SECTION- 4

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SUMMARY AND SUGGESTIONS

So far we have seen the various factors that make up industrial relations in the plywood industry in Assam, right from the first stage of production i.e., procurement of timber from the forests right up to the final stages of running and managing the factory. In this chapter an attempt will be made to summarize each chapter and to give some suggestions to improve the working of that particular aspect of the industry.

The first chapter is essentially one on the basic natural resource - forests. The utility of forests cannot be overemphasized simply because, we live because of forests. Tomorrow if all the world's forest were to be cut down, it would spell disaster for mankind putting into jeopardy its very existence. Thus forests are the life line of humanity and it is in the interest of mankind that a proper balance be maintained while currying them down. Large scale depredation of forests have led arable lands to become deserts as forests not only control the soil conditions but have a direct bearing on the rainfall in a particular area, both factors in turn affecting the inhabitants of that particular place. In this respect, the government policy with regard to forests are shown. Also seen are the total area and classification of forests in India as well as comparison with other countries. Special emphasis has been laid to show
the forest area in North-East especially in the state of Assam where the breakup of various forest divisions are shown. The following suggestions are sought to be made in this connection:

1) Forest area in the country must be increased rapidly if ecological conditions are to be maintained. Officially the Government may claim that about 23% of the total land area of the country is covered with forests but in reality it is even less than 18% whereas even smaller countries like Sweden, Thailand, Japan, Burma, etc. have more than 40% of their land areas covered under forests.

2) This increase can only be brought about in two ways. Firstly, the present forest resources are preserved and felling totally banned or carried out on a very, very selective basis and secondly by a massive plantation and regeneration drive.

3) The government should take the help of villagers as well as of voluntary agencies in this scheme to plant fast growing species. This would again help in two ways, firstly by employing villagers it would be generating employment near the villages itself and secondly with voluntary agencies helping in the process, the forest department especially the social Forestry Division can concentrate more on the preservation of the existing forests.
4) The Government can also try out another idea, that of leasing waste lands and other lands not suitable for cultivation, to wood based industries like the plywood and match industries. It would be their duty to grow species suitable for their purpose and run their industries on the outturn of these forests. These forests can be operated on rotation so that adequate timber is available as per requirements of the factories.

5) Government should tighten its machinery with regard to illegal deforestation being carried out, especially in the forests of Assam. In fact cases have come to light where persons from the Forest Department itself are responsible for such acts and no punitive action being taken against them. Stricter vigilance by Forest Departments would certainly help in reducing deforestation in the country.

6) In Assam regeneration schemes must be implemented for the survival of the plywood industry in the state. Though many such schemes have been undertaken their implementation has been faculty as a result of which vast areas which were supposed to be replanted are in fact barren with no trace of any sapling being planted at all. This is specially so in the Upper Assam Forest Divisions of Dibrugarh, Doom Dooma and Digboi.
7) The Government of Assam's policy of barring all timber operations in Assam also needs to be reviewed. This policy has led to a large amount of illegal felling benefitting unscrupulous officials and contractors and the government losing precious forests as well as the revenue from them. Selective felling can be carried out with emphasis on regeneration being made a priority.

The second chapter deals with the history of the plywood industry in India along with facts and figures of the total number of industries, production, exports, etc.

The following suggestions are made in this regard:

1) The Government should not issue licences to open new plywood factories in the country. Acute timber shortage has led to the closure of many such factories especially in Assam leading to a large number of persons being unemployed.

2) The plywood industry especially in Assam was started with the sole purpose of supplying tea chest plywood to the tea companies situated nearby. It is now seen that a majority of them are producing commercial and other varieties of plywood which are more profitable. In fact tea chest plywood is now being imported from other states as its production is gradually declining. This trend needs to be checked immediately for easy availability of tea chest plywood to the tea companies situated in Assam.
3) Inspite of increase in plywood production in the country, the average production per unit is still very low when compared to countries of South-East Asia like South Korea, Japan, Malaysia and Scandinavian countries like Sweden, Norway, etc. Production per unit has to be raised to increase the viability of the unit.

4) Capacity utilisation in most of the DGTD units is inadequate. In some years it is less than 50% and on an average it has been just about 60% of the licensed capacity. Under utilisation of capacity leads to a waste of large amount of capital invested in plant and machinery thereby making the cost of production of that unit higher when compared to those of units utilising full capacity. This has to be checked and units must be asked to operate on full capacity. This has to be checked and units must be asked to operate on full capacity for optimum utilisation of plant and machinery.

5) Consumption of plywood and plywood products must be encouraged for they help in conserving the forest resources of the country. One unit of plywood is equal to three units of timber and therefore though plywood will be more expensive in the short run, the long term gains in terms of the timber preserved will be much more. It also helps in checking wasteful use of timber which is becoming scarce every moment. Also it will help in maintaining an ecological balance so vital for the survival of mankind.
6) The possibility of exporting plywood and its products exist but export figures show that they are not what they should be. The highest figures of export available are for 1982-83 when plywood products worth about 10 crore rupees were exported. Since then, exports have been dropping. One reason for drop in export levels may be the insatiable home market where products of any quality can be pushed. For exports, a very high and rigid standard has to be maintained for importing countries are very quality conscious and any deviation from such standard automatically leads to rejection of such items. But then, the market for plywood and its products are so large that any exports that are to be undertaken shall have to be at the expense of the home market.

The contribution of any industry towards the state is generally in the form of taxes and revenues paid by it. This helps the state in providing benefits to its people in the shape of roads and dams, the police and army, railway and road transport and a host of other facilities. The plywood industry too, contributes its share in the form of sales tax, finance tax, excise duty, etc. In 1985-86 it paid approximately Rs. 40 crores as excise only, apart from other taxes. However, it is seen that considering the size of the industry, its contribution to the exchequer is very small. In this connection a few suggestions are made to make the plywood industry contribute more to the state coffers.
1) Depot transfers should totally be stopped. By transferring their products outside the state (of Assam), the manufacturers manage to evade the local taxes like the Assam Sales Tax, Assam Finance Tax, etc., which is payable if sales are made in the state itself. This results in a huge loss to the economy of Assam and therefore this practice should be banned totally.

2) It is also seen that plywood being an exciseable commodity manufacturers adopt a variety of ways to evade this duty. It is therefore in the interest of the government to check loopholes in the law as well as strengthen the excise collection department and see to it that evasion of excise duty is prevented.

In recent times the question of unemployment, especially amongst the educated classes has been a burning question. So it is seen that characteristics of labour employed have changed with the change in the industrial climate of the country. Similarly recruitment policy has undergone a drastic change in the last forty year. All these are reflected in the plywood industry which too has undergone many changes from time to time. Certain suggestions on employment, labour characteristics and recruitment policy are given below:

1. To check unemployment the government must take up large scale industrialisation specially in the rural and semi-urban areas. This would reduce the pressure on urban centres where a vast army of unemployed youth roam around in search of employment.
often leading to frustration and culminating in violence and crime.

2) **Employment Exchanges must be made to play an important and active role in cases of selection - placement of candidates registered under them.** It is seen especially in the case of the Employment Exchange at Tinsukia (from where most of the candidates for plywood industries are selected) that it has been unable to perform its duties to the level desired. It does not keep track of the notified vacancies once submissions are made, from their side. Thus they are in no position to say whether the person recruited was actually recommended by the Employment Exchange or a person from outside the exchange had been selected. This is a serious flaw and must be corrected immediately.

3) **Another notable feature in the plywood industry is the employment given to a large number of workers on contract basis.** Though most of the managements claim that they do not employ contract or that very few contract workers are employed, the truth is that a very large number of workers are given work on daily and contract basis. Way back in 1979 the Employment Review Committee constituted by the Government of Assam had recommended the abolition of contract system in the plywood industry as the work in the industry was of a 'perennial nature'. But the managements in total disregard keep on employing workers on a contract basis seriously defying the various Acts promulgated to protect
the rights of the workers. This must be checked immediately.

4) An important thing noticed during the course of this study was the illiteracy level prevalent specially amongst workers of semi-skilled and unskilled categories. 'An educated worker is a conscious worker', but the plywood industry seems to be thriving on illiterate and uneducated workers and inspite of that no measures are taken to check this trend.

5) Another notable feature of employment is very small number of female workers employed in the industry. This trend should be reversed as plywood manufacturing is not a hazardous and more women can be employed specially in the drying and gluing sections.

Trade Unions have become an integral part of our society. Directly or indirectly they control the lives of millions of citizens, for a small signal from them could bring the entire country to a halt. Thus they have become important not just numerically but also politically with each one being affiliated to one or the other political parties. In our country too, trade unions have started playing an important role especially in the field of wage negotiations and workers rights. Trade Unions have also started playing an important role in the plywood industry. However some suggestions are made for their proper functioning in the region.
1) The leadership of trade unions in the plywood industry is seen to be built around a person and not around a party or organisation. This is a serious defect and has to be removed. The movement should be based more on ideology rather than an individual. Also leadership at unit level is very weak and therefore managements take full advantage of exploiting the workers by denying them even basic amenities. Leadership at plant or unit level has to be built for the smooth functioning of the Trade Union organisation.

2) Another notable feature in the plywood industry is the multiplicity of unions. Thus whereas previously there were just two unions, in recent times there have emerged a number of new unions affiliated to various political parties or splinter groups breaking away from the main union. This often leads to inter-union rivalry which manifests itself in the form of gainers from such situations are the managements who try to make full use of the situation. In the bargain, the workers stand to lose. Thus it is in the interest of the workers to see that there are few unions which actually have their interest at hearts.

3) Non-recognition and breaking up of unions is a practice widely prevalent in the plywood industry. Workers are summarily dismissed without any reason or if they are found indulging in union activities by the managements. This divide and rule policy
shows the attitude of the managements towards the workers and must be checked immediately.

4) The membership of trade unions functioning in the plywood industry in Assam could not be actually verified. Most of the unions claim that there workers dominated the industry as a whole but on being asked to prove their claims they failed to do so; thereby leading to doubts as to their actual membership. Thus it is imperative on the part of the Registrar of Trade Unions in the state to actually maintain records regarding the membership of each and every trade union functioning in the different industries.

We have thus seen the role of the trade unions in the plywood industry but yet they are unable to prevent disputes which occur from time to time. We shall now suggest some measures for prevention of disputes in the industry.

1) Disputes relating to personnel and retrenchment causes form the largest part of disputes in the industry. As mentioned earlier workers are generally employed on a contract basis as a result any worker who is not given work or asked to break work refuses to do so, often resulting in a dispute. This practice should be put to an immediate end to avoid such types of disputes in the industry.
2) Also workers are summarily dismissed which often leads to disputes. This practice should be desisted by the managements as dismissing workers without any reason often leads to serious consequences.

3) On occasions it is seen that non-payment of bonus leads to industrial strife. Measures should be taken to ensure that at least a minimum bonus (8.33%) should be paid to the workers each year.

4) Non-payment of wages and allowances is another reason for industrial disputes. Many managements deliberately pay a lower amount of wage especially to contract or casual workers. Even Dearness Allowance is paid at a nominal rate which often leads to strikes by workers.

5) Most of the disputes in the plywood industry are settled either by negotiations or by conciliation. But the process is made lengthy by the managements on one pretext or the other and by the time the dispute is settled, the main aim is generally lost to the detriment of the workers. Even in the case of conciliation, it is alleged by the Trade Unions that the proceedings take too long as the file is not processed by the Conciliation Officer and the dispute may even take up to three years to be settled. This is a serious charge and should be examined by the Labour Commissioner, for a dispute settled after such a lengthy period not only defeats the very purpose for which
the dispute was raised in the first place but it may lead to serious repercussions in the industry as a whole. Steps must be taken to settle disputes through conciliation at the earliest opportunity for only then can the workers expect justice to be done to them.

6) In cases of adjudication, it is seen that cases in the Labour Court, Tribunal or the High Courts take an inordinately long time to be settled. This may not affect the managements much, but for the poor workers their hardships increase by the day and delay in settlement hurts them the most. It should be seen that industrial disputes should be settled as early as possible specially in the interest of the workers.

Wage is the remuneration paid to the worker in exchange for his services. And the best wages can be had only by bargaining with the employers. This is where collective bargaining comes into play. In the plywood industry, though wage settlements are made through collective bargaining in recent times it is seen that settlement are being violated and workers are being paid as per the whims of the management concerned. In this connection the following suggestions are sought to be made.

1) The Government must implement notification No. GLA : 39/74/341 dated the 6th January, 1989, proposing higher wages for the workers of the plywood industry. For too long now have the workers
of the plywood industry. For too long now have the workers been paid a very low wage and the new rates were fixed keeping in mind the inflation rates. But it is sad to note that the new rates have not been implemented and the APMA has preferred an an appeal against the notification. This clearly shows the negative attitude of the management with regard to the question of wage settlements.

2) Wage negotiations should be held every three years as is the tradition in the plywood industry. Failure to carry our negotiations in the industry on a tripartite basis often leads to untold hardships on the poor workers already hard pressed due to constant rise in prices. Thus failure on the part of the managements to come to the negotiating table should be considered a breach of ethics and the Labour Commissioner should fix the wages in consultation with the workers and their representatives.

In recent times labour welfare has become an important source of increasing the efficiency of the work force. Welfare measures for the workers both at the place of work as well as in their homes makes their lives cheerful and less tedious. But it is sad to note that even statutory welfare measures are practically absent in the plywood industry and it would be their interest to look into the following suggestions.

1) Sanitary and hygiene facilities are very poor in the industry and drastic measures must be taken to improve the same.
2) The workers do not have proper restrooms and during recess are found lying on stack of timber. This is dangerous from the point of view of safety of the workers also. Proper restrooms must be constructed and maintained by the management for their workers.

3) Though legislation requires that canteens be opened in factories to provide wholesome and nutritious food, they are absent in most of them. Efforts must be made to operate canteens on a co-operative basis in the factory premises itself.

4) Though most of the employees in the industry are covered under the E.S.I. Act, the medical facilities available at E.S.I. dispensaries are very poor indeed. Sometimes they do not even have basic first aid equipment and the question of providing life saving medicines is a far cry. The government must look into this aspect and if necessary take proper action against the dispensary staff. The factories themselves do not have any medical facilities in their premises except for first aid facilities, though the Factories Act, 1948 makes it mandatory to have an ambulance room in factories employing 500 or more workers.

5) Another important area which requires immediate attention is the shortage of housing. Only about 15% of the workers are given housing facilities in the units themselves, the balance have to fund for themselves. Even where labour quarters are given, they are poorly maintained and during the rainy seasons turn into
showers with water dripping from the roofs. Management must take it upon themselves to provide housing to all the workers if possible, and should at least make maintenance a priority in the interest of its workers.

6) Transport facilities which are totally absent in most of the units must be provided to the workers.

7) Educational facilities both to the workers and their children are absent in the industry. It seems the managements do not take adequate interest in developing the educational level of its employees, may be due to certain misconceptions it has in its mind. But steps must be taken to educate the work force for only then can there be a better understanding of each others problems and quick settlements to disputes. It is also seen that the plywood units are reluctant to send their workers for training in the various courses even though the Regional Workers Education Centre is located at Tinsukia, the heart of the plywood industry in Assam.