugarcane field because the raw material is perishable in its nature and the demand is there should be a minimum time gap between cutting and crushing. There has to be 30 km. area around the factory and there can be only one factory in one area for its existence and viability.

The progress of the sugar industry has become situational now-a-days because in India, sudden political changes are taking place and the political changes in the state and region have a direct effect on the cooperative movement and its development in the country.

Particularly in Maharashtra state it has been observed that if the ruling party in the Government if it is different and if the management body of the sugar factory is controlled by some old political parties of the past Government, then the present ruling party Government may create some obstacles in their ways which may affect the routine functioning of the sugar factory. Therefore in Maharashtra the very existence of coopera-
tive movement itself has come in doldrums because of
unstable Government.

The development of the sugar industry the produc-
tion of sugar-cane, recovery percent of sugar, duration
of the season of the industry, differ from state to
state and region to region and therefore in the whole of
this situation the Labour of sugar cooperatives is
crushed by this or that way. The labour is very badly
crushed under different circumstances, either by the
management of the factory or by situation arisen from
time to time as below:

1. Irregular payment of wages.
2. Delays and uncertainly in opening of the yearly
crushing season.
3. Short duration of the crushing season.
4. Shortage of sugar-cane to sugar factories.
5. Crushing season holidays for want of shortage of
sugar-cane in the area in a particular year.
6. Non-availability of adequate water for the sugar
factory.
7. Inefficient management of the sugar factory by
administrators.
8. Constant drought conditions in the state.
9. Lower rates of wages and salaries in the name of
capacity to pay.
10. Lack of honest leadership among the working class.
11. Non Response from sugar-cane growers for the
season on account of lower prices to their
sugar-cane.
12 Non Payment of bonus in time.

13 Non availability of matching funds with the factory to credit the share of the provident fund amount by the management in time.

14 Lack of promotion incentives.

15 Unhealthy politics in the state and the region.

For the above reasons the burning problem of Labour of sugar cooperative has been decided to be investigated in the present study. The study is confined to labour in the factory premises only and the contract labour, transport labour, harvest labour and labour outside the factory is excluded so as to give full justice to the problems of permanent and seasonal labour of factory premises.

The payment of wages made to workers is most irregular and this is the peculiar and prominent feature of this industry in the name of the capacity to pay of the unit Not only this but in some of the factories the monthly contribution of provident fund has not been credited regularly to the individual workers provident fund account.


2. Dr. Tupe S.D. : "The Impact of Sugar Factories on the rural economy : A Case Study" (Ph.D. Thesis), Pune University.
CHALLENGES BEFORE SUGAR INDUSTRY

The Sugar Industry in India, these days is passing through the number of pulling forces within which the industry has to play its important role. They may be divided into four:

1) To bring down the cost of sugar production.
2) To provide sugar to common man at a reasonable rate.
3) To pay remunerative prices to sugarcane growers.
4) To pay fair wages and salaries to workmen that too regular payments.

In the light of these important objectivities, the sugar industry has to pay more attention also towards its manpower so as to make them happy and more productive at the work site. For achieving the above objectivities the industry must try to keep the morale of its employees as high as possible. It is possible only when the industry treats its employees as assets to it by way of structuring fair wages to them.

In fact India is not poor in its resources but poor in its human resource development. Means man power is there but the development of human resource is lagging behind. This is nothing but lack of human resource management.
1.2 SUGAR COOPERATIVES IN INDIA:

India is an agricultural country. Sugar industry is an agro-based industry. The industry occupies a predominant place in the economy of the country. The industry is the second largest agro-based processing industry in the country which is next to cotton textile industry.

The sugar industry in India has a number of by-products for utilising them in the allied industries such as utilisation of molasses for alcohol, chemicals, bagasses for paper making, furnace for manures, industries for sweets and confectioneries, biscuits making and the dairy and poultry industries as allied industries in the surrounding areas and this has helped definitely in the rural development of the country.

The sugar industry has not only contributed to industrial growth rate of the country but it has transformed the agricultural funds and socio-economic rural development. Since 1987-88 India is the largest producer of sugar-cane in the world as also in sugar production. India has achieved the distinction of being the largest producer of sugar out of 94 sugar-cane producing countries in the world. Brazil, Australia and Cuba are second in the production.
The sugar industry is the most labour intensive industry and very high employment potential is created by a sugar factory. The industry has provided the gainful employment to the residents of rural as well as urban areas. The industry provides direct employment to about 3.6 lakh workers including technical staff and indirect subsistence to about 35 million sugar cane growers all over the country\textsuperscript{1,2}.

The following are some of the important statements exhibiting the very useful and important information regarding the number of factories in operation, average duration of the season, total sugar produced during the year and the sucrose recovery percent for last 11 years i.e. from 1985-86 to 1995-96.


Table 1.1

STATEMENT SHOWING THE NO. OF FACTORIES, AVERAGE CRUSHING SEASON DURATION, SUGAR PRODUCED AND RECOVERY OF SUGAR PERCENT CANE IN INDIA FROM 1985-86 TO 1995-96

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of factories in operation (Total)</th>
<th>Average Duration Days</th>
<th>Total sugar produced ('000 t.)</th>
<th>Recovery of sugar (% cane)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985-86</td>
<td>342</td>
<td>116</td>
<td>7,016</td>
<td>10.23</td>
</tr>
<tr>
<td>1986-87</td>
<td>354</td>
<td>141</td>
<td>8,502</td>
<td>9.98</td>
</tr>
<tr>
<td>1987-88</td>
<td>357</td>
<td>152</td>
<td>9,110</td>
<td>9.70</td>
</tr>
<tr>
<td>1988-89</td>
<td>365</td>
<td>133</td>
<td>8,752</td>
<td>10.22</td>
</tr>
<tr>
<td>1989-90</td>
<td>377</td>
<td>158</td>
<td>10,990</td>
<td>9.89</td>
</tr>
<tr>
<td>1990-91</td>
<td>385</td>
<td>166</td>
<td>12,047</td>
<td>9.84</td>
</tr>
<tr>
<td>1991-92</td>
<td>392</td>
<td>172</td>
<td>13,405</td>
<td>10.01</td>
</tr>
<tr>
<td>1992-93</td>
<td>393</td>
<td>123</td>
<td>10,609</td>
<td>10.30</td>
</tr>
<tr>
<td>1993-94</td>
<td>394</td>
<td>114</td>
<td>9,833</td>
<td>10.00</td>
</tr>
<tr>
<td>1994-95</td>
<td>408</td>
<td>159</td>
<td>14,643</td>
<td>9.92</td>
</tr>
<tr>
<td>1995-96*</td>
<td>416</td>
<td>181</td>
<td>16,452</td>
<td>9.42</td>
</tr>
</tbody>
</table>

* Provisional.

The above table indicates that there is increasing trend of sugar factories in the country which increased from 342 to 416 between the year 1985-86 to 1995-96. The trend showed gradual increase every year; and this addition trend in the establishment of sugar factories is mainly due to the number of cooperative sugar factories set up during the period.

The average duration of the season of the industry for 11 years i.e. from 1985-86 to 1995-96 ranges from 116 days to 181 days. But of course there are wide fluctuations in the season period every year; and it is mainly due to fluctuations in the supply of sugarcane to the factories wherein there are irregularities. The duration of the season has to be constant for the growth of the industry and productivity and particularly the labour productivity. Because of the instability in the duration of the crushing season, the life of the labour of sugar industry has become most unstable because it has direct bearing on the life of labour.

So far as the sugar production statistics is concerned it shows the increasing trend every year, no doubt, but here also there are wide fluctuations. But
there is notable increase of sugar production from the year 1989-90 to 1995-96 over the years 1985-86 to 1988-89. There is a close link between the duration of the crushing season and the sugar production. The increasing trend of duration of the season shows increasing trend of the sugar production.

In the recovery of the sugar percent cane, there are also fluctuations. But it shows different type of trend. In the sense, there is declining trend in the first three years i.e. between 1985-86 to 1987-88. But again in the year 1988-89 the recovery of the sugar has increased. But again there is a declining trend for next three years and so forth.

In concluding, we have to say that for these fluctuations the major reasons are such that the sugarcane growers have small land-holding, sugar factories do not maintain their own sugarcane growing farms, non-remunerative prices to the sugarcane growers, irregular payments to them and workers, lack of assured irrigation facility throughout the year.
Table 1.2

**STATEMENT SHOWING THE NO. OF SUGAR FACTORIES, NO. OF COOPERATIVE SUGAR FACTORIES AND THEIR PERCENT INCREASE OF SUGAR COOPERATIVES.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total No. of sugar factories</th>
<th>Percent increase of TI</th>
<th>Total No. Percent co-op. increase sugar factories factories base 85-86</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985-86</td>
<td>342</td>
<td>100.00</td>
<td>186</td>
</tr>
<tr>
<td>1986-87</td>
<td>354</td>
<td>103.51</td>
<td>194</td>
</tr>
<tr>
<td>1987-88</td>
<td>357</td>
<td>104.39</td>
<td>196</td>
</tr>
<tr>
<td>1988-89</td>
<td>365</td>
<td>106.73</td>
<td>203</td>
</tr>
<tr>
<td>1989-90</td>
<td>377</td>
<td>110.24</td>
<td>212</td>
</tr>
<tr>
<td>1990-91</td>
<td>385</td>
<td>112.57</td>
<td>220</td>
</tr>
<tr>
<td>1991-92</td>
<td>392</td>
<td>114.62</td>
<td>224</td>
</tr>
<tr>
<td>1992-93</td>
<td>393</td>
<td>114.91</td>
<td>224</td>
</tr>
<tr>
<td>1993-94</td>
<td>394</td>
<td>115.21</td>
<td>222</td>
</tr>
<tr>
<td>1994-95</td>
<td>408</td>
<td>119.30</td>
<td>231</td>
</tr>
<tr>
<td>1995-96</td>
<td>416</td>
<td>121.64</td>
<td>232</td>
</tr>
</tbody>
</table>

In the above table the percent increase of sugar factories (total) and the increase of cooperative sugar factories over a period of eleven years i.e. from 1985-86 to 1995-96 has been cited. From the table it is clear that there is increasing trend in the establishment of sugar factories in India. In the year 1986-87 there was increase by 3.51% and every year thereafter there is increasing trend from 3.51% to 21.64% up to the last year of the study.

The point to be noted here is that there is also increasing trend in the number of cooperative sugar factories from 4.3% to 24.73% during 1985-86 to 1995-96 period and it is obvious and crystal clear that whatever there is increase in the number of factories in India during the period, it is the increase because of the increase in number of cooperative sector. The cooperative sector has registered a range from 4.3% to 24.73% during the period of the study.

Thus the cooperative sector and movement has captured the sugar industry in India. Therefore, it is said that "THOUGH COOPERATION HAS FAILED IN INDIA, BUT COOPERATION MUST SUCCEED".
1.3 SUGAR COOPERATIVES IN MAHARASHTRA:

Sugar industry is the promising agro-based industry in Maharashtra. The raw material of the sugar industry is also very old crop in Maharashtra. It is popular. Since long time Maharashtra State is known as sugar bowl of India. The state stand 9th in number in sugarcane production in the world. Gur was the main product in those days and the by-products of the sugar were not developed as a industry. But with the development of the cooperative unit in the year 1950 onwards the sugar industry started developing in Maharashtra on modern and cooperative basis. Some of the sugar factories even have their ancillary products also because of which they have good and sound economic standing.

Maharashtra is the pioneer in launching the cooperative movement in India. Sugar cooperatives of Maharashtra are treated as an ideal example all over the country. And particularly the pioneer of the cooperative movement in Western Maharashtra. About 10 Joint Stock factories were established during the thirties. But later on the cooperative basis the first factory established in Maharashtra was the Pravara Cooperative Sugar Factory Limited at Loni in
Ahmednagar District in the year 1950. The factory was established by late Maharshi Dr. Vitthalrao Vikhe Patil. In India this is the first sugar cooperative factory and also first cooperative factory in Asian countries. Pravara factory is the successful cooperative sugar factory in Asian countries.

Dr. Dhananjayrao Gadgil, Maharshi Dr. Vitthalrao Vikhe Patil and Late Vaikunth Bhai Mehta are the real architect of the cooperative movement in India. The great social reformers like late Yeshwantrao Chavhan, Late Vasantdada Patil, Tatyasaheb Kore, Ratnappa Anna Kumbhar, Sharad Pawar have also contributed in developing this industry in the state. Thus the cooperative sugar industry gradually increased and the private and joint stock factories could not develop thereafter. The following table exhibits how the cooperative sector developed and how the number of private factories decreased in due course of time\(^1,^2\).

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### Table 1.3

**STATEMENT SHOWING THE NO. OF COOPERATIVE SUGAR FACTORIES AND PRIVATE SUGAR FACTORIES IN THE STATE OF MAHARASHTRA DURING 1950-51 TO 1996-97.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Co-op. sugar factories</th>
<th>Private sugar factories</th>
<th>Total No. of factories</th>
<th>Percent of increase in co-op. factories (Base-1950-51)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950-51</td>
<td>01</td>
<td>12</td>
<td>13</td>
<td>100</td>
</tr>
<tr>
<td>1960-61</td>
<td>20</td>
<td>12</td>
<td>32</td>
<td>2,000</td>
</tr>
<tr>
<td>1970-71</td>
<td>48</td>
<td>11</td>
<td>59</td>
<td>4,800</td>
</tr>
<tr>
<td>1980-81</td>
<td>71</td>
<td>11</td>
<td>82</td>
<td>7,100</td>
</tr>
<tr>
<td>1990-91</td>
<td>93</td>
<td>04</td>
<td>97</td>
<td>9,300</td>
</tr>
<tr>
<td>1996-97</td>
<td>105</td>
<td>02</td>
<td>107</td>
<td>10,500</td>
</tr>
</tbody>
</table>

**Source:**
- 03. "Daily Lokmat", 20 June 1997, Aurangabad ED.
In the table 1.3, it reveals that in the year 1950-51 there was only one sugar cooperative factory. But in 60's, the number increased to 20, means exactly during a period of 10 years, there was 2,000% increase in the number of sugar cooperative factories. In 1970-71 it increased to 4,800%. Thus there was overwhelming zeal among the people and the social reformers that during the period of 46 years i.e., from 1950-51 to 1996-97, the number of cooperatives increased from 1 to 105 that is 10,500% increase in the number of sugar cooperatives.

Another very important feature of the sugar industry in Maharashtra is that there are total 107 sugar factories in operation, out of which only 2 factories are private owned at present and rest of 105 are sugar cooperatives.
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of District</th>
<th>No. of Co-Op.</th>
<th>Percentage to Total Sugar Factories</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ahmednagar</td>
<td>13</td>
<td>12.38 %</td>
</tr>
<tr>
<td>2.</td>
<td>Akola</td>
<td>01</td>
<td>0.95 %</td>
</tr>
<tr>
<td>3.</td>
<td>Amravati</td>
<td>01</td>
<td>0.95 %</td>
</tr>
<tr>
<td>4.</td>
<td>Aurangabad</td>
<td>06</td>
<td>5.71 %</td>
</tr>
<tr>
<td>5.</td>
<td>Beed</td>
<td>05</td>
<td>4.76 %</td>
</tr>
<tr>
<td>6.</td>
<td>Bhandara</td>
<td>01</td>
<td>0.95 %</td>
</tr>
<tr>
<td>7.</td>
<td>Buldhana</td>
<td>01</td>
<td>0.95 %</td>
</tr>
<tr>
<td>8.</td>
<td>Dhule</td>
<td>04</td>
<td>3.81 %</td>
</tr>
<tr>
<td>9.</td>
<td>Jalna</td>
<td>03</td>
<td>2.86 %</td>
</tr>
<tr>
<td>10.</td>
<td>Jalgaon</td>
<td>04</td>
<td>3.31 %</td>
</tr>
<tr>
<td>11.</td>
<td>Kolhapur</td>
<td>11</td>
<td>10.48 %</td>
</tr>
<tr>
<td>12.</td>
<td>Latur</td>
<td>03</td>
<td>2.86 %</td>
</tr>
<tr>
<td>13.</td>
<td>Nagpur</td>
<td>01</td>
<td>0.95 %</td>
</tr>
<tr>
<td>14.</td>
<td>Nanded</td>
<td>03</td>
<td>2.86 %</td>
</tr>
<tr>
<td>15.</td>
<td>Nasik</td>
<td>06</td>
<td>5.71 %</td>
</tr>
<tr>
<td>16.</td>
<td>Osmanabad</td>
<td>03</td>
<td>2.06 %</td>
</tr>
<tr>
<td>17.</td>
<td>Parbhani</td>
<td>05</td>
<td>4.76 %</td>
</tr>
<tr>
<td>18.</td>
<td>Pune</td>
<td>08</td>
<td>7.62 %</td>
</tr>
<tr>
<td>19.</td>
<td>Sangli</td>
<td>08</td>
<td>7.62 %</td>
</tr>
<tr>
<td>20.</td>
<td>Satara</td>
<td>07</td>
<td>6.66 %</td>
</tr>
<tr>
<td>21.</td>
<td>Solapur</td>
<td>08</td>
<td>7.62 %</td>
</tr>
<tr>
<td>22.</td>
<td>Wardha</td>
<td>01</td>
<td>0.95 %</td>
</tr>
<tr>
<td>23.</td>
<td>Yawatmal</td>
<td>02</td>
<td>1.90 %</td>
</tr>
<tr>
<td><strong>TOTAL</strong>:</td>
<td><strong>105</strong></td>
<td><strong>100.00 %</strong></td>
<td></td>
</tr>
</tbody>
</table>


The above table reveals that in Ahmednagar and Kolhapur district each, more than 10% of cooperative sugar factories are existing whereas in Pune, Sangli, Satara, Solapur and Aurangabad, these are the districts wherein more than 5% sugar factories are working. But unfortunately in the Vidarbha region in the district of Akola, Amravati, Bhandara, Buldhana, Nagpur and Wardha the sugar factories are not even 1% of the Maharashtra State.

Konkan region is also neglected in the development of sugar units on account of its climatic conditions. There is lot of scope in the Marathwada region and Vidarbha region for the development of sugar industry.

Thus in Maharashtra it is very interesting to note that the sugar cooperatives could make the remarkable development of rural Maharashtra and still there is lot of scope for the development but all the three parties directly involved in the industry must live together cordially like a family members. They have to work as a mission, without grudges. Nearly 85,000 workers are working in the sugar industry in Maharashtra.

Maharashtra occupies a prominent position socially, economically, politically and even culturally in the country. It provides inspiration to other states in many areas of life. It is a progressive state leading in the social reforms. At present Maharashtra is recognised as one of the most industrialised state on the economic and industrial map of India.

Though the cooperative sugar factories in Maharashtra have shown quantitative progress but qualitatively they are lagging far behind. In the sense in Maharashtra, cost of production is high, yield of sugar-cane per hector is declining year after year, administrative overheads are too heavy. Consequently sugarcane growers are not in a position to get remunerative prices for their sugarcane supplied. The payment of sugar-cane growers for their sugar-cane supplied is outstanding. The losses of these factories are increasing every year and now the presently the situation is such that the payment of wages and salaries also have not been paid regularly by number of factories.

Thus there are bottlenecks in the development of the sugar industry in Maharashtra. For example -

01. Scarcity of raw material.
02. Poor management of human resource.
03. Poor labour productivity.
04. Poor financial management.
05. Lower payment of wages.

Thus to overcome the shortcomings in the industry, the establishment of bi-products, industries like, pulp and paper, alcohol, chemicals is absolutely necessary. Also there should be a regular scheme of manpower planning and development. There should be human resource development department in the factory and this has to be made more effective.

1.4 SUGAR COOPERATIVES IN MARATHWADA REGION:

Marathwada region consists of seven districts. Marathwada is rich in its culture and history. It has appeared on the map of world, because of the historical places like Ellora caves, Ajanta and the recent major irrigation and multipurpose project of Jayakwadi, Paithan. But economically, industrially and agriculturally Marathwada is backward as compared to other regions of the state of Maharashtra.
So far as the sugar industry is concerned, the region has no long history of its development. There are 28 cooperative sugar factories in Marathwada. Means out of 105 cooperatives of Maharashtra, Marathwada region has 28 cooperatives in operation. It means that 26.67% cooperative sugar factories are working in the seven districts of Marathwada. And this is making the rural development of the region\(^1\).

The updated list of sugar cooperatives as on 31st March 1997 in Marathwada region districtwise has been given in Annexure No. 1 for the ready information of the readers and researchers. The information clearly indicates the progress of sugar industry in Marathwada.

### TABLE 1.5

**STATEMENT SHOWING THE NO. OF SUGAR COOPERATIVE FACTORIES IN THE DISTRICTS OF MARATHWADA AND THEIR PERCENTAGE TO TOTAL AS ON 31ST MARCH 1996**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of district</th>
<th>No. of sugar cooperative factories</th>
<th>Percentage to total No. of sugar co.op. in Marathwada</th>
<th>Percentage to total No. of sugar co.op. in Maharashtra</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aurangabad</td>
<td>06</td>
<td>21.43%</td>
<td>5.71%</td>
</tr>
<tr>
<td>2</td>
<td>Jalna</td>
<td>03</td>
<td>10.71%</td>
<td>2.86%</td>
</tr>
<tr>
<td>3</td>
<td>Beed</td>
<td>05</td>
<td>17.86%</td>
<td>4.76%</td>
</tr>
<tr>
<td>4</td>
<td>Latur</td>
<td>03</td>
<td>10.71%</td>
<td>2.86%</td>
</tr>
<tr>
<td>5</td>
<td>Osmanabad</td>
<td>05</td>
<td>10.71%</td>
<td>2.86%</td>
</tr>
<tr>
<td>6</td>
<td>Parbhani</td>
<td>05</td>
<td>17.86%</td>
<td>4.76%</td>
</tr>
<tr>
<td>7</td>
<td>Nanded</td>
<td>03</td>
<td>10.71%</td>
<td>2.86%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>28</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>26.67%</strong></td>
<td><strong>26.67%</strong></td>
</tr>
</tbody>
</table>

2. "Dainik Lokmat", Aurangabad ED.  
20 June 1997.
From the above table it reveals that the percent share of Marathwada region, in the sugar cooperatives of Maharashtra, is 26.67 percent. This percentage of sugar cooperatives of the districts to Marathwada region and to the state of Maharashtra can be analysed as below.

The percent of sugar factories in Aurangabad district to Marathwada is 21.43 percent whereas to Maharashtra cooperatives it is 5.71 percentage.

The percentage of Jalna to Marathwada is 10.71 percent whereas to Maharashtra it is only 2.86 percent.

The percentage of Beed district to Marathwada is 17.86 percent whereas to Maharashtra total it is 4.76 percent.

The percentage of Latur to Marathwada is 10.71 percent whereas to Maharashtra is 2.86 percent.

The percentage of Osmanabad district to Marathwada is 10.71 percent and to Maharashtra it is 2.86 percent.

The percentage of Parbhani to Marathwada is 17.86 percent and to Maharashtra it is 4.76 percent.
The percentage of Nanded district to Marathwada is 10.71 percentage whereas to Maharashtra it is 2.86 percent.

Thus there is lot of scope for sugar industry in the region of Marathwada. So far as the irrigation facilities concerned, on which the entire development of this agro-based industry depends and it is of great concern, the Marathwada region is very late in doing its progress in this regard and consequently the development of this industry lagged behind as compared to Western Maharashtra region. Very clearly in the above statements it has been analysed about the progress of the sugar industry. The reason for the backwardness of the Marathwada region is the lack of proper leadership and proper management of water resources.

Marathwada has at present good number of irrigation projects but because of continuous drought conditions and lack of honest leadership, the situation is worsening year after year.

As earlier said about the worsening situation in regard to labour problem in Maharashtra region nearly in 16 cooperative sugar factories, nearly
amount of Rs. 40 crores is still unpaid to the workers as their payment of wages. As per Government information, there are only 8 sugar factories paying the wages regularly.

In Aurangabad district in almost all sugar factories the payment of wages are most irregular.

In Vinayak Cooperative Sugar factory, Parsoda the payment of 15 months is unpaid.

In Shri Sant Eknath Cooperative Sugar Factory Ltd., Paithan nearly the payment of 7 months is pending.

In Deogiri Cooperative Sugar Factory Ltd., Phulambri the payment of wages of 5 months is unpaid.

In Dongarkada Sugar Cooperative Factory Ltd., the payment of 45 months is unpaid. This amount goes to Rs. 6 crores 45 lakhs and 63 thousand.

In Kalambgar Cooperative Sugar Factory Ltd. nearly the payment of 47 months amounting to Rs. 5,08,00,000 means 5.08 crores is unpaid.

Only in the following eight factories the payment of wages is made regularly. They are as follows:

26
01. Siddheshwar (Sillod)
02. Samarth (Ambad)
03. Majalgaon (Beed)
04. Terana (Dhoki)
05. Tuljabhawani (Osmanabad)
06. Shetkari Cooperative (Killari)
07. Manjara (Vilasnagar)
08. Jai-Jawan Jai-Kisan (Nalezaon, Latur)

In Marathwada region there are 28 cooperative sugar factories and there are 16591 workers in those factories.

It is said that there is a technical difficulty in making the payment of those workers whose salary is more than Rs. 1,600/- per month¹.

The payment of wages unpaid is as follows in the factories other than earlier discussions made.

Source: "Dainik Lokmat" 20, June 1997, Aurangabad ED.
### TABLE 1.6

**STATEMENT SHOWING THE WAGES UNPAID BY THE FACTORIES IN MARATHWADA REGION**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the factory</th>
<th>Months unpaid</th>
<th>Amount unpaid (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Kannad Co.op. Sugar Factory</td>
<td>06</td>
<td>2 crores</td>
</tr>
<tr>
<td>2.</td>
<td>Gangapur Co.op. Sugar Factory</td>
<td></td>
<td>1.5 crores</td>
</tr>
<tr>
<td>3.</td>
<td>Jalna Co.op. Sugar Factory Ramnagar</td>
<td>13</td>
<td>2.51 crores</td>
</tr>
<tr>
<td>4.</td>
<td>Purna Co.op. Sugar Factory Basmathnagar</td>
<td>03</td>
<td>66,94,000/-</td>
</tr>
<tr>
<td>5.</td>
<td>Godavari - Dudhana Co.op. Sugar Factory</td>
<td>14</td>
<td>1.5 crores</td>
</tr>
<tr>
<td>6.</td>
<td>Shankar Co.op. Sugar Factory Vagoda</td>
<td>04</td>
<td>67,84,000/-</td>
</tr>
<tr>
<td>7.</td>
<td>Godavari-Manar Co.op. Sugar Factory</td>
<td>02</td>
<td>14,74,000/-</td>
</tr>
<tr>
<td>8.</td>
<td>Kada Co.op. Sugar Factory</td>
<td>15</td>
<td>1.95 crores</td>
</tr>
<tr>
<td>9.</td>
<td>Amba Co.op. Sugar Factory</td>
<td>19</td>
<td>2.59 crores</td>
</tr>
<tr>
<td>10.</td>
<td>Jaibhawani Co.op. Sugar Factory 04</td>
<td>04</td>
<td>1.06 crores</td>
</tr>
<tr>
<td>11.</td>
<td>Gajan Co.op. Sugar Factory Vanjarwadi, Beed.</td>
<td>09</td>
<td>90,00,000/-</td>
</tr>
</tbody>
</table>

Source: Daily Lokmat, 20th June, 1997, Aurangabad ED.
From the above information it is clear that the labour problem so far as the wage payment is concerned is severe in the sugar industry and it is a question of the lives of thousands of the families of labour engaged in sugar cooperatives.

According to the source in Maharashtra State, there are 105 cooperative sugar factories and 2 are private sugar factories. In nearly 70 to 75 cooperative sugar factories the payment of wages are most irregular.

1.5 IMPORTANCE OF THE PROBLEM:

The beginning period of the twentieth century was adverse and unfavorable to Indian Sugar Industry. Therefore India had to depend on imports of sugar for home consumption. To overcome the situation and rehabilitation of the industry in 1929 "The Indian Council of Agriculture Research Committee" was instituted and according to the suggestions of the committee the Govt. established, "Sugar Duty Corporation in the year 1930." and accordingly the "Sugar Industry protection Act 1932." was passed. With a view to protect the industry, the import duty and surcharge was imposed on the imports of sugar. Due to this protection, sugar industry in India started making tremendous progress in future as below:
<table>
<thead>
<tr>
<th>Year</th>
<th>Sugar factories in operation</th>
<th>Sugar production '000 tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1932-33</td>
<td>56</td>
<td>295</td>
</tr>
<tr>
<td>1942-43</td>
<td>149</td>
<td>1070</td>
</tr>
<tr>
<td>1952-53</td>
<td>134</td>
<td>1277</td>
</tr>
<tr>
<td>1962-63</td>
<td>186</td>
<td>2139</td>
</tr>
<tr>
<td>1972-73</td>
<td>228</td>
<td>3873</td>
</tr>
<tr>
<td>1982-83</td>
<td>321</td>
<td>8229</td>
</tr>
<tr>
<td>1992-93</td>
<td>393</td>
<td>10609</td>
</tr>
<tr>
<td>1995-96</td>
<td>416</td>
<td>16452</td>
</tr>
</tbody>
</table>

With a view to protect the sugarcane growers also the central Govt. passed, "Sugarcane Act in the year 1934. The Act provided for the minimum sugarcane price to cane growers and cordial relations between manufacturer and cane growers. To control the incidental adverse situations meanwhile in 1937 "Sugar Syndicate" was formed and also sugar central Regulations were passed by various states in the country. For the establishment of new sugar factories the prior permission was made legal binding.

During the second world war (1939-45) the sugar industry again came in difficulties because of less demand due to high prices to sugar. Later on the
situation improved and in 1942 there was heavy demand for sugar from Japan and her friendly countries. To overcome this sudden demand for sugar the central Government adopted the control and rationing system from April 1942. But this resulted in black marketing and hoarding of sugar. Hence the Govt. in due course of time decided to decontrol the sugar production which led to increasing sugar production.

In 1947 India got independence and the protection to the industry was extended upto 1950. In 1951 Govt. on India introduced free sugar scheme. Meanwhile in 1950. The Pravara Coop. Sugar Factory Ltd, was established which was the first coop. factory in India. Thus the sugar industry started making the progress. The sugar production was increasing tremendously and hence Govt. of India withdrew the control of sugar in some states while in others there was two way system i.e., free sale of sugar in the open market and also control prices through the Government rationing shops.

In 1954. "Sugar Development Council" was established. Thus during the Third five year plan period the home demand for sugar was fulfilled and it was concentrated on export of sugar. Large number of
new Coop. Sugar factories came into existence and there was laudable progress made by the industry in the post independence period. The progress made by the industry during 1951 to 1990 is definitely praiseworthy and giving stability in sugar production and foreign exchange to the country.

The Union Government's recent decision to introduce free license scheme for new sugar units has raised eyebrows in the sugar industry and trade cycles. The scheme allows new units to sell their entire output in the open market for 10 years, while the older units allowed to sell 40 percent of production. The scheme has been devised to help new mills recover their costs in a limited time.

In the modern era, Sugar is considered an essential commodity because all over the world, the every good morning of every person starts with his morning tea. In India more than 50 percent of Sugar factories are falling in cooperative sector. The coop. sector has become more popular. Taking in view the objectives of cooperative sector the protection to the industry is necessary. It is possible through regulating the industrial activities, production and sales. The sugar which is sold to PDS is procured by
Govt. from the factories at less prices. This has resulted in heavy losses to sugar industry. Therefore, preferential treatment is necessary.

The Sugar industry can make up the losses of PDS sale of sugar through the sale of free sale system, but again there is control in free sale also. No factory can decide to sell the sugar in open market at its own. Because its quota is decided by the Govt. itself and in this whole process every time the factories have to wait for the Govt.'s release of order. More over for every release of order and its untimely frequency has resulted in heavy burden of carrying cost of sugar, which is being sold through out the year. It effects definitely the economy of the sugar industry¹,²,³.

Although the sugar industry in India is one of the most important industries but it is not free from certain handicaps caused by controllable and uncontrollable factors. Industry is capable to check the controllable factors easily, e.g. labour as being important factor of production is widely and adversely affect4ed. The industry is no doubt progressing particularly in cooperative sector but natural factors have aggravated the sickness and weakness of the sugar industry. Particularly sugar industry in Marathwada region has became the victim of natural calamities.

Because of the seasonal nature of the industry the workers are bound to be seasonal and temporary. They have to satisfy themselves on the retention allowance. Large number of protective measures and schemes have been extended by the Central Government and State Government in the interest of the industry. But labour of the sugar industry is most neglected as compared to other organised industries in the country1.

The industry has become the victim of nature. How long the industry and labour is going to be crushed this way, is the main question which forms the very basis of the present study.

Basically the nature of the industry is seasonal and because of seasonality of the industry, what are the economic, social and organisational effects on the lives of the labour of sugar industry is the problem of the study here. Labour is important factor of production in industrial working. It is a distinct factor of production. Therefore the price of labour is a unique parameter which is highly complex to determine. It affects directly the productivity. Therefore number of welfare incentives have to be extensively extended to him to satisfy his material as well as psychological needs, labour participation in management, profit sharing, promotion incentives, recognition is highly to be encouraged to keep his morale high to create a sense of belonging.

Thus the labour problem has acquired the significance of an indispensable factor of production in modern industrial enterprises. Unfortunately in the Indian sugar industry the personnel management function is not developed on systematic tone. There-
fore in the present study a sincere attempt has been made to highlight the problem of labour of sugar cooperatives. Now the labour has been recognised as a principle instrument in the fulfillment of the targets of the plan and in the achievement of economic progress.

There have been many impressive studies on sugar industry in India, Maharashtra and even Marath-wada region on the various aspects like future of industry, financial problems, sugar-cane problem and the prices of sugar-cane problem, sugar price problem, irrigation problem, etc. But there are practically no comprehensive studies separately on labour of sugar cooperatives. There is lot of scope for the analysis of labour problem and therefore the labour problem is a significant problem.

1.6 SCOPE OF THE PROBLEM:

It is a micro level study of the problem. So far as the period pertaining to the present inquiry is concerned, it starts from the passage of various

statutes, i.e. from 1985-86 to 1995-96 with special emphasis on only cooperative sugar factories. The study of eleven years has been made with a view to show the trends.

It is organisational and managerial study of the problem of labour. It is the study of sugar industry means rural industry. It covers only the labour of cooperative sugar in Marathwada region, to give full justice to the problem. Accordingly seven sugar factories, one from each district has been selected for the study.

The study deals with the problems like seasonal nature of the industry and its effect on labour, wage and salary problem, job security, problem of bonus, industrial relations problem, problem of labour productivity, problem of trade-union movement and the problem of implementation of provisions and recommendations of central wages Boards for sugar industry and the industrial and labour laws.

Thus the study is limited to Marathwada region and based on the data from 1985-86 to 1995-96. The study is confined to only the labour in the factory premises. Here the contract labour or harvest labour and labour outside the factory premises is
excluded. In short the present study is confined to the following —

1. Labour of sugar cooperatives of the factory premises only.

2. The study of sugar cooperatives of Marathwada region in general and seven factories of seven districts in particular.

3. The period of the study ranges from 1985-86 to 1995-96 i.e. eleven years only.

4. The present study deals with the problems like —

   a) Problem of wage and salary structure;
   b) Problem of wage payments;
   c) Problem of job-security;
   d) Problem of payment of Bonus;
   e) Problem of motivational aspect;
   f) Problem of industrial relations;
   g) Problem of labour productivity;
   h) Problem of trade union movement;
   i) Problem of implementation of the provisions of the industrial and labour laws.
   j) Problem of implementation of recommendations of Central Wage Board for Sugar Industry.
1.7 OBJECTIVES OF THE STUDY:

The objectives of the present study are as under:

1. To know the nature and scope of labour problems from management as well as labour point of view.

2. To evaluate the role of labour in sugar cooperatives.

3. It facilitates to know as to how the seasonal nature of the industry has widely and adversely affected the labour.

4. To study the implementation of the provisions of the Industrial and Labour Laws, in the factories for the study.

5. To study the implementation of the recommendations of Central Wage Boards for sugar industry in the factories for the study.

6. It is also here aimed to know the role of Government in protecting the interest of labour community in the industry.

7. It is necessary to know that in the name of capacity to pay how the wage structure is inadequate.
8. To judge the labour productivity in seven factories of Marathwada region.

9. It aims at knowing labour organisations and movement in sugar cooperatives.

10. It is here interesting to know labour and management relations.

The present study would be of great help to the Government, Factory management, Labour Organisations, researchers, administrators, industrialists, management executives and finally to those who consider that the labour problem of sugar cooperatives does matter to the development of the industry.

1.8 HYPOTHESES TO BE TESTED:

In the present study, following are the important hypotheses:

1. Labour of sugar cooperatives come from rural area and most of them are illiterate.

2. Workers of sugar cooperatives are underpaid.

3. The provisions of the Industrial and Labour laws are sluggish in their applications in sugar cooperatives.
4. Implementation of the recommendations of the Central Wage Boards for sugar industry is highly delayed.

5. Seasonal nature of the industry, attitude of management and family recruitment of labour have weakened the trade union movement in sugar industry.

6. Labour productivity measurement is ignored as a device in sugar cooperatives.

1.9 RESEARCH DESIGN AND METHODOLOGY:

The present study is based on the relevant information and secondary data available in the office of the factory and annual reports of the sugar factories. The study has been carried out on the basis of primary data by personal investigation, interview method, official records (unpublished), sample method and questionnaire method. The annual reports of the past 11 years i.e. from 1985-86 to 1995-96, reference books, magazines, reports of the I, II and III Central Wage Board for sugar industry, industrial and labour laws, special issues published by some factories from time to time, monthly journal Sugar Cooperatives, Daily News Papers have been resorted for the required secondary data. The data so
collected was used only after careful scrutiny and tabulation.

In the questionnaire method the organised attempt has been made to update the information as accurately as possible by personal inquiries and discussions with the Chairman of Sugar cooperatives managing directors, labour welfare officers, head timekeepers, trade union leaders and some other important administrative staff of the cooperative sugar cooperatives. In preparing the questionnaire maximum care has been taken, so as to make the study more exhaustive, comprehensive and perfect. Data and information have been collected with the help of three types of questionnaires viz.

1. Questionnaire for workers,
2. Questionnaire for Trade Union Leaders,
3. Questionnaire for Management executives.

To maintain the accuracy of the results, the questionnaire have been distributed in the following ways:

1. Workers - 10 percent
2. Trade Union leaders - 5 (Main)
3. Management executives - 10 (Main Deptt. Heads)
For the selection of 10% workers for questionnaire only the workers of the manufacturing department and engineering department (including permanent and seasonal) were selected. Because these two departments are major departments in the factories.

The statistical techniques like percentage, averages have been used for the analysis purpose.

The present study has a coverage of the seven cooperative sugar factories of Marathwada region as follows:

5. Terana Shetkari Cooperative Sugar Factory Ltd., Dhoki (Terananagar), Tq. Dist. Osmanabad.
<table>
<thead>
<tr>
<th>Sr. Name of the No. factory</th>
<th>Total No. of workers in the factory</th>
<th>Samples selected for the study</th>
<th>Workers</th>
<th>10% Union leaders (5-main)</th>
<th>Executives (10 Main Deptt. Heads)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Siddheshwar Co.op. Sugar Factory Ltd., Maniknagar, Tq. Sillod, Dist. Aurangabad</td>
<td>764</td>
<td>43</td>
<td>05</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>3. Jaibhawani Co.op. Sugar Factory Ltd., Shiwajinagar, Tq. Georai, Dist. Beed.</td>
<td>668</td>
<td>31</td>
<td>05</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>4. Manjara Shetkari Co.op. Sugar Factory Ltd., Vilasnagar (Chincholi Rao Wadi) Tq. Dist. Latur</td>
<td>683</td>
<td>35</td>
<td>05</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>5. Terana Shetkari Co.op. Sugar Factory Ltd., Terananagar (Dhoki), Tq. Dist. Osmanabad</td>
<td>876</td>
<td>40</td>
<td>05</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>6. Purna Co.op. Sugar Factory Ltd., Basmathnagar, Tq. Basmathnagar, Dist. Parbhani</td>
<td>904</td>
<td>40</td>
<td>05</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL: 5,443 260 35 70
ISSUE OF QUESTIONNAIRE:

The questionnaire was prepared to collect the information relating to the sugar factories, working conditions, wage structure etc. from the workers, trade union leaders and management executives of the factory. The sugar factories also were requested to furnish the copies of their annual reports for the year 1985-86 to 1995-96. The questionnaires were personally handed over to the workers, trade union leaders and management executives and they were asked to fill in the questionnaire. Again after 15 days personally the questionnaires were collected from the concerned informants.

RESPONSE OF QUESTIONNAIRE:

The information expected through the questionnaire and response too was certainly encouraging and particularly the labour and welfare officers and managing directors were very cooperative in regard to the present study. Position regarding the issue of questionnaire and number of replies received is given in the following table:
TABLE 1.8

POSITION REGARDING ISSUE OF QUESTIONNAIRE AND RECEIPT OF REPLIES

<table>
<thead>
<tr>
<th>Informants</th>
<th>No. of questionnaire distributed</th>
<th>No. of questionnaire replied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sugar Factories</td>
<td>07</td>
<td>07</td>
</tr>
<tr>
<td>2. Workers (All seven factories)</td>
<td>260</td>
<td>260</td>
</tr>
<tr>
<td>3. Trade Union Leader (All seven factories)</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>4. Management Executives</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>372</td>
<td>372</td>
</tr>
</tbody>
</table>

Response from sugar factories, workers, union leaders and management executives was really encouraging. Nearly 100% questionnaires were replied. The annual reports received were also enough for the study.

Nearly 10% questionnaires were distributed to engineering and manufacturing departments for the convenience of the researcher. The response from the workers and trade union leaders has been very much encouraging in all seven factories. Because of personal investigation and personal touch the response is
100%. There has been 100% response even from management executives.

1.10 Chapter Scheme;

In view of the objectives mentioned earlier the present study is divided into seven chapters:

1. The first chapter deals with the introduction of the problem, sugar cooperatives in India, sugar cooperatives in Maharashtra, sugar cooperatives in Marathwada region, Importance of the problem, scope of the problem, objectives of the present study, hypotheses to be tested, research design and methodology, chapter scheme.

2. The chapter second pertains to the review of literature. And also a brief account of studies and contribution of eminent authorities on sugar industry in India, profile of sugar cooperatives factories, industrial and labour laws, the Central Wage Boards for sugar industry, studies on trade union movement in sugar industry and labour relations and conclusions.

3. The chapter third is devoted to the profile of sugar cooperatives in Marathwada region in the state of Maharashtra selected for the study. It covers the
introduction, profile, production and labour statistics of sugar factories included in the study and conclusions.

4. The fourth chapter presents the provisions of industrial and labour laws and their implementation in the sugar factories selected for the study. It includes-

a) The Factories Act, 1948;
b) The Industrial Disputes Act, 1947;
c) The Indian Trade Unions Act, 1926;
d) The Workmen's Compensation Act, 1923.

and conclusions.

5. The chapter fifth is devoted to the important recommendations of Central Wage Board for sugar industry and their implementation in sugar factories selected for the study.

a) First Central Wage Board for sugar industry, 1960.
b) Second Central Wage Board for sugar industry, 1970.
c) Third Central Wage Board for sugar industry, 1989 and Conclusions.
6. The chapter sixth deals with the study of trade union movement in sugar cooperatives and labour management relations in the factories selected for the study and conclusions.

7. The seventh chapter contains summary, conclusions and suggestions, for the development of sugar cooperatives and its labour.

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