



A Study on Contract Labours Practices in JSW Steel Company Pvt. Ltd. of Ballari District in Karnataka State

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ABSTRACT Contract Labour is a significant and growing form of employment. The practice of employing contract labour is observed all over the world and has been in operation since ages. Contract labour generally refers to "Workers employed by or through an intermediary on work of any establishment". Such labour can be distinguished from the direct workers in terms of employee-employer relationship and the method of wage payment. The contract system is based on triangular relationship between the user enterprises, the contractors including the sub-contractors, and the worker. The workers are recruited by an outside agency or person and are supplied to an establishment or engaged on its work. Unlike direct labour, they neither feature on the muster roll of principal employer/ establishment nor are paid directly. The establishment providing work to the contractor has no direct responsibility towards the workers appointed by the contractors. Hence the researcher passionate by the know how the working conditions is this conducive or not for contract labour by without direct intervention of employer and also know the policies of Contract labour in Ballari district JSW Steel Ltd. is one of the largest Steel producers by giving lots of employment opportunity given, this paper is going to investigates the working conditions of contract Labour in JSW Steel Ltd. and also to elucidate the provisions and policies of Contract labour and Abolition Act 1970 in India.

KEYWORDS Contract labour Practices, Contractor, Employer, Policies of Contract labour Act

Introduction:
Labour is the backbone of industrial growth and economic development of a country. It is the segment, which contributes most significantly to the country's Gross Domestic Product (GDP). A happy labour force is the base for industrial peace, which in turn results in higher production and greater economic activity. Realising this, Government of India has enacted several laws giving protection to labour against retrenchment, employment injury, occupational diseases, and economical and social distresses. But the benefits of these laws have reached only to a small section of workers in the organised sector. The contract worker is a daily wager or the daily wages are accumulated and given at the end of the month. The industries justify contract labour on the grounds that the requirement is temporary or seasonal. Nonetheless, there are ready instances of contract labour being deployed for tasks as security, sweeping and cleaning, though it is difficult to comprehend how these tasks are temporary and do not justify full time regular employees. The managements try to by-pass the provisions of social legislations unless they are legally trapped or forced by circumstances, while the judiciary has always upheld the concept of social justice, dignity of Human rights and workers welfare.

Review of Literature:
Ramanujam (2004) Contract Labour in India: An Overview: the article, 'Management of Contract Labour in India', speaks of the agenda, Contract Labour (Regulation & Abolition) Act 1970, that has outlived its utility and a need to be modified or be replaced by an effective legislative measure.

Das and Pandey (2005) Contract Workers in India: Emerging Economic and Social issue: this research re-visited focus on the economic and social issues related to the wages given with deduction to the poor civic labour living in huts without any social security, where the contract workers

are forced to work in Industries producing steel, cement and white goods in India. Illiteracy, unscrupulous and hazardous conditions of the workers have no voice for their safety concerns. Longer working hours and job insecurity adds to the other factors which challenges their everyday life.

Ramchandani's (2006) research on actual position of the workers: explains in great detail, how in most of the industries, the contract labour system is adopted in different occupations, which includes skilled and semi-skilled jobs. He persuades the government to take up various initiatives to improve the condition of the contract labour.

Kolamkar's (2009-11) reports on Working Condition of Contract Workers in Petroleum Refineries and Oil Fields: the study was conducted by the Labour Bureau, Ministry of Labour and Employment Government of India Chandigarh, which was about the wage, working conditions, welfare measures and the industrial relation of the workers. The study also found that, in some places the workers are organized and possess a strong bargaining power because of which, the trade unions and some units have own grievance redress machinery.

Joshi (2011) Contract Labour: A Way Forward argues: In his research paper that if India really wanted not just faster growth but sustainable and inclusive growth, it will have to convert the contract labour into a productive and happy workforce. The earlier it is done, the better will it get for the overall progress of business and society.

Ashim Roy (2012) Study of the Contract Labour System in the Garment Industry in Gurgaon: In his report shows how the theft of the minimum wage of the contract workers cause large socio-economic problems to the workers, which includes eviction from their home and inability to buy food,

resulting in the malnourishment of younger generation, which also leads to their children's education being affected.

Sharath Babu and Rashmi Shetty (2004) Report of the Study Group on Contract Labour System in Karnataka:

Through their work request the government to ensure special protection to the vulnerable section of the society who are employed on contract basis through

Objectives of the Study:

- To know the Provisions and Concept of Contract Labour Act 1970 in India.
- To understand the new prospects of Contract Labour in Study area.
- To elucidate the Policies of JSW steel Ltd. toward Contracts Labour in JSW Company

Research Methodology:

Type of Research:

To fulfil the requirements of the above said objectives the researcher used descriptive research methods to elaborate the socio-Economic condition of contract labour in JSW.

Sources of Data Collection

The present study is based on both the primary data as well as secondary data collection through discussion with employers, Contractors.

Secondary Data: To fulfil the requirements of objectives of this research, researcher had been collected information about Labour Abolition and regulation Act 1970 for reviewing and understanding the role of employers in managing the contracts labour.

Justification of Selection of JSW Steel Company for the Study:

JSW Ltd. is well established and having huge market share in the Ballari District. The selection is made on the following basis:

Leading Steel producer in India and also providing leading employment opportunities to the respective areas.

This company is practicing and running with highest number of Contract labour available.

Concept of Contract Labour in India:

Contract Labour is one of the acute forms of unorganized labour. Under the system of contract labour workers may be employed through contractor on the contract basis. Workmen shall be deemed to be employed as "contract labour" or in connection with the work of an establishment when he is hired in or in connection with such work by or through a contractor, with or without the knowledge of the principal employer. In this class of labour the contractors hire men (contract labour) who do the work on the premises of the employer, known as the principal employer but are not deemed to be the employees of the principal employer. The range of tasks performed by such contract workers varies from security to sweeping and catering and is steadily increasing. It has been felt, and rightly too, that the execution of a work on contract through a contractor who deployed the contract labour was to deprive the labour of its due wages and privileges of Labour class.

While economic factors like cost effectiveness may justify system of contract labour, considerations of social justice call for its abolition or regulation. The condition of contract labour in India was studied by various Commissions, Committees, and also Labour Bureau, Ministry of Labour, before independence and after independence. All these have found their condition to be appalling and exploitative in nature.

Important provisions of the Contract Labour Act, 1971

In India, contract labourers are protected by the Contract Labour Regulation and Abolition Act, 1970. A contract labourer

is defined in the Act as one who is hired in connection with the work of an establishment by a principal employer through a contractor. While a contractor is the supplier of contract labour for the organization, a principal employer is the person responsible for the control of the establishment. This act applies to any establishment in which 20 or more workmen are employed on a contract basis on any day of the last one year and also to all contractors who employ or have employed 20 or more workmen on any day of the preceding twelve months. Every principal employer to whom this act applies should register his establishment in the prescribed manner for employing contract labour. Unlike the industry sector, generally, there is no provision for remaining unregistered. If the Government at any point of time is dissatisfied with the practices followed, it can revoke the registration of an establishment.

Registration of principal employer

The Principal employer has to file an application for registration, to the Registering Officer. The application must be made in triplicate, accompanied by treasury receipt showing the payment of fees. The Registering Officer will register the Company and issue a Certificate of Registration. If the Company fails to obtain Certificate of Registration, the position would be that the workmen employed by the Contractors would be deemed to be employed by the Company, which is the Principal Employer.

Licensing of contractors

The Principal employer should engage workmen only through licensed contractors. The Principal employer should therefore ensure that the Contractors engaged by it for various services, hold a licence issued under the Act.

Responsibility for payment of wages

The Principal employer must nominate a representative to be present at the time of disbursement of wages by the contractor and such representative must certify the amounts paid as wages to the contract labourers.

Facilities to be provided to contract labourers

The following facilities should be provided to the contract labourers if the contractors do not provide it: 1) Rest rooms 2) Canteen 3) Latrines and urinals 4) Drinking water 5) First aid facilities. It is the primary responsibility of the contractors to provide all facilities to the workers as delineated in the Act.

New Perspectives of Contract Labour:

The Second National Commission of Labour recommended that contract labour should not be engaged for core production/services activities, however, be remunerated at the rate of a regular worker engaged in the same organization doing work of a comparable nature or if such worker does not exist in the organization, at the lowest salary of a worker in a comparable grade, i.e. unskilled, semi-skilled or skilled. The Commission added, to ensure the recommendations are not misused in any manner by the employer, the onus and responsibility of proof to show and ensure that the employer is paying such contract worker the wages of a regular employee doing comparable work or in its absence that of the lowest skilled regular employee, would be on the principal employer.

Keeping in view the recommendations of the Second National Commission on Labour and the current scenario of contract labour system in India, AIOE-FICCI would like to recommend the following measures to address the contract labour issues:

Creating Central and State Contract Labour Boards

Contractors be treated as a separate establishment

A single point collection of social security contributions from the industry and mechanism of full compliance of all statutory requirements

Issuing a 'smart card' to each contract labour, indicating his skill and social security membership

Payment of additional 4.81% contribution as gratuity to be paid by industry in addition to EPF and ESI contributions.

Skills level be considered during wage fixation.

20 per cent above the minimum wages The workers those are engaged as contract workers i.e. employed through a contractor are to paid 20% above the fixed minimum wages at entry level.

JSW Steel Policies towards Contract Labour:

Based on the provision of various laws applicable to contract labour, contractor is required to ensure below statutory requirements pertaining to labour legislation on or during the contract work:

1. Contractor who is employing 20 or more workmen is required to have valid labour license under Contract Labour Act issued in his name by the competent authority.
2. Any change in the particulars of contractor / contract labour specified in the certificate of registration viz name and address of contractor, nature of work in which contract labour is employed, maximum no. of contract labour employed on any day by contractor and estimated / actual date of termination of employment of contract labour shall be intimated by the concerned contractor to management to enable them to inform ALC Panel accordingly.
3. The rates of wages payable to the workmen by the contractor shall not be less than minimum rates of wages fixed under the Minimum Wage Act.
4. Payment should be made on or before 10th of every month.
5. Contractor engaging contract labour has to pay HRA @ 5% of Basic Wage + DA or else make arrangement for stay of his labour.
6. Contractors are required to maintain below records and registers which come under the provision of Contract labour Act, 1970: a) Muster Roll. b) Register of wages. c) Register of deductions. d) Register of Overtime. e) Register of Fines. f) Register of advances. g) Identity Card etc.
7. All contractual employees engaged by the contractors are required to be covered under the Workmen Compensation Policy obtained by the contractors from reputed insurance agencies viz: a) New India assurance company b) Oriental India insurance company c) United India insurance company etc.

Conclusion:

The system of employing contract labour is prevalent in most industries in different occupations including skilled and semi skilled jobs. It is also prevalent in agricultural and allied operations and to some extent in the services sector. A workman is deemed to be employed as Contract Labour when he is hired in connection with the work of an establishment by or through a contractor. Contract workmen are indirect employees; persons who are hired, supervised and remunerated by a contractor who, in turn, is compensated by the establishment. Contract labour has to be employed for work which is specific and for definite duration. Inferior labour status, casual nature of employment, lack of job security and poor economic conditions are the major characteristics of contract labours.

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