

**MINIMUM  
WAGES**

## IRRATIONAL APPROACH OF SETTING MINIMUM WAGES

As a welfare state, India is committed to ensure payment of minimum wages to all workers. The Minimum Wages Act, 1948 was enacted to provide for fixing minimum rates of wages in certain employments. According to this Act, workers in unorganised industries must be paid at least the minimum wages laid down for that industry by the government.

### *Minimum Wages Today : A Critical Assessment*

There is great variance in the payment of minimum wages. This lack of uniformity is reflected in the following ways:

**Firstly**, most important is the fact that the Minimum Wages Act is not extended to all States.

**Secondly**, all employments are not included in the schedule and the number of employments varies from state to state.

**Thirdly**, in many States, though the number of employments covered is quite large, wages have not been fixed for all the scheduled employments.

**Fourthly**, all States do not have provision for Variable Dearness Allowance (VDA). Those who do have this provision, pay VDA only for some employments.

**Finally**, there is a high degree of variation between the minimum wages paid in the same industry in different States. The minimum wages paid in different industries in the same state also indicate a great deal of variation. While there is a single rate for all employments in some States, there exists several rates of wages for different employment in most of the States (Subrahmanya and Singh 1996)

Several significant questions arise:

- Why are all the employments for which minimum wages need to be fixed, not included in the schedule?
- What are the reasons for not fixing the rates of minimum wages with respect to a scheduled employment?
- How is a particular amount fixed as the minimum wage in a particular employment in any one state?

Under Section 3 of the Act, the appropriate government should fix the minimum rates of wages payable to workers employed in an employment specified in Part I or Part II of the schedule and in an employment added to either part by notification under Section 27 (Srivastava 1995, p.92). The original Schedule contained twelve employments in Part I and one employment in Part II. As the governments have the power to add to the list any industry for which they feel that such wage should be fixed, a number of employments have been added to the Schedule from time to time. However, there are no means to verify or to ensure that all the employments for which minimum wages need to be fixed are actually included in the schedule.

The reasons for not fixing the rates of minimum wages in respect of a scheduled employment are manifold. The appropriate Government has an option of not fixing minimum wages in any industry in which the total employment in the whole state does not exceed one thousand persons (Srivastava 1995, pp.92-93). The question, however is - how can a government verify whether or not the number of workers in any employment is less than 1000, when the actual number of workers engaged in an employment is not available in many States. Thus, the reason of 'presence of less than 1000 employees in a particular employment' does not seem an adequate justification for not fixing the minimum wages.

In addition, Section 26 of the Act provides for grant of exemption from all or any of the provisions of the Act in respect of any particular employment. The reasons for grant of such exceptions have never been published. The grant of such exemptions and exceptions negate the very purpose of the Act.

## **CRITERIA FOR FIXATION OF MINIMUM WAGES**

There are several issues relating to the amount of minimum wages fixed in any industry. The minimum rates of wages for unskilled workers in different States/Union Territories as on 01.07.1997 shows that the minimum wage fixed by the Government of Maharashtra is Rs. 9.25 per day while it is Rs.68.60 per day in Delhi (where there is a single rate for all employments) (See Annexure III ). In Maharashtra itself the 'maximum' minimum wage for the unskilled workers fixed by the government is as high as Rs.85.95 per day. How has the government arrived at such figures?

The Minimum Wages Act does not lay down the criteria for fixing or revising the minimum wages. However, the mechanism for fixing or revising minimum wages is prescribed in Section 5 of the Act. The appropriate government has two possible options:

1. A tripartite committee may be appointed to hold enquiries and to advise the government regarding the rates of wages to be fixed or revised.
2. The government may itself propose a rate and notify it in the Gazette for the information of the persons likely to be affected.

In practice, minimum wages are usually fixed on the recommendations of Tripartite Committees or Boards. The Committee or Boards do not disclose the basis of the recommendations. In the course of enquiry by the Study Group on Wages constituted by the National Commission on Rural Labour in 1991, the Government of India and the State Governments were addressed through a questionnaire which, among other things sought to know the basis for determination of minimum wages. According to this Report, the Government of India found itself unable to explain the basis for the minimum wage determined by it for employments falling within its purview (Report of the National Commission on Rural Labour, 1991, in Subrahmanya and Singh 1995, pp.41-43). In the absence of fixed criteria, the issue is ultimately settled by bargaining - a bargain between the representatives of workers and employers in the committees or boards modulated by the Chairperson and independent members.

### ***Minimum Wages : A Historical Perspective***

The process of determining minimum wages can be traced back to the Minimum Wage Fixing Machinery Convention No.26 of the International Labour Organization held in 1928. The convention was not ratified immediately by the Government of India (Vaidya

1989, p.3). In mid-1929, the Royal Commission on Labour was appointed to enquire into and report on existing conditions of labour in industrial undertakings and plantations in British India. The Commission considered the question of fixing the minimum wages for those trades in which wages were very low and where collective bargaining was out of the question, for instance in beedi making, wool cleaning, mica factories, shellac manufacturing, and the tanning industry. It recommended the establishment of a statutory wage board for fixing wages in tea plantations. No steps, however, were taken for any legislative measure to implement these recommendations (Srivastava 1995, p.13).

The question of minimum wage fixation came up again for consideration in the committees appointed by the popular ministries (the Congress party) which came into power in 1937 in four of the provinces (Report of the National Commission on Labour, 1969, in Subrahmanya and Singh 1995, p.21). While the Committees in Bombay and MP were to look into the Textile Industry only, the Committees in Bihar and Uttar Pradesh were to examine all the industries.

The Committee in Bombay looked into various factors like the actual family budget of textile workers in different centres; the size and composition of the family; the number of earners and dependents per family and their ages etc. The factors were considered in order to determine what constituted the 'living wage' standard (Vaidya 1989, pp.3-4). All these committees were generally in favour of minimum wage legislation.

The Central Legislative Assembly also adopted a resolution in February, 1938, urging payment of 'sufficient wages' and fair treatment to workers employed in industries receiving protection or subsidy from the government. 'Sufficient wage' was defined as a wage which would ensure to every worker the necessities for existence - food, clothing, housing and education - taking into account at the same time the practical side of the question of the needs of the industry. The implementation of the resolution was, however, deferred.

'Minimum Wage' was discussed in the 5th Session of the Indian Labour Conference held in September 1943. The discussion, however, was in the context of social security.

The Fourth Session of the Standing Labour Committee took up the issue in January 1944. The Committee opined " that there was a fair body of opinion in favour of some form of minimum wage for regions, but the enforcement of the minimum wage was a matter of great importance" (Report of the National Commission of Labour, 1969, in Subrahmanya

and Singh 1995, p.21). The Rege Committee appointed in the same year (1944) found that the basic wage level in most Indian industries was extremely low. The survey further revealed that no steps had been taken by the principal industries in the country to revise in an upward direction the basic wages of their operatives.

The Central Pay Commission was appointed in 1946 to enquire into and report on the conditions of service of Central Government employees, the structure of their pay scales and standard of remuneration. It also had the objective of achieving to the fullest degree possible, rationalization of the principles on which remuneration of the industrial workers and the daily-rated government employees should be based. The Commission recommended that the Government should take steps to give effect to the 'living wages' principle in dealing with employees who are virtually on the 'poverty line', and came to the conclusion that "in no case a man's wages should be less than a living wage."

Simultaneously, with the appointment of the Central Pay Commission the Government of India introduced the Minimum Wage Bill in the Indian Legislative Assembly in 1946. In March 1948, the Bill became the Minimum Wages Act of 1948 (Srivastava 1995, pp.13-14).

The objective of the Act was to provide some protection to those working in small and unorganised industries. These workers were mostly non-unionised and their interests were not properly protected. As discussed earlier, the Act included schedules which contained a list of industries in which minimum wages had to be fixed by the Central or State Government. In addition, the States were given the power to add to that list any industry for which the state felt that such wages should be fixed. However, the Minimum Wages Act, 1948 left undefined the concept of "Minimum Wage". It also did not lay down the norms for wage fixation.

### ***The Subsequent Debate***

The Fair Wages Committee, 1949, for the first time clearly defined the term 'minimum wages' and laid down the level of minimum wages which could be sustained by the country's economy at that time. Further, it distinguished three levels of wages : a 'minimum wage', 'a fair wage', and a 'living wage'. According to the Committee, "Minimum Wages must provide not merely for the bare sustenance of life but for the preservation of the efficiency of the worker by providing for some measure of education, medical requirements and amenities."

The Committee envisaged that while the lower limit of 'fair wage' would be the 'minimum wage', the upper limit would be the living wage at a frugal level of comfort, set by the capacity of industry to pay. The actual level would also be determined after considering various factors like:

- i) productivity of labour
- ii) the prevailing rates of wages
- iii) the level of national income and its distribution
- iv) the place of the industry in the economy of the country.

It also laid down that for calculation of the minimum wage, the needs of a standard family of three consumption units should be taken into account (Recommendations of the Committee of Fair Wages, 1949 in Subrahmanya and Singh 1995 p.76).

While the Committee on Fair Wages indicated the factors to be considered for fixing the minimum wage, the Indian Labour Conference in its Fifteenth Session in 1957, for the first time, moved towards quantifying the main factors. Norms were set for calculating food, clothing, housing and other miscellaneous items to serve as guidelines to the authorities fixing the minimum wage. It held that minimum wage must be 'need-based' and should ensure the minimum human needs of the industrial worker, irrespective of any other consideration. To calculate the minimum wage, the Committee accepted five norms as a guide for all wage-fixing authorities including Minimum Wage Committees, Wage Boards, adjudicators etc. The norms included the following guidelines:

1. The standard working class family should be taken to consist of three consumption units for one earner and the earnings of women, children and adolescents should be disregarded.
2. Minimum food requirement should be calculated on the basis of a net intake of 2700 calories, as recommended by Dr. Akroyd for an average Indian adult of moderate activity.
3. Clothing requirement should be estimated at a per capita consumption of 18 yards per annum which would give an average worker's family of four, a total of 72 yards;
4. In respect of housing, the norm should be the minimum rent charged by the government in any area for housing provided under the subsidised industrial housing scheme for low income groups.

5. Fuel, lighting and other miscellaneous items of expenditure should constitute 20 per cent of the total minimum wage.

The Committee further recommended that whenever the minimum wage fixed went below the recommendations, “it would be incumbent on the authorities concerned to justify the circumstances which prevented them from adhering to the norms” (Report of the National Commission on Rural Labour, 1991, in Subrahmanya and Singh 1995, p.37)

The Second Pay Commission (The Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees, 1957-59), while examining the question of minimum remuneration for Central Government employees, took note of the norms set by the ILC (Indian Labour Conference, 15th Session).

The Second Pay Commission, while accepting the other norms of the ILC, worked out its own diet schedule. The calorie value of this diet was a little over 2600 (Subrahmanya and Singh 1995, p.38). The Commission justified the lower calorie content (as compared to the one worked out by ILC).

Diet content remained a major point of controversy. The Third Five Year Plan (1961-66), therefore, specifically recommended that, “nutritional requirements of a working class family may be re-examined in the light of the most authoritative scientific data on the subject”. On the basis of this recommendation the Ministry of Health appointed the National Nutrition Advisory Committee (NNAC) to re-examine the issue. The NNAC came to the conclusion that food requirements should be taken into account for the family as a whole, and that too on the basis of a net intake of 2,750 calories per adult consumption unit per day. Moreover, it separately evaluated the requirements of each member (Report of the National Commission on Labour, 1969 in Subrahmanya and Singh 1995, p.27). On this basis, the NNAC suggested that 8206 calories per family would be a fair norm for minimum wage fixation (Vaidya 1989, p.7).

The quantification of the ‘need-based’ minimum wage raised not only the question of its practicability but also other basic issues as to whether ‘need’ alone should be the criterion for wage fixation. In 1969, the National Commission on Labour held that “in fixing the need-based minimum which is in the range of the lower level of fair wage, the capacity to pay will have to be taken into account”. Moreover, the Commission opined that a national minimum wage in the sense of a uniform minimum wage in the sense of a uniform minimum monetary for the country as a whole was neither feasible nor desirable.



It held the view that regional minima could be notified in different homogenous regions in each state

The Study Group on Wages, Incomes and Prices (Bhoothalingam Committee) in its report (1978), however, differed with this and suggested that the real minimum wage could be the absolute national minimum irrespective of sectors, regions or States. No employment below this national minimum would be permitted. The Bhoothalingam Committee also observed that in determining such a national minimum wage, several considerations would be kept in view and it would be permitted. The group also observed that in determining such a national minimum wage, several considerations would be kept in view and it would be consisted with factors like

- a) the per capita national income adjusted after applying the participation rate
- b) average national income per consumption unit and
- c) per capita rural consumption expenditure.

The Bhoothalingam Committee proposed that the national minimum wage would not deviate too much from prevalent earnings in the Small Scale Sector and suggested that its impact must not be such as to inhibit generation of employment. It recommended that the national minimum wage should be aimed at Rs.150 per month at 1978 prices This was to be achieved within a period of seven years, starting with not less than Rs. 4 per day of eight hours unskilled work or not less than Rs. 100 per month and was to be revised every two years to achieve the goal. Thereafter the revision in minimum wage should be done every three years in relation to the trend increase in per capita national income. This minimum wage was to be applicable throughout the country for unskilled work for every adult of 18 years or above, irrespective of sex, enhancing the then prevailing statutory minimum wages wherever they were lower.

State Governments were given the freedom to fix higher minimum wages for any category of employment under the Minimum Wages Act. With regard to the agricultural sector, the group felt that a desirable minimum rural household income would be a more meaningful concept because of the irregular and seasonal nature of employment (Recommendations of the Study Group on Wages, Incomes and Prices - Bhoothalingam Committee Report - 1978 in Subrahmanya and Singh, pp.79-85).

“In 1977, the Planning Commission constituted a Task Force on Projection of Minimum Needs and Effective Consumption Demand, to recommend a poverty line for use in the Sixth Plan. The Task Force relied on the calorie norm determined by the Nutrition

Advisory Committee of ICMR in 1968 which was 2400 for rural areas and 2100 for urban areas” On the other hand, it had been suggested by nutrition expert Dr. C. Gopalan of Nutrition Foundation of India, that the average calorie requirement for a family of 4 members (a male labourer, his wife and two children below 12 years) would work out to 8100 calories even after making an allowance for the fact that “for 3 months in the year the labourer for want of employment will not be engaged in heavy manual labour” (Report of the Committee of Secretaries of Labour Regarding Extension of the Scope of the Minimum Wages Act and Determination of the Criteria for Fixation of Minimum Wages, 1981, in Subrahmanya and Singh 1995, p.94). It was also suggested that in the fixation of minimum wage, the cost of a ‘balanced’ diet of 8100 calories which would provide not merely calories but also other essential nutrients, should be taken as the basis.

The Labour Ministers’ Conference held in 1981 had also recommended that appropriate criteria should be developed to ensure in a phased manner, that minimum wages must not fall below the poverty line. While it was held that it was not feasible to prescribe a national minimum wage, it suggested that wherever possible Variable Dearness Allowance (VDA) should be an element of minimum wage (Subrahmanya and Singh 1995, pp. 73-75).

The Sub-Committee of the Parliamentary Consultative Committee for the Ministry of Labour (Gurudas Das Gupta Committee) in its Report (1988) suggested that “minimum wages should be fixed on a rational basis taking into account factors like poverty line requirements of nutrition, shelter, clothing, fuel, light, medical and educational expenses. It also recommended that minimum wages should be based on a realistic assumption of the consumption units in a family and the number of workers in a family. It would not be linked to the capacity to pay. The Gurudas Das Gupta Committee also recommended that the minimum wage should be linked to the movement in Consumer Price Index Number for the cost of living element and should also be revised every two years or on a rise of 50 points in the consumer price index”(Report of the National Commission on Rural Labour, 1991, in Subrahmanya and Singh 1995, p. 41)

The recommendations of the Gurudas Das Gupta Committee were replaced by those of the National Commission on Rural Labour held in 1991. The Commission made remarkable suggestions with regard to minimum wages. It even called for amendments in the Act including deletion of the provision for exemption as well as the provision for minimum number of workers for the applicability of the Act. It also called for shifting

the burden of proof to the employer. Nevertheless it expressed the view that the cost of living at the subsistence level for the worker and his family of three adult consumption units must determine the basic minimum wage.

On the other hand it relied on the concept of poverty line as defined by the Planning Commission in the matter of determination of the minimum subsistence requirement. In its view the most scientific and reliable exercise to determine the poverty line in recent times is the one conducted by the Working Group under the Planning Commission. Based on a calorie intake of 2400 for rural areas and 2200 for urban areas, it estimated Rs.20 per day as the basic minimum wage (Subrahmanya and Singh 1995, pp.35-59).

It is important to note that in the same year (1991) the 15th ILC norms were expanded by the Supreme Court in the Raptakos Brett case to include provision for children's education, medical requirements, minimum recreation including festival/ceremonies, marriages and provision for old age etc. amounting to 25 per cent of the total minimum wage. According to the judgement, *"The wage structure which approximately answers the above six components is nothing more than a minimum wage at the subsistence level.* The employees are entitled to the minimum wage at all times and under all circumstances. An employer who cannot pay the minimum wage has no right to engage labour and no justification to run the industry."

## CURRENT ISSUES

Soon after the 33rd session of the ILC held in 1996, the government came up with a unilateral announcement of Rs.35 per day as the floor level-minimum wage which was based entirely on the National Commission on Rural Labour in 1991. Surprisingly, the government did not hesitate to misinterpret the clear judgement of the Supreme Court in the Raptakos case. The document on the agenda for the 34th session of the ILC (18-19 Dec. 1997) states, “The National Floor Level Minimum Wage of Rs.35/- per day has been worked out on the concept of poverty line *while the judgement of Supreme Court in the case of M/s Raptakos Brett & Co. relates to fair wage/living wage.*” It is important to note that the Supreme Court judgement in the Raptakos Brett case minces no words while declaring, “...the wage structure which approximately answers the above six components *is nothing more than a minimum wage at the subsistence level.*”

The issue today is the definition of “minimum needs. Once this definition is reached, no industry should be allowed to pay below that level. Leave alone the concept of poverty line which defines minimum needs only in terms of a lower calorie intake without any reference to clothing, housing and other necessities of life, one can question even the 15th ILC’s recommendation. In the context of minimum wage for unorganized workers one has to accept the fact that the calorie requirement is not for an average Indian for moderate activity but for an Indian worker who does hard manual labour. Further the average family size can never be four when it is already 4.6 as per 1991 census.

## **VIEWS OF TRADE UNIONS**

“Law must ensure the minimum requirements of a human family. In no case minimum wage should be below the ‘poverty line’. The poverty line definition of the Planning Commission has no scientific basis at all. Calorie intake is the only criterion, and that too is lower than Dr. Akroyd’s recommendation. Moreover, housing, medical, education, conveyance, clothes and other essential needs are not taken into consideration. Dr. Akroyd’s recommendation of 2700 calories is considered by the government as an over-estimation. Infact, workers need much more than 2700 calories as they do hard labour,” says M.K. Pandhe, General Secretary, Centre for Indian Trade Unions (CITU).

The view of the Hind Mazdoor Sabha (HMS) is similar. A document submitted to the 33rd session of the Indian Labour Conference says, “The Poverty Line itself needs to be redefined in the light of the progress that the country has made in the last four decades. HMS is of the opinion that poverty line needs to take into account more than just food (calorie) requirements. A worker today needs more than food - health care, transport, education, housing and something to meet his/her social obligations, to name just few of the basic needs in any society.”

K.L. Mahendra, General Secretary, All India Trade Union Congress (AITUC) while pointing out the arbitrariness in fixation of minimum wages says, “In the early 80’s most of the States revised the minimum wage. In a number of cases the actual prevailing rates were higher than those notified later. The minimum wages fixed by the government have thus been totally arbitrary. Moreover, fixation of minimum wages has, to a great extent, been left to the relative bargaining strength of the employers and employees. Wage determination under collective bargaining has become a political process. Recently, the Uttar Pradesh Government has lowered the minimum wage from Rs.35 to Rs.27 for beedi workers. This ultimately led the beedi industries of the adjoining areas of MP and Bihar to shift their base to Uttar Pradesh.”

It is a fact that all the Central Trade Unions have for a long time now been engaged in the issue of minimum wages for unorganised workers. CITU, AITUC and HMS have continuously demanded a need-based minimum wage as per the 15th Labour Conference decision along with the Supreme Court judgement in the Raptakos case. But the government refused the same. Aligning itself with the employer’s plea, the government raised the bogey of ‘capacity to pay’. It is probably this apprehension that makes both M.K. Pandhe of CITU and K.L. Mahendra of AITUC acknowledge the need based

minimum wage for unorganised workers as unfeasible. The tenor of their explanation is intended to show that a sudden high increase in the minimum wage may not be acceptable to the government. “The need-based minimum has been estimated at about Rs.6500/- per month. This is according to CITU’s calculation at Bangalore in 1997 itself. At the moment we cannot expect a need-based minimum wage for unorganised labour. We have a long way to go to fight for need-based”, says M.K. Pandhe. K.L. Mahendra holds a more or less similar view.

Perhaps, to arrive at a compromise formula at the 33rd session of the Indian Labour Conference held in 1996, all the CTUs unanimously demanded a floor level minimum wage of Rs.50/- per day at the 1991 average index. According to M.K. Pandhe, the calculation is based on NSS’s poverty line figure plus 25 per cent as per the Supreme Court verdict. He further explains that NSS’s poverty line figure in 1991 was Rs. 39 for urban population. Just above the poverty line is rupees 40. An addition of 25 per cent amounts to Rs.50. However, no decision was taken by ILC.

The followings are the suggestions from CITU and AITUC in terms of legislative measures:

- wage should be protected from price hike and linked with the price index;
- periodic revision (once in two years) so that the standard of the workers may be improved;
- law should empower the trade unions to prosecute; and
- the punishment for the first offense is a fine and for the second offense the punishment should be imprisonment.

Their suggestions reiterate that implementation of minimum wage is not possible without a strong trade union movement.

P.K. Sahi, General Secretary of AIDTU has this to say, “The unorganized sector industries in Delhi, neither keep any records of the workers nor pay them according to the statutory minimum wages. In most of the establishments the workers asked to work more than 12 hrs. and not paid minimum wage. Demand for minimum wage has only led to retrenchment. because of economic insecurity and lack of time to organize, Mazdoor Union was collapsed. Minimum wage without job security is meaningless. Reduction in working hours can reduce unemployment. It is also necessary to find ways and means of making the urorganised sector economically viable by providing concessions and subsidies. Closing down of these nits would only deprive the workers from work.”

Apart from the wage issue, there are problems which workers in the unorganised sector face every day of their lives. Only a small portion of workers who are unionised in this sector have been fighting for their rights. A review of various protests and movements in the 90's highlights some of the concerns around the issue of minimum wage.

## **BEEDI**

### ***1. No Stay Order Against Minimum Wage***

There are several instances in the beedi industry where employers have managed to obtain a stay order against implementation of the minimum wage. Three thousands beedi workers of MP demonstrated before the High Court on March 4, 1993 and submitted a memorandum to the Chief Justice of MP by 7 delegates on behalf of demonstrating beedi workers. In the memorandum it was stated that the petitions filed by beedi employers of MP had obtained stay order to the notification published on February 3, 1992 by the then MP State government, the petitions may be decided at an earlier. The notification pertained to revision of beedi workers' wages. The minimum wage fixed in 1987 was Rs.14, and was revised to Rs.20. for rolling 1000 beedis (Beedi workers demonstrate before High Court, New Age, March 28, 1993).

In the same year all beedi workers in Tamil Nadu decided to go on a one-day token strike irrespective of the differences amongst their unions. They staged a dharna on December 6 1993 before the Madras High Court and presented the following demands :

1. Vacate immediately the vicious stay order against minimum wages.
2. Order deposit of wage arrears to beedi rollers.
3. Protection to minimum wages under the Ninth Schedule of the Constitution of India.

“Tamil Nadu beedi rollers once in two years used to have 12(3) settlement for revision of the wages for rolling beedis”. On 28.11.92, 12(3) settlement was arrived at for increase of Rs.3.00 per 1000 beedis. Beedi managements all over Tamil Nadu except for Mangalore Ganesh Beedi Company implemented the increased wages. To vindicate the increased wage demand, several workers' unions pressurised the government to issue a notification on the basis of the 12(3) settlement. The Tamil Nadu Government issued Government Order No.2 (d) 14 L & E dated 30.3.93. implementing the settlement. Mangalore Ganesh Beedi Company filed a writ petition against the Government Order and obtained an interim stay order in the High Court. The High Court of Madras passed an interim stay order which infringed upon the principle of social justice. Ganesh Beedi Company's detrimental action was followed by 16 other big beedi manufacturers, causing untold suffering to several thousands of beedi rollers, mostly women, in the districts of Kanyakumari, V.O Chaidambaranar, Nellai Kattanominan and North Arcot Ambedkar (New Age, November 21, '93).



## ***2. Against Concessions to Multinational Companies Manufacturing Small Cigarettes***

To help the monopolists and the multinationals under the new economic policies, the Government reduced the Excise Duty on Cigarettes of length below 60 mm, manufactured by the ITC and other giant monopolists. The price of these small cigarettes became almost equivalent to that of beedis. The Executive Committee and the General Council of the All India Beedi Cigar and Tobacco Workers Federation, in its joint meeting at Ahmednagar decided to observe an 'All India Bandh' on 9th August, 1995 to protest against the policies of the Central Government. The speakers demanded that the Central Government withdraw the concessions in excise duty given to multinational companies. They further wanted an assurance from the Central Government that beedi workers would be given full protection (Trade Union Record, 5 August, 1995, pp. 8 & 14).

The All India Committee of Beedi Workers (CITU) in its meeting at Cannanore on September 1, 1995, gave a call for a countrywide movement by beedi workers in pursuance of the 20-point demands. It added two more demands to the 18 point demands formulated earlier by the All India Conference. Among the two additional demands, one was the withdrawal of the concession in excise duty for small cigarettes of less than 60 mm length (The Working Class, October 1995, p.4).

The All India Beedi, Cigar and Tobacco Workers Federation decided to gherao the main offices of major cigarette companies. On 27th and 28th November 1996, beedi workers gheraoed the Calcutta office of the ITC for 48 hours. According to the Federation's General Secretary Com. R.K. Patnagar, ITC was penalised for violating excise tax evasion for seven years (1985 to 1992) and was ordered to pay Rs.400 crore towards excise tax arrears and Rs.850 crore towards penalty - a total of Rs.1250 crore. Since 1992, there was a spurt in the profits of ITC, because the then Congress Government of Narasimha Rao obliged ITC and permitted it to manufacture mini cigarettes. Concession in excise duty of 50 per cent on mini cigarettes was also granted at the cost of the local beedi industry employing 75 lakh workers. The policy of free market economy and globalisation was paying rich dividends to MNCs and impoverishing the age-old beedi industry and its workers.

Beedi production has gone down by 25% and the beedi workers have been thrown out of jobs, with no alternative employment. The Federation submitted a demand to the United

Front Government to withdraw the permission given to the cigarette industry to manufacture mini cigarettes. But the matter was not taken seriously. Beedi workers have no alternative but to agitate, fight and struggle for their demands. The Federation has also demanded that assets of ITC be attached and the offenders be brought to book (Trade Union Record, 5 November, 1996, p.13).

On 3rd March, 1997, beedi workers organised under the All India Beedi Workers Federation (CITU) held a mammoth rally in Delhi in pursuance of their long standing demands. One of the demands was that the Excise Duty Concessions given to mini cigarettes be withdrawn (The Working Class, April 1997, p.7).

### ***3. Withdrawal of Exemption of Cess***

The provision for payment of cess is included in the Beedi Workers Welfare Cess Act of 1976. The Government had allowed exemption from paying the cess to small manufacturers manufacturing upto 20 lakh of unbranded beedis per annum, in order to avoid hardship which the small beedi manufacturers may face. Taking advantage of this provision, many manufacturers started making unbranded beedis and availed of the exemption.

Following the mammoth rally of beedi workers organised by the CITU in the capital on 3rd March 1997, a delegation of the CITU and its All India Beedi Workers' Federation met the Finance Minister on 4th March and put forward three specific demands. One among them was to withdraw the exemption of cess and excise duty from unbranded beedis below 20 lakh, as the benefits were taken away by the big manufacturers at the cost of the small manufacturers. In this way, beedi workers were being deprived of welfare facilities (The Working Class, April, 1997, p.8).

### ***4. National Minimum Wage with VDA***

A wide disparity of wages prevails among beedi workers in different regions of the country. Due to this wide disparity, there was a continuous shifting of manufacturing units from a State with higher wages to a State with lower wages. This results in unemployment in the former State, while manufacturers earn larger profits in the latter State.

The All India Beedi, Cigar and Tobacco Workers' Federation decided to hold its sixth

conference at Sagar district in Madhya Pradesh from February 24 to 26 of 1991. In Madhya Pradesh, minimum wages notified by the State Government was Rs.14 for rolling 1000 beedis which was much less compared to other States. However, the same was not given by the employers in many parts of Madhya Pradesh. Provision of dearness allowance to beedi workers was available in Kerala, West Bengal and some other States but not in Madhya Pradesh. One of the resolutions was to fix a national minimum wage of Rs.25 for rolling 1000 beedis, and to include provision of dearness allowance in all States (New Age, Feb.17, 1991, p.12).

The day three thousand beedi workers of Madhya Pradesh demonstrated before the High Court in Jabalpur on March 4, 1993, in connection with the stay order against government notification on revision of wages, the beedi workers started a big procession from Ghantaghar. After marching through various parts of the city covering a distance of four kilometres, they assembled at Lima Gardens where a public meeting was held. R.K. Patkar, General Secretary, All India Beedi, Cigar and Tobacco Workers Federation declared that beedi workers all over India must get equal wage for equal work. He demanded that minimum wage be fixed at Rs.30 for rolling 1000 beedis and a uniform dearness allowance be granted (New Age, March, 28, 1993).

On August 5, the All India Beedi, Cigar and Tobacco Workers' Federation sent a letter and a memorandum to the then Labour Minister, P.A. Sangma, detailing some of the grievances of the workers and seeking his intervention to settle them. After a month's wait a delegation of beedi workers from all over the country sat on a dharna at Jantar Mantar on September 5. On September 6, a delegation was invited to the Labour Ministry. An additional PA of the Union Labour Minister came to receive the memorandum. The memorandum listed 11 demands, which included fixation of a national minimum wage, and introduction of DA (New Age, 18th Sept. 1994).

When the beedi workers organised under the All India Beedi Workers Federation (CITU) held a mammoth rally on 3rd March at Delhi, one of the long standing demands was pending need based wage, Rs.50/- as basic wage for 1000 beedis at 1300 points of AICPI (1960=100) with 5 paise per point per day VDA and equal wage to women workers (The Working Class, April 1997, p.7).

### ***5. Problem of Tendu Leaves***

To frame a national policy of distributing tenders of tendu leaves and distribution of

leaves to the workers at a reasonable price, was one of the issues in the sixth conference of the All India Beedi, Cigar and Tobacco Workers' Federation at Sagar in Feb. 1991. The policy adopted by the Madhya Pradesh government in collecting and distributing tendu leaves was in deep trouble. Prices of tendu leaves had sky-rocketed. In effect beedi workers were getting less quantity of leaves at higher prices. The whole industry was found in jeopardy. A resolution to demand framing of a national policy about tendu leaves was taken up for discussion in the conference. Price control, distribution of sufficient supply of tendu leaves and removal of middlemen from the tendu leaves business were among the issues discussed (New Age, February 17, 1991, p.12).

Nearly 70 per cent of tendu leaves are produced in Madhya Pradesh alone. Other beedi producing States therefore depend largely on Madhya Pradesh for supply of tendu leaves. Although the Government of Madhya Pradesh nationalised the entire operation of tendu leaves, it failed to stop the racketeering or the increasing prices of tendu leaves. A delegation from the All India Beedi Workers Federation (CITU) met the Labour Minister and Secretary, Ministry of Labour on 5th March, 1997 and submitted a small memorandum of 5 point demands. One of the issues was the problem of tendu leaves. It stated how the small and medium beedi manufacturers were not obtaining an optimum amount of tendu leaves of good quality, because big manufacturers were cornering the lion's share. Moreover, traders who were not manufacturing were exporting good quality of tendu leaves. The workers were ultimately the sufferers. Thus, the memorandum demanded that the government set up a national level agency to pool tendu leaves collected from the States and fix rates quality-wise. Beedi manufacturers should be supplied according to their needs by eliminating tendu leaf traders (The Working Class, April, 1997, pp.27).

### ***6. Rejected/Chhat Beedis***

In the same memorandum which was submitted to the Labour Minister and the Secretary, Ministry of Labour on 5th March, 1997, the problem of Chhat beedis was one of the issues raised, as the workers were severely exploited by the principal employers and contractors through rejected (Chhat) beedis. According to the Beedi and Cigar Workers (Conditions of Employment) Act, 1966, no employer or contractor would arbitrarily reject more than 2.5 per cent of beedis as of substandard quality. It stated that in actual practice beedis rolled by the workers were rejected to the extent of 25 per cent (The Working Class, April, 1997, pp.27).

### ***7. Identity Cards to All Workers***

On 3rd March, 1997 when the beedi workers organised under the All India Beedi Workers Federation (CITU) held a Mammoth rally at Delhi, the long standing issue of identity cards to all the beedi workers including home-based workers, was among one of the main demands. On 5th March they submitted a small memorandum raising 5 demands. On 19th March, a letter was sent to the Secretary, Ministry of Labour, which was based on the 21st Report of the Parliamentary Standing Committee on Labour Welfare. The Standing Committee had recommended that the Government should ensure that every beedi worker, whether a *Ghar Khata* (home based) worker or worker in a factory, is issued an identity card and the progress should be communicated to the Committee every six months. The letter further states that so far only about 23,76,724 identity cards have been issued out of the government estimated about 44,72,800 Beedi workers in the country, which is also an underestimate. 70 per cent beedi workers in the country were home based, and the majority of home based workers have not been given identity cards. They are therefore deprived of any minimum wage, social security and other welfare measures (The Working Class, April, 1997, pp.27).

# **AGRICULTURE**

## ***1. Against New Agrarian Policy***

The General Council of the All India Agricultural Workers' Union which met at Bangalore on July 1-2, 1995 discussed the wide range of problems faced by agricultural labour due to capitalist farming as a result of the new agrarian policy. According to their view, the policy pursued by the Central Government in the name of "economic liberalisation" was basically anti-poor. In such a scenario a number of issues including minimum wages; wage rises; ration cards; house sites and land for subsistence; struggle to prevent land being used for food grains being diverted to cash crop production or brown farming; mechanisation; use of cheap migrant labour to reduce wages; and the stepping up of development activity, had become live issues to be resolved.

It was decided to intensify the struggle for wages and land to bring immediate succour to hard pressed agricultural labourers all over the country. At the same time it was decided to observe August 7, as Central Legislation Day with demonstrations and actions at the state level demanding that there be no further delay in passing a comprehensive Central Legislation for agricultural labour. Seeing that the New Economic Policy had meant only rising prices, unemployment and misery for agricultural labour and the poor as a whole, the All India Agricultural Workers' Union (AIAWU) also endorsed its participation in the campaign of the National Platform of Mass Organisations against the NEP (Peoples' Democracy, July 16, 1995).

## ***2. Comprehensive Legislation***

In its 10th Conference held on March 10 to 12, 1991, Bihar Khet Mazdoor Union decided upon two immediate tasks for mass action: a State-wide dharna on March 28 before Central Government Offices for a comprehensive Central Law for agricultural labourers and a mass strike on July 1 all over the State for implementation of minimum wages (New Age, March 24, 1991, p.6).

The Central Working Committee of the AIAWU, which met in New Delhi on December 2 and 3, 1995 while condemning the failure of the Central Government to bring forward a comprehensive central legislation in Parliament for agricultural labour, called upon the rural masses to make the month of January 1996 one of action to fight for a comprehensive central legislation for agricultural labour; cancellation of all debts below

Rs.5000 and easy credit to the rural poor; provision of the necessities of life through the public distribution system at 50 per cent of the price for the rural poor and landless, scheduled castes and tribes and women, as well as making social boycotts of agricultural labour a criminal offense; the provision of alternative employment to agricultural labour for working days lost on account of the government's policy of commercialisation and mechanisation of agriculture; and the formation of vigilance committees of the rural landless to ensure that corruption in development projects is countered through mass action (Peoples' Democracy, 24 Dec. 1995).

While making a special mention during zero hour in the Rajya Sabha on July 16, 1996, the Rajya Sabha Member of Parliament and member of the CPI(M) Politburo, S.Ramachandran Pillai, stated that the long pending Comprehensive Legislation for Agricultural Workers should include statutory minimum wages, fixed working hours, workmen's compensation for injuries, maternity benefit for women agricultural labourers, sick leave, pension, provident fund and other social security benefits (Peoples' Democracy, July 28, 1996).

On the eve of the December 16, 1996, New Delhi Convention of the Platform of Mass Organisations, of which the Bharatiya Khet Mazdoor Union, All India Agricultural Workers' Union, All India Agragami Kisan Sabha and the Samyukta Kisan Sabha warned the Government of India not to delay the proposed Comprehensive Legislative for Agricultural Labour. They reminded the government that the promise to table the legislation, alongwith providing sufficient and cheap foodgrains through the PDS and other points of the common minimum programmes could not be pushed aside to accommodate the whims of a handful of Indian and foreign profiteers (Peoples Democracy, Dec. 22, 1996).

A need-based minimum wage and its effective implementation still does not benefit a large chunk of workforce in the unorganised sector. This is simply because they are self-employed and do not receive any wage. Fishery and Forestry are such sectors where most of the workers are self employed. Nevertheless, they live below the poverty line. What is more important, here, is to ensure their minimum earnings by protecting traditional and customary rights of these workers and their living and working conditions, and conserve the resources to a sustainable development.

## **FISHERY**

The issues, the fishworkers address are many -

### ***1. Compulsory Registration and Identity Cards for Actual Fisherman and Restrict the Right of Ownership of Fishing Assets only to those who are willing to fish***

Prior to Independence fishing was a semi-subsistence, caste-specific occupation, practiced by men, while processing and the sale of the catch were the domain of women. “Despite increasing competition since independence, this traditional sector has maintained a strong presence through its knowledge of the sea and, in many areas, its ability to organize to protect its interests” (Kurien, John, Joint Action Against Joint Ventures – Resistance to Multinationals in Indian Waters, “The Ecologist Asia”, Vol.3, No.4, July/August 1995, p.44.)

With the introduction of mechanisation, fishing practices became more and more capital intensive, paving the way for investors and merchants from non-fishing communities to jump into this sector, thus displacing the traditional stake-holders. The elite and rich having political clout, made full use of institutional financial backing and marginalised actual fisherfolk rendering them into ‘coolies’ working for the merchants.

The fisherfolk demand that “all governmental assistance and benefits of technological upgradation be made available for their upliftment instead of encouraging non fishing entrepreneurs to marginalise them. For this, they want compulsory registration and identity cards for actual fishermen”(Personal communication from Harekrishna Debnath, President, Dakshin Banga Matsyajibi Forum - DMF). Improving the socio-economic condition of the traditional fisherfolk implies guaranteeing their present employment. They must not be displaced due to development. There is a need to restrict the right of ownership of fishing assets only to those who are willing to fish.

### ***2. Against All Destructive Fishing Policies***

The concept of modern fishery was first introduced by development planners in Independent India. The UN-assisted, Indo-Norwegian ‘integrated fisheries development’ project in 1951 rejected the potential of an intermediate form of technology to improve the performance of traditional canoes or catamarans through mechanisation. Instead, new mechanised boats were introduced for operating gillnets and freezer technologies introduced for processing.



This capital intensive technology attracted a new class of entrepreneurs. These investors were from outside the traditional caste and had no long-standing commitment to the fisheries. They had only one interest : to find ways of recovering their investment. This necessitated the introduction of new methods of fishing such as trawling and dredging (scraping the sea bed with a bell-shaped net for bottom-dwelling fish) and purse-seining (encircling whole shoals of surface dwelling fish). These destructive mechanised processes began to damage submerged habitats such as meadows, coral reefs and rocky outcrops. During the course of these operations, mud was stirred up, which suffocates small filter feeding organisms. These mechanised operations not only inflicted physical damage to the sea bed but also started disturbing and destroying marine life.

From the early 1970s onwards the landings of nearly all the major bottom-dwelling fish began to decline sharply. This was primarily because of excessive fishing (in case of purse-seining) and destructive fishing (in case of trawling and dredging). They virtually exhausted the inshore resources, leaving little for the marine fishermen to fall back on. The signs of over fishing and depletion of fish resources in many marine fishing centres of the country led to competition, conflict and clashes between sections of fishermen in many States.

Deep sea fishing in India which began in 1970s had hitherto been confined to the Upper East Coast for shrimp and other valuable species. “The growth of deep sea fishing reached a higher pitch in the 1980’s when ‘national capital’ was invested to launch deep sea fishing fleets. In 1981 the Government of India announced a Charter Policy to facilitate the building up of fleets for deep sea fishing in the country. Highly destructive Bull Trawlers were allowed to operate under this scheme. In the same year the Government of India enacted the (Regulation of Fishing by Foreign Vessels) Act 1981 in order to restrict the operation of foreign vessels in the Indian Exclusive Economic Zone (EEZ). The Indian EEZ, a coast line comprising of 200 nautical miles, which covers an area of 2.02 sq.km., came into force in January 1977” (John 1996).

An Indian-owned, deep sea fleet fishing shrimp for export in the Bay of Bengal grew from 68 vessels in 1984 to 180 in 1991. But it soon started to experience heavy losses. A report in 1992 by an FAO consultant, M Guidicelli, ‘Study on Deep Sea Fisheries Development in India, FAO, Rome, commissioned by the Indian Government at the request of the industry, advised that the boats and crews should be redeployed (Kurien 1995). The government did not redeploy the Indian fleet but opted for joint ventures.

The new economic reforms and liberalised investment policies have removed all barriers for foreign entrepreneurs to invest in fishing in the Indian Exclusive Economic Zone (EEZ). “For its part, the Indian Government has done everything in its power to ensure that foreign investors make a profit. Subsidised fuel is available at a price far below that paid by traditional fishermen; one hundred per cent of fish caught can be exported directly from the fishing boat, which means that there will be few checks on the amount or the kind of fish being caught; and there is no obligation for the boats to dock in Indian ports, a concession which not only reduces still further the benefits to Indian coastal economies, but also carries implications for national security” (Kurien 1995).

A Report Prepared by the National Fishworkers’ Forum titled “Deep Sea Fishing : The Need for a New Policy Approach,” highlights the following consequences of indiscriminate fishing by foreign vessels:

**a) Impact on resources.**

Since large stocks of each species are available in temperate waters, fishing technologies of imported vessels are actually more suited to temperate waters and not to tropical seas, where comparatively smaller stocks of different species are found. Consequently, these fishing technologies would definitely lead to depletion at a much faster rate. As each fishery in a particular region is a link on a chain of total fish resources, destruction of one link would break the entire fish chain, which could ultimately lead to a total collapse.

**b) Impact on employment.**

Promotion of deep sea fishing will not accelerate employment opportunities for the existing fishermen in India for two reasons. Firstly, deep sea fishing is based on highly intensive and specialised technology which requires less labour. Secondly, the highly paid skilled jobs would be reserved for foreigners while menial jobs e.g. deck hands and cooks, would go to Indian labour. Moreover, Indian labour on board these fishing vessels would be mere stooges and would have no control over the management and pricing of the catches.

**c) Information gaps.**

There is a possibility of fish trade in the high seas which tends to give a false picture about the product and product value. In addition, the Indian authorities would never be able to get a clear picture about the catches and catch values. The Indian company/Indian authority would have to accept the word of the skipper who would be a foreign national.

Thus, regulation and monitoring would be a problematic issue.

**d) Waste of costly fuel.**

Since the fuel consumption of these sophisticated vessels would be very high, this would result in huge depletion of a scarce resource.

***3. Protect the Marine and Coastal Ecology from Land Based and Sea Based Threats***

Besides the problem of over fishing and destructive fishing practices, there are additional problems due to industrial aquaculture and the use of the sea and rivers as a dumping ground for toxic waste.

There has been substantial loss of biodiversity and destruction of coastal habitats, such as mangroves. Large tracts of mangrove forests have been destroyed for shrimp aquaculture. Mangrove trees play a vital role in providing food and shelter for fish. Since the turbid waters of the estuary do not allow sunlight to penetrate very far, the formation of nutrients in the water is limited. This deficiency is made up for by the leaf litter dropped by the mangroves which rot to form food for aquatic life. As trees are destroyed, river life suffers.

Paddy land has been used for shrimp farming. Aquaculture growth has also led to incursion of salinity into the paddy fields and pollution of potable ground water. Following the decline in shrimp productivity, the land is abandoned and left in a condition which is unfit for paddy cultivation. Industrial aquaculture and fisheries, by the very nature of their activity, have displaced those involved in small-scale, domestically oriented food production. Consequently, the livelihoods of fisherpeople are under threat.

Industrial fleets result not only in destructive fishing practices but also in the discharge of toxic waste into the seas. Hundreds of polluting industries like, chemical factories, refineries and power projects are coming up all over the coastal areas, due to which the sea is used as a dumping ground for toxic waste. Many industries discharge their toxic effluent into the back waters which ultimately reach rivers and then the seas. Organic waste from all urban centres is also flushed into river and sea water, contributing to the threat to the coastal ecosystem.

***4. Reservation of Territorial Water for Traditional Fisherfolk***

The entire territorial waters must be exclusively kept for the use of only traditional fisherfolk and necessary legal protection must be ensured. Granting the rights and responsibilities of management of fishery resources in this area to such a community of owner-worker fishermen would improve the socio-economic condition of traditional fisherfolk.

***5. Improvement of Artisanal Crafts; and Liberalised Central Subsidies and Credits, and Safety Equipments for Small Fishermen Venturing into the Deep Seas***

The skills of traditional fishermen already involved in deep sea fishing should be encouraged and their capacity enhanced. Their artisanal crafts should be improved. There should be a policy to ensure liberal central subsidies and credits for small fishermen who venture into the deep sea. Safety equipments should be made popular and accessible to them.

***6. Greater Social Control Over the Marine Export Sector and Floor Prices for Commercially Important Varieties***

Export orientation which directly or indirectly (through destructive fishing practices) results in less fish for local consumption needs to be curbed. Such measures would complement the measures of aquarian reform and greater producer-control over first sale. Floor prices for commercially important varieties of fish should be fixed. These measures would ultimately improve the conditions of the traditional fisherfolk to a great extent.

## **FOREST**

The Gujarat Forest Produce Gatherers and Forest Workers Union defines forest workers as “the workers employed by the Forest Department engaged in activities such as planting of saplings, raising and protecting them; protection of forests; as well as the people engaged in plucking of tendu leaves and collection of other minor forest produce” (Personal communication received from Ushaben Machhar, Secretary, Gurajat Forest Produce Gatherers and Forest Workers Union). N.P. Samy, coordinating, secretary of NCL explains that, “Forest workers are an all-inclusive category. Anyone who is involved in the labour process of forest produce or with the developmental works of the forest department, is a forest worker. All forest dwellers who are dependent on forests, are in some way or the other forest workers in the present context”(Sharma 1997).

From the minimum wage and minimum earnings point of view, the issues of concern raised by forest workers all over the country may be summarised as follows:

### ***1. No Exemption of Forest Workers from the Purview of Minimum Wages Act***

Under the Minimum Wages Act, 1948, different States have announced ‘scheduled employment’ which covers certain forest related activities. Some governments have issued notifications under Section 26(2) of the Act to exempt employments in forestry and timber operations from minimum wages.

### ***2. No Piece Rate Less than Minimum Wage***

The piece rate system operates at two levels. The first where a number of States have nationalised minor forest produce and the second, where extension, developmental and other schemes of the forest department engage forest workers.

Some States operate through the forest department for procurement and collection of minor forest produce such as tendu leaves, sal leaves, gum from babool trees, honey and medicinal herbs. These governments arbitrarily fix the rate of collection which is very low, and the rates for some of the produce are fixed at a rate which is unbelievably less than even the market-rate.

Plantation is one of the main activities in which a sizable number of women are employed on a regular basis. These workers get their wages also on a piece-rate which is

fixed at a low level. Hence, workers are forced to work for longer hours. There is also regular employment in raising saplings in the nurseries, mostly from December to June-July. These nurseries are under the control of various government departments. These workers are only given seeds, and they have to make their own arrangements for land, irrigation, fertilizers and other necessary inputs. Finally they are paid a low price per seedling. Furthermore, the seedlings are often rejected in the name of less height or unhealthy growth.

### ***3. Removal of Contract System***

The contract system, which operates in favour of the contractors and middlemen, is widespread in the area of forest produce. For instance, in Gujarat, minor forest produce such as tendu leaves, mahua flowers, doli seeds, gum and other items come under the purview of the Gujarat Minor Forest Produce Trade Nationalisation Act, and the Forest Development Corporation (FDC) has been appointed as sole agent. For tendu leaves, the Corporation has divided the forest areas into a number of units. Moreover, it auctions these units to traders under the advance purchase system.

A Committee appointed under this Act recommends the collection rate of leaves to the government and the rate is subsequently published in the government gazette. Although the advance purchaser/purchaser agent is supposed to pay the notified rate for collection, he often does not pay the fixed rates. Similarly, in Orissa, the government controls the activities of minor forest produce through a system of leases and permits. The Tribal Development Cooperative Corporation (TDCC) has taken a lease for certain items and it normally sublets this lease to local contractors and businessmen. Such a system ultimately leaves the forest people vulnerable to exploitation.

### ***4. Social Security Plantation Schemes for Firewood Collectors, Bamboo Weavers and Wood Workers***

Collecting firewood from forests and selling it in towns is one of the main occupations of tribals and other communities. Their earnings also depend on season, population of the city, availability of fuel and other local factors. They are not able to get much return despite their hard work. The communities who make different items from bamboo and sell them in open markets, to contractors or to several other agencies, are neither assured of raw materials, nor do they have any say in the market. Madhusudan Mistry, who is a pioneer in organising forest workers outlines certain measures for firewood collectors,

bamboo weavers and wood workers, “To provide firewood for daily needs and sale, the forest department should give land to the firewood collectors to grow trees for firewood. To sustain them till the trees mature, the government should also introduce social security plantation schemes. For example, in Gujarat, poor landless people are allotted land for growing trees. The Forest Department pays Rs.450 per month per person of a family till the trees mature. At the time of maturity of the trees, the Forest Department cuts the branches and the share is divided on 50 per cent basis, after deducting the expenditure”(Sharma 1997).

### ***5. Restoration of Traditional Rights of Forest Dwellers***

From time immemorial, forest dwellers have had a community right over the forest and its produce. The colonial forest policy was primarily commercial in nature and its main aim was to generate revenue and to produce large scale commercial timber. The Imperial Forest Department came into existence in 1864 followed by the Indian Forest Act, 1865. That was the first major step towards state monopoly. After independence, the government carried on with the colonial government policy and further developed its commercial and revenue orientation. In fact all the changes made since independence have only tightened government control over forests and the policies.

The National Commission on Agriculture (NCA) recommended a further curtailment of the rights and privileges given to the people as a major precondition to improve the forest cover. According to the NCA, “Free supply of forest produce to the rural population and their rights and privileges have led to the destruction of the forests and so it is necessary to reverse the process.” Hence there has been a transfer of the forest from the hands of the community to the hands of the state. This has, subsequently, led to the denial of rights over forest, forest produce, land and their knowledge of medicinal plants and other life forms in the forest.

The forest still remains a major source of income and livelihood for the forest people. Shifting cultivation, fruits and flowers from trees and plants, stems and roots, animals and other livestock are the main sources of food. Infact, Minor Forest Produce (MFPs) is minor only in name while it remains major in terms of income.

“The move towards market oriented and export led models of growth coupled with the opening up of the economy to foreign investment and privatisation in the 80s and 90s has further increased the burden on forest resources and subsequently marginalised those

people more, who depend directly on them. Never before in independent India have forest resources and forest people faced such a sharpening of distress and crisis in a short span of time, as they are being subjected to now.... In 1994, the Ministry of Environment and Forests, Government of India, prepared a new draft Forest Act, to replace the Indian Forest Act of 1927, aimed at restricting people's rights in reserved forests and sharply limiting the area of village forests.

“These years have also seen a series of proposed and actual denotifications of national parks and sanctuaries in various States. The 765 sq.km. Narayan Sarovar Sanctuary in the Kutch region of Gujarat has been denotified, without any mandatory clearance for such action under the Wildlife Protection Act and Forest Conservation Act. The area has been given for large scale limestone mining to support cement factories in the area. The Himachal Pradesh Government denotified the Darlaghat Sanctuary, to make way for a cement factory. Several other areas are facing similar threats of denotification.

“In one of the most recent moves, the MP Forest Corporation has asked tenders from private industries to lease out forest land for 30 years. Thus having joined the globalisation bandwagon, Indian Governments - Centre and the States are trying to transform forest resources into objects for primitive accumulation by domestic and foreign capital. More important, such deals involved substantial losses for the forest people and the community” (Sharma 1997).

A recent Supreme Court order on Protected Areas (PAs) settlements has unwittingly condemned three million people and countless wild animals and plants to a future full of misery, says Ashish Kothari (Kothari 1997). The order came about in a petition filed by the World Wide Fund for Nature (WWF-1). According to Kothari, “Both the WWF petition and the learned judges' order are devoid of any understanding of the ground reality. Over three million people live inside India's PAs and are heavily dependent on the local natural resources for survival. Over half of the country's PAs have settlements inside, and almost two-thirds of the settlements have rights, leases or concessions..... Several Customary rights are not recognised at all.... judging by what is happening in MP, here is the likely course of events in all the PAs : notices will be issued, people will mistake them for eviction orders or know that there are going to be further curbs on their access to livelihood resources, murmurs of protests will build up to mass demonstrations, ..... latent conflicts between the forest staff and people will turn to violent clashes, villagers will start poisoning wildlife ..... some of this is already happening, 20,000 tribals recently rallied in the Semarsot Sanctuary, and a mass sit in was organised in front



of the State Assembly in Bhopal.”

He further adds, “It may not be too late to retrieve the situation. The process for determining and settling people’s right in the PAs must be fully participatory. A team representing the villagers, the district administration, the Forest Department, the local NGOs and research groups should spend the next year determining the resource uses in each PA (and not just the rights recorded in official documents), analysing the indicators to assess the ecological impacts of these uses and then deciding on what activities can and cannot continue, depending on the conservation value of the area. Guidelines for doing this can be quickly framed to enable the teams to work in a systematic way.”

**THIRTY FOURTH SESSION OF  
THE INDIAN LABOUR CONFERENCE  
VIGYAN BHAVAN, NEW DELHI**

(18-19 December, 1997)

**AGENDA**

Organised by

**MINISTRY OF LABOUR  
GOVERNMENT OF INDIA,  
NEW DELHI**

	Employers' Organisations was also organized on 20.5.1997 under the Chairmanship of Secretary (Labour) to discuss the implementation of Supreme Court Judgement dt. 10.12.96. At the field level, representatives of trade unions are expected to be involved in planning and implementation of the projects by the District Level Child Labour Project Societies.
11. A National Floor Level Minimum Wage for unorganized establishments should be fixed taking into account the poverty line basis as well as the decisions of the Supreme Court	The National Floor Level Minimum Wage of Rs. 35/- per day has been worked out on the concept of poverty line while the judgement of the Supreme Court in the case of M/s Raptakos Brett & Co. relates to fair wage/living wage. Even the suggestion for notifying Rs.35/- as minimum wage, has not been implemented by a large number of States. A letter was written by the Prime Minister to all the Chief Ministers on this and a reminder has also been sent from the Labour Minister to all the Chief Ministers. The latest position of minimum wages fixed by the different States for unskilled workers is annexed as Annexure-III
12. Vocational Training Program of DGE&T should be re-oriented towards	Liberalisation of economic and industrial policies calls for a drastic orientation of the

### ANNEXURE-III

(Refer Item No.11 of 33rd ILC)

#### Minimum Rates of Wages for the Unskilled Workers in Different States/Union Territories Admn.

(As on 1.7.1997)

1.	Andhra Pradesh	Rs.16.00 to* Rs.42.40 p.d. (12.02.96)	Rates vary from employment to employment.
2.	Arunachal Pradesh	Rs.21.00 to Rs.23.00 p.d. (01.01.94)	Rates vary from employment to employment and areas to areas.
3.	Assam	Rs.32.80 to* Rs.49.10 p.d. (01.04.95)	Rates vary from employment to employment.
4.	Bihar	Rs.27.30 to Rs.39.70 p.d. (21.12.95)	Rates vary from employment to employment.
5.	Goa	Rs.21.00 to Rs.93.00 p.d. (01.04.97)	Rates vary from employment to employment.
6.	Gujarat	Rs.34.00 to* Rs.77.80 p.d. (25.04.97)	Rates vary from employment to employment (according to Zones)
7.	Haryana	Rs.59.56 to* Rs.60.55 p.d. (01.01.95)	Single rate for all employment, except agriculture.
8.	Himachal Pradesh	Rs.26.00 to Rs.45.75 p.d. (01.03.96)	Single rate for all employment, except Tea Plantation.
9.	Jammu & Kashmir	Rs.30.00 p.d. (13.03.95)	Single rate for all employment.
10.	Karnataka	Rs.26.00 to* Rs.56.50 p.d. (17.12.96)	Rates vary from employment to employment (according to Zones)
11.	Kerala	Rs.19.50 to*Rs.114.16 p.d. (25.10.96)	Rates vary from employment to employment (according to Zones)
12.	MP	Rs.26.46 to* Rs.55.19 p.d. (06.02.97)	Rates vary from employment to employment.
13.	Maharashtra	Rs.9.25 to* Rs.85.95 p.d. (29.06.94)	Rates vary from employment to employment (according to Zones)
14.	Manipur	Rs.44.65 p.d.*(for plains Rs.49.50 p.d. (for Hill areas) (08.07.95)	Double rates for all employment
15.	Meghalaya	Rs.35.00 pd. (01.01.95)	Single rate for all employment.
16.	Mizoram	Rs.45.00 p.d. (10.07.97)	Single rate for all employment.

17.	Nagaland	Rs.25.00 p.d. (06.07.92)	Single rate for all employment.
18.	Orissa	Rs.30.00 p.d. (15.08.96)	Single rate for all employment.
19.	Punjab p.d. (01.07.95)	Rs.58.07 to* Rs.60.62 except agriculture.	Single rate for all employment
20.	Rajasthan	Rs.32.00 p.d. (01.01.95)	Single rate for all employment.
21.	Sikkim	NIL	Minimum wages Act, 1948 is yet to be extended and enforced.
22.	Tamil Nadu	Rs.10.00 to* Rs.64.48 p.d. (18.06.96)	Rates vary from employment to employment (according to zones).
23.	Tripura	Rs.17.70 to Rs.36.00 p.d. (29.08.97)	Rates vary from employment to employment (according to zones).
24.	Uttar Pradesh	Rs.27.00 to* Rs.50.00 p.d. (13.06.96)	Rates vary from employment to employment (according to zones).
25.	West Bengal	Rs.32.47 to* Rs.77.00 p.d. (02.11.95)	Rates vary from employment to employment (according to zones).
26.	Andaman & Nicobar	Rs.37.00 to Rs.40.00 p.d. (15.08.94)	Rates vary from employment to employment (according to zones).
27.	Chandigarh	Rs.58.06 to* Rs.60.15 p.d. (04.11.95)	Single rate for all employment except agriculture.
28.	Dadra & Nagar Haveli	Rs.35.00 to Rs.40.00 p.d. (18.05.95)	Rates vary from employment to employment (according to zone).
29.	Daman & Diu	Rs.35.00 p.d. (19.05.95)	Single rate for all employment.
30.	Delhi	Rs.68.60 p.d.* (15.02.94)	Single rate for all employment.
31.	Lakshadweep	Rs.41.46 p.d. (01.01.96)	Single rate for all employment.
32.	Pondicherry	Rs.19.25 to Rs.40.20 p.d. (24.07.95)	Rates for agricultural workers.
<b>II.*</b>	<b>CENTRAL GOVERNMENT</b>	<b>Rs.38.23 to* Rs.70.63 p.d. (12.07.94)</b>	<b>Rates vary from employment to employment (according to areas)</b>

**Note :**

1. \*Indicates the provision of Variable Dearness Allowance alongwith minimum rates of wages.
2. Figure in bracket under column (3) indicate the date of revision for the last revised scheduled employment.

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