



WORK-STOPPAGE IN INDUSTRIES AND ITS IMPACT ON LABOUR FORCE: A CASE STUDY OF HUGLI DISTRICT, WEST BENGAL

Geography

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ABSTRACT

Work-stoppage is considered as socio-economic ailment. It includes strikes, lockouts and suspension of work. Each industrial unit is composed of two communities – employers and employees who are working under one roof. Disagreement between two communities generates industrial disputes. Among all disputes work-stoppage is prevalent one. Hugli is considered as industrially advanced district of West Bengal. In these industrial units huge number of local and migrated labour are involved. When these industries put off their production either temporarily or permanently the labours are compelled to move from pillar to post for searching their livelihood. Main objectives of this study are to identify the trend of work-stoppage and its impact on the labour force. To reveal proper scenario both types of data -- primary and secondary have been collected. The primary data have been generated through questionnaire based survey on two target groups – management of different industrial units and their different categories of labour. In different acts and policies a lot of rules and regulations have been enlisted but ground reality ventilates that such efforts are ineffective. The Government is expected to take some strong and appropriate steps against such socio-economic constraint to render justice to labours' interest and economic growth.

KEYWORDS:

suspension of work, industrial dispute, disagreement, livelihood

INTRODUCTION

The State of West Bengal bears the footprints of industrialisation since the colonial era. In different districts of west Bengal various categories of industries and different scales of production are prevalent. Among these districts Hugli is very prominent in engineering and textile group of industries. These industries act as sources of livelihood of a large number local and migrated labour. But these industries are prone to recurrence of work-stoppage which is considered as socio-economic ailment because

Hugli District as Study Area

it can alter the economic as well as social composition of an industrial region. It has negative impact on work culture and regional economic growth. In this State there are different forms of industrial disputes like strike, gherao, picketing, lock out, suspension of work, closure, layoff and retrenchment that makes a large section of the labour force jobless. In Hugli district most of the jute textile industries are frequently experiencing work-stoppage for a long duration. During this period the labours become jobless and are unable to maintain their basic livelihood. Occurrence of work-stoppage depends on relation between employees and employers who are working under the same roof.

Chandannagar, Shrirampur and Arambagh. Among these subdivisions industrial concentration is prevalent in Sadar, Chandannagar and Shrirampur subdivisions confined in the eastern part of the district. These industries are suffering from industrial disputes of different nature. The work-stoppage has great impact on employment scenario thus affecting livelihood of the people. The textile group of industries is more labour intensive in comparison to engineering group. This study is based on spatio-temporal analysis of frequent work-stoppage in different industries.

OBJECTIVES

This study which reveals the impact of work-stoppage on labour community has two fold objectives:

- To find out the frequency of work-stoppage with their specific reasons
- To assess the impact of work-stoppage on employment as well as on livelihood of the different categories of labour

MATERIALS AND METHODS

The sustainability of labours' livelihood is a challenging issue of the present economy. The industries of Hugli district are experiencing a distrustful relation between employees and employers. For proper analysis and interpretation of such a situation both primary and secondary data have been collected. The primary data have been generated through the questionnaire-based survey of definite target groups, mainly all categories of labour from permanent and contractual to casual employees of the concerned units. Purposive sampling technique has been followed for selection of specific industrial units (25 percent of the total industries; N= 24) and random sampling technique has been made for labour community (one percent of each industrial unit; N= 290). Some valuable data and relevant information have been extracted from books, articles, journals, government and non-government reports, newspapers and electronic media. Some statistical and cartographic techniques along with GIS software have been applied for depiction of wide range of data at a glance followed by their interpretation.

DIFFERENT TYPES OF INDUSTRIAL DISPUTE

Industrial dispute is an outcome of intra-industrial relation which is very important because it maintains the continuity of production and exerts a wide socio-economic influence in a capitalistic mode of production. All industrial units are composed of two communities – employees and employers. The health of industrial units depends on the nature of relation between these two groups which has a decisive impact on the relation between labour and management. According to Industrial Dispute Act, 1947 'Industrial Dispute' is defined as: "Any

Hugli District as Study Area

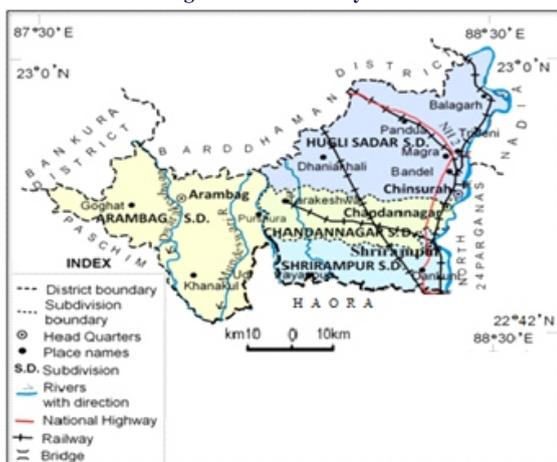


Figure 1

Source: NATMO

STUDY AREA

Hugli district is considered as one of the industrially front running districts of West Bengal. It is composed of four subdivisions -- Sadar,

disputes or differences between employers and employees, or between employers vs workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any person". The definition identifies three parties in disputes. They are: i) employers vs employees, ii) employers vs

Different Types of Industrial Dispute

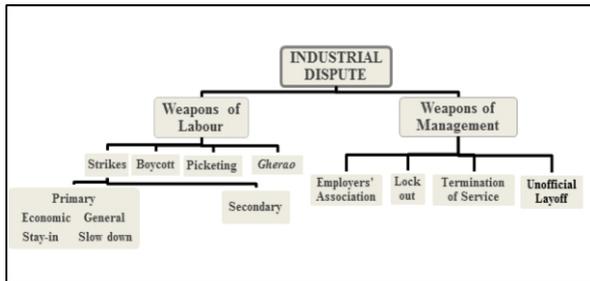


Figure 2 Source: Compiled by the authors

workmen and iii) workmen vs workmen (www.thecodexpert.com). In fact all events are weapons of both the groups involved in the process. The strikes, boycott, picketing and gherao are weapons of labour community while lock out, formation of employers' association termination of service or retrenchment and unofficial layoff are weapons of employers or management (Fig. 2). In different industries the industrial disputes are taking place in different forms.

STATUS OF WORK-STOPPAGE IN DIFFERENT CATEGORIES OF INDUSTRIES

Work stoppage for strikes and lock outs are considered as hindrances to the industrial economy. Frequent work stoppage implies an unsteady status of industry. Due to work stoppage a large number of labour becomes jobless and the production process of industry is interrupted. Occurrence of frequent work stoppage alters the status of industry. A healthy unit becomes sick due to presence of these socio-economic ailments.

Trend of Work-stoppage

The industrial units of Hugli districts very often face this type of socio-economic disorder. In this district occurrence of work stoppage was very high in Shrirampur subdivision prior to 1995 but during 1996-2014 remarkable concentration has been observed in Hugli Sadar subdivision while an improvement has been noticed in Shrirampur subdivision on the later period (Fig. 5). In case of jute textile industry all subdivisions have been affected by work stoppage except Arambag subdivision of Hugli district. During 1976-1995 most affected subdivision was Chandannagar while in later period Shrirampur subdivision has been added with this one. After 1995 jute textile units faced worst situation (Fig. 5). The cotton textile industry in this study area is in most horrible situation. High frequency of work stoppage has occurred in all subdivisions except Arambag subdivision

Work Stoppage for Strike and Lockout in Different Industries of Hugli District Involving 1,000 Workmen and More, 1975 - 2014

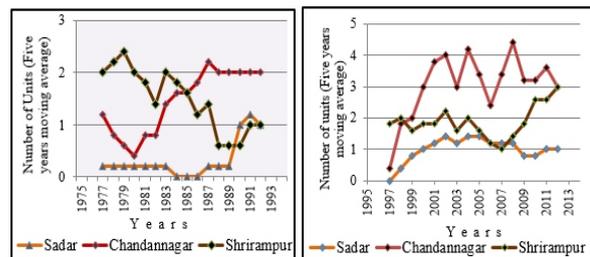


Figure 3 **Figure 4**

Data source: Government of West Bengal

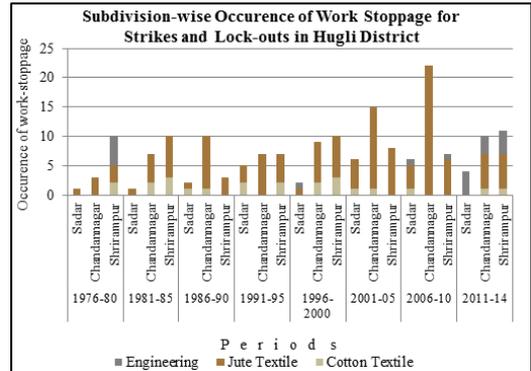


Figure 5 Data source: Government of West Bengal

where cotton textile unit is absent. In the first phase of 1975-1994, Hugli Sadar subdivision was crucially affected followed by Shrirampur Subdivision. In the later phase of 1995-2010 a shift has been observed in Shrirampur subdivision which has been remarkably affected along with Hugli Sadar subdivision.

Number of Affected Employees

The work stoppage is considered as a social menace because due to this a large number of labours become jobless and they become unable to satisfy their basic needs during the period affected by work stoppage. In the entire span of this phase they do not receive wage because of the custom of 'No work no pay' system. Number of Affected Employees, 1975-2014

The labours of jute textile units are significantly affected because these units are labour intensive ones and if work stoppage starts in these units a large number of workers lose their job. Among all industries the jute textile units are very susceptible to work stoppage because in these units the incidence of disagreements between workers and management is very high.

Introduction of the New Economic Policy by Figure 6 Data source: Government of West Bengal the Government of India and adoption of new Industrial Policy by the State Government has made these units economically stagnant. In Hugli district the labours of the jute and cotton textile units are critically affected by work stoppage. During the period of 2006-14 more than 1,00,000 workmen of different jute textile units of Chandannagar subdivision have been badly affected by this social menace. The labours of cotton textile units of Chandannagar and Shrirampur subdivisions are also frequently affected by such incidences. The labours of the engineering industrial units of Hugli Sadar and Shrirampur subdivisions have also experienced the same situation. Prior to 1980 about 40,000 workers of different engineering industrial units in Shrirampur subdivision faced this ailment (Fig. 6).

Number of Affected Employees, 1975 - 2014

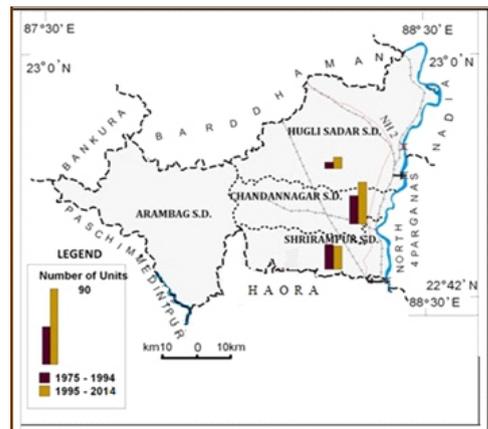


Figure 6 Data source: Government of West Bengal

Duration of Work-stoppage

Duration of work stoppage means how long the industrial units have suspended their production while the loss of man days depends on this

duration. The duration of work stoppage is very long in case of jute textile units. Prior to 1995 the duration was very long and many units postponed their production for more than eight months to one year. The jute textile units of Hugli district, mainly in two subdivisions -- Chandannagar and Shrirampur experienced long duration of work-stoppage prior to 1995. During the period 1986-90 in Chandannagar subdivision 43.93 lakh and during the span from 1991 to 1995 in Shrirampur subdivision 59.55 lakh man days were lost. But after 1995 the scenario has changed. These industrial units experienced high frequency of work- stoppage instead of long duration of such menace. In most of the cases the duration of work stoppage is less than fifteen days or one month to two months. As a result overall loss of man days has been reduced.

CAUSES OF WORK-STOPPAGE

Most of the causes of work-stoppage are originating from the disagreement between employees and employers. There are so many reasons behind this type of disagreement. Among these common reasons are low wage rate, policy of 'no fresh recruitment', meagre payment or non payment of bonus and retrenchment of labour. But the reasons vary from one category of industry to another.

The labours of textile group of industries belonging to both jute and cotton textile units are opposing low rate of wage, absence of fresh recruitment against vacancy of permanent workers, low/non-payment of bonus, non-payment of Dearness Allowance, layoff for some labour and retrenchment for others (Table-1). On 15th June 2014, a workers' agitation was commenced at North Brook Jute Mill of Bhadreswar, Hugli District. The management took a unilateral decision to run the mill three days a week. In this mill, all the labour laws were violated with impunity. The legal dues of statutory leaves were paid in four to five installments, and workers were thrown out of employment at the drop of a hat. The CEO of this jute mill was killed during the time of labour agitation. The workers of India Jute Mill in Shrirampur Subdivision protested against layoff and retrenchment cases in the month of October, 2014. In the same month the Angus Jute Mill of Chandannagar subdivision was affected by labour agitation due to layoff for some workers. The same incidence occurred in Hastings Jute Mill too of Shrirampur subdivision in the month of November, 2014.

In case of engineering units the reasons again differ from other types of industries. Apart from common reasons the labours of these units are protesting against non-submission of Provident Fund to the appropriate authority, offer for voluntary retirement, transfer of labour from one unit to another, non-production in few sections within an industrial unit and limitation of labour quarters (Table-1). In fact these reasons are multi faceted and issues are also very crucial because the workers of these units are skilled and literate. Inhuman attitude of the employers is mainly responsible for occurrence of this type of socio-economic disorder. This situation hampers the production system in particular and the economy of this region becomes weak in general.

Table-1: Reasons behind Work-stoppage

| Reasons | Percentage of labours affected in different categories of industries | | |
|----------------------------------|--|--------------|----------------|
| | Engineering | Jute Textile | Cotton Textile |
| Low wage rate | 12.29 | 28.81 | 26.25 |
| Non-payment of salary | 9.97 | 14.03 | Nil |
| Absence of fresh recruitment | Nil | 11.64 | 23.50 |
| Retrenchment of labour | 25.58 | Nil | 19.25 |
| Layoff for some labours | Nil | 4.54 | Nil |
| Offer for voluntary retirement | 26.58 | Nil | Nil |
| Non-payment of D.A. | Nil | 13.18 | Nil |
| Transfer of labour | 14.29 | Nil | Nil |
| Low/non-payment of bonus | Nil | 14.18 | 31.00 |
| Production oriented grievance | 11.29 | 4.54 | Nil |
| Limitation of labour quarter | Nil | 4.54 | Nil |
| Non-submission of Provident Fund | Nil | 4.54 | Nil |

Source: Primary data, 2012-13

IMPACT OF WORK-STOPPAGE ON LABOUR FORCE

It is very interesting that the management section and the labours both have admitted that these industrial units are very susceptible to work-stoppage. During the period of work-stoppage the labours become vagabond and they try to secure an alternative berth from which they can satisfy their basic needs. 43 percent, 84 percent and 75 percent

labour respondents of engineering, jute textile and cotton textile industries in Hugli district respectively gave affirmative response on this particular issue. Among all labours of different categories of industries the labours of jute textile industry are crucially affected by all kinds of dispute. In most of the cases the labours protest against the different actions and decisions of the management.

Receipt of Salary during the Period under Dispute

During the period of dispute generally the labours do not receive any payment. The official members of the staff, higher graded officers and security personnel receive payment because they are on duty during the period of dispute. There is a Government scheme named as Financial Assistance for Workers of Locked-Out Industries (FAWLOI) for financial assistance to the suffering labours, but in reality very few permanent labours can get access to such assistance. The contractual and casual labours are excluded from the benefit of this scheme.

Substitute Sources of Income

The labours are compelled to search for substitute sources of income during the period of dispute. 58.54 percent of such labour of Hugli district is engaged in substitute economic activities. In this industrial units a good percentage of labours are immigrants who come from different parts of India. It is to be noted that 46.15 percent of the total labour force is migrant labour. Most of the migrant labours come from eastern and northern States of India. "Land scarcity, low rural wages and oppression forced many to leave the villages and look for employment elsewhere. People from Bihar went to Calcutta, helped by networks of relatives, acquaintances and middlemen" (Haan, 1999). The labours possessing agricultural land go back to their native places and get involved in agricultural fields. But most of the labours are going to other manufacturing units where they perform same kind of jobs. According to them they receive lower rate of payment in these substitute units. Moreover, substantial percentage of labours (about 41 percent) is unable to engage them in any substitute job and their sources of income become almost nil during this period.

Maintenance of Basic Livelihood by the Wage Received during Work-stoppage There is another vulnerable aspect, that is, most of the labours are unable to meet the basic livelihood by the wage received from substitute job. Only 23 percent of the labours become able to maintain their basic needs while 77 percent has replied that it is an impossible task. They are compelled to accept lower rate of wage in these units and they are not engaged in daily economic activities. They normally get maximum of fifteen days work in the span of a month.

Scope of Re-employment after Resumption of the Units

It is a very sensitive issue because after reopening of units the employers are reluctant to run the unit with previous strength of labour force. The employers are obligated to provide re-employment to the permanent labours only but there are no obligations for the re-employment of contractual and casual labours. In many cases they provide this opportunity to the contractual labours. The casual labours are worst sufferers who have no right to raise their voice against the decision of employers.

Receipt of All Statutory Facilities

In Hugli district 64.34 percent labour is getting all statutory facilities inclusive of in-service and retirement benefits. Thus a large share of labour is excluded from the purview of these facilities. According to the statements made by the different categories of labours, it has been found that at the time of appointment all employers show different kinds of facilities that might be available but in reality they do not abide by their own promise. This type of practice is responsible for provocation to the labour agitation.



Figure 7

Source: Primary data, 2014-15

EMPLOYEES LEVEL OF SATISFACTION ON EMPLOYERS

Employees' Satisfaction Index (E.S.I.) is an index to measure satisfaction of the employees in an organisation. It is a three-point scale in the questionnaire for survey based on employees' responses. In the questionnaire there were seven questions that were related with satisfaction on rate of wage, availability of statutory facilities, management, availability of increment, load of work, status of production and availability of infrastructural facilities in the unit. The study

encompasses both industry-wise E.S.I. and labour category-wise E.S.I. (Fig. 7). The analysis depicts that overall E.S.I. is 1.45 while the E.S.I. of jute textile unit is much lower than the average. The E.S.I. of engineering units (1.61) is slightly above the overall picture. The highest E.S.I. has been observed in case of employees of cotton textile industrial units (1.90). The E.S.I. of permanent labours (1.94) is

much higher than overall E.S.I., while it is near to overall E.S.I. in case of contractual labour. But in case of casual labour (1.19) it is very low. Out of this study it has been revealed that among all types of industries the labours of jute textile industry are crucially dissatisfied and the casual labours of all industries are also very much dissatisfied.

CONCLUSION

Occurrence of work-stoppage is not a healthy sign for the economy of any industrial region. It can alter the motivation of labours and high frequency of work-stoppage can even indulge in occupational shift. In this district concerned, a prominent occupational shift may be emerged in future due to the closure of large units. Frequent work-stoppage can transform a well running unit into a sick unit. When mother concerns become closed either temporarily or permanently the other scales of production from medium and small to micro units find it difficult to survive. Thus work-stoppage of a large unit superficially shows that thousands of labours become jobless but the actual figure is much higher than it, because the auxiliary units are also compelled to stop their production due to paucity of order. In most of the cases work-stoppage is emerged from the disagreement between the employees and the employers and it is very high in case of jute textile units which are labour intensive. A large number of labours ventilate various types of opinions and disagreements. Day by day industrial relations become weak. During the post independence period under Old Economic Policy strikes, lock-outs, permanent and temporary closures, lay-off, retrenchment all were prevalent; but under the New Economic Policy implemented since 1991 only the strikes and lock-outs are taking place. In the last decade a new terminology – suspension of work has been introduced. It is a new shape of lock-out. High frequency of industrial disputes indicates unhealthy industrial relations. In most of the industries the employers do not consider the demands of the labours in the initial stage. After a long stretch of deprivation the labours obviously become agitated. In most of the cases the managements blame their labours. They always emphasize on non-cooperation and inefficiency of the labours along with pro-active trade unions etc. But in reality the labours are deprived in various ways. When the labours raise their demands and go ahead to take some steps against the management, the employers notify suspension of work. In different acts and policies a lot of rules and regulations have been enlisted but ground reality indicates that such efforts are so far ineffective. A labours' Grievance Redressal Cell may be introduced in each industrial unit through which they can easily ventilate their anguish and can draw the attention of the management. Recruitment of permanent labours with all statutory facilities may be prioritized over recruitment of contractual and casual labours. Higher productivity will take care of this additional cost of production. The Government is expected to take some strong and appropriate steps against such unhealthy industrial relations to render justice to labours' interest and economic growth.

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