

CHAPTER-IV

HISTORICAL BACKGROUND OF THE UNIONS UNDER STUDY

A) MECHANICAL VA ENGINEERING KAMGAR SANGH, KOLHAPUR

Mechanical Va Engineering Kamgar Sangh was established in the year 1965 but registered on 7-8-1972. The Communist Party of India (CPI) formed this Sangh in Kolhapur. This Sangh is working for the workers, employed in mechanical and engineering industry in Kolhapur City and district. Around 3,500 workers of this industry were members of this Sangh in 1988.

The Sangh is affiliated to "All India Trade Union Congress" (AITUC). AITUC was established by All India Congress Party in the year 1920, but afterwards it was captured by Communists. Now-a-days, the AITUC faithfully follows the policies of the CPI. It believes in the nationalisation of means of production and establishment of a socialist state in India.

AITUC is affiliated to the "World Federation of Trade Unions" This federation works for the workers of the world for their rights. The President of the AITUC is Com. Caturand Mishra. The President of the AITUC for Maharashtra State is Com. B.S. Dhume. The local leader and President of the AITUC is Com. Govindrao Pansare.

OBJECTIVES :

The objectives of the Sangh are -

- 1) To organise and unite the workers employed in the mechanical and engineering industry in Kolhapur.
- 2) To secure to the members fair conditions of life and service.
- 3) To try to redress their grievances.
- 4) To try to prevent any reduction of wages and if possible to obtain an increase whenever circumstances allow.
- 5) To endeavour to settle disputes between employers and employees
- 6) To endeavour to secure compensation for members in cases accidents under the Workmen's Compensation Act.
- 7) To provide legal assistance to members in respect of matters arising out of or incidental to, their employment.
- 8) To endeavour to render aid to the members during any strike brought about with the sanction of the Sangh or a lock-out.
- 9) To obtain information in reference to the mechanical and engineering industry in India and outside.
- 10) To help, in accordance with the Indian Trade Unions Act, the working classes in India and outside.
- 11) To conduct Educational Programmes for the members.
- 12) To take such other steps as may be necessary to ameliorate the social, economic, civic and political conditions of the member.

ACTIVITIES OF THE SANGH :

This Sangh has been working for the workers employed in this Company since 1970. Before 1970 the Mechanical and Engineering Kamgar Union, was working for these workers. The Sangh had started various activities for these workers in the following situation.

In 1969 the recession started in some sectors of the Indian economy. Due to this recession the demand for engineering goods started falling. To overcome this situation, the Company decided to curtail its production. Therefore the management of the Company took a decision of five days week for the period of six months, in consultation with the Mechanical and Engineering Kamgar Union. Due to this decision all workers had to lose one day's wages per week.

In 1970 the situation improved, but the Company did not change its decision of five day's week. All workers demanded return to six days' week. The management was strongly against this demand. The mechanical and Engineering Kamgar Union did not actively support this major demand of the workers. So some leaders of these workers went to Com. Govindrao Pansare, who was the main leader of the Sangh, and requested him to resolve this burning problem of the workers.

Subsequently majority of the workers of the Company joined this Sangh. Then the Sangh gave a call of strike to the workers. After a strike of 35 days, a settlement was arrived at between the Sangh and Management.

According to the settlement, Management agreed to run the Company for six days a week. The Management also agreed to raise wages by Rs. 35/- per month to all workers, and the Sangh called off the strike.

Mechanical Va Engineering Kamgar Sangh worked for these workers for a long period of 1970 to 1983. In this period the Sangh and Management of the Company negotiated on many issues and problems of the workers as well as the Management. Three agreements were made and implemented during this period. As per these agreements Sangh had become successful in providing the following benefits and facilities to the workers by the Management.

1) Grades :

All the workers are graded into five different grades according to the skill they possessed. The skill related to the grade is as under :

	<u>Grade</u>	<u>Skill</u>
1)	III	Highly Skilled
2)	IV	Skilled-A
3)	V	Skilled-B
4)	VI	Semi-skilled-A
5)	VII	Semi-skilled-B
6)	VIII	Unskilled

Grade I and II are reserved for the Engineers and Supervisors respectively.

The Management agreed with the Sangh, that whenever the wage scales are to be revised this gradation will be accepted as the basis.

2) Promotion :

Promotion is given on the basis of gradation list prepared each year. Seniors are promoted to upper grades taking into consideration their qualification experience, service records and performance reports.

3) Wage Scales :

In 1974 Government of Maharashtra applied the Minimum Wage Act ^{of} 1948 to the Mechanical and Engineering Industry. The Sangh tried for implement of this Act for their members. Accordingly a settlement was reached between the Sangh and Management, and the provisions of the Act were applied to these workers from 1st January, 1976.

<u>Grade</u>	<u>Wage Scales</u>
VIII	160-3-190-4-210
VII	180-5-230-6-260
VI	200-6-260-7-310
V	240-8-320-9-365
IV	280-10-380-12-440
III	300-15-450-20-550

This was the first time that the Management applied wage scales as per the grades of the workers.

Another settlement was effected between the Sangh and Management in 1981. As per this settlement the wage scales applied in 1976 should be revised from 1st October, 1980. The revised wage scales are as under :

<u>Grade</u>	<u>Revised Wage Scales</u>
VIII	345-4-355-5-380-6-410
VII	360-6-390-7-425-8-468
VI	385-8-425-9-470-10-520
V	430-10-480-11-535-12-580
IV	470-13-535-14-605-16-685
III	500-16-580-18-670-21-776

These wage scales were inclusive of dearness allowance upto 350 points of Sholapur Consumer Price Index for working class. These scales were to remain in force till 31st December, 1984.

4) Dearness Allowance :

All the workmen will be paid dearness allowance at the rate of Rs. 0.05 per-point per-day for the rise of every point of the Sholapur Consumer Price Index.

5) Attendance Bonus :

All workmen, rendering work on all the working days in a calendar month is entitled to Rs. 10/- as attendance bonus for that month. Attendance bonus is given to ensure regularity in work and minimise absenteeism.

6) Staff Bonus :

It is a loan sanctioned to an employee by the Management for meeting medical expenses, marriage expenses and expenses incurred for the education of the children of the workmen. No interest is charged on this loan, and amount of loan is covered through the monthly salary by small instalments.

7) Incentive :

To enhance the production, a particular incentive method is used. First a standard in terms of minimum number of units to be produced in each week is fixed for each department. Incentive is paid on the basis of piece rate system for the number of units of out put over and above the fixed standard. Then this amount is distributed among all the workers in the concerned department. With more production the quality of the product should also be maintained. Therefore, if some units of output for which incentive is paid are rejected by the customers, the amount of incentive paid for the same units is deducted from the amount to be paid next for that concerned department.

8) Gratuity :

Every permanent worker is entitled for gratuity after completion of five years continuous service in the company. Gratuity is paid to an employee at the rate of fifteen days salary for each completed year of service, at the time he retires, resigns or is discharged from the service.

9) Provident Fund :

The worker is eligible for the Provident Fund benefit after completing 240 days continuous service in the Company. The management and employees make equal contribution for this fund. The employee's contribution is 8.33 percent of his basic salary.

10) Employees State Insurance (ESI) :

All the permanent employees are provided with the facilities of ESI Schemes. A regular monthly deduction at the rate of 4.50% of basic pay is made for this purpose from each employee's salary. Employees are entitled to ESI leave.

11) Educational Assistance :

Under this scheme the employee's children receive educational assistance. In all, only thirty students are given educational assistance on merit basis. Three students from each standard are selected. Educational assistance is given in the form of, two sets of uniforms, one set of text-books and one set of note-books per student. Only one child per employee is entitled to benefits under this scheme.

12) Worker's Educational Scheme :

The trained persons conduct the class in which, different aspects like responsibility of workers, how to increase the production, as well as how to save the means of production, information about ESI scheme, social responsi-

bility of trade union etc. are discussed. Each class is of 35 workers and is conducted for a period of three months. After completion of the course, workers are sent on tour for 3000 K.M. at the cost of the Management to visit different industrial units in different cities.

13) Pension Scheme :

Every permanent employee is entitled to pension, if he has contributed 2 percent amount of his monthly wages for the pension scheme. The management also pays an equal contribution. The amount of contribution is deposited with LIC.

14) Uniforms, Shoes and Soap :

Every permanent worker is provided with a pair of uniforms and a pair of shoes each year.

Every worker is also supplied with a cake of soap every week to clean the uniforms and hands.

15) Leave and Holidays :

a) Every employee is entitled to 7 days casual leave in a calendar year.

b) Every permanent employee is entitled to 12 days earned leave in a calendar year as per the provisions of the Factory Act.

c) Every employee to whom the ESI scheme is applicable is entitled to sick leave as per the provisions of the ESI Act.

d) All the employees are entitled to 7 days paid holidays including Independence day and Republic Day in a calender year.

16) Canteen Facilities :

Tea and breakfast are made available to the employees at his place of work. The management has to share 50 percent of the canteen bill.

17) Sports :

Employees are supplied with necessary materials for playing cricket, football and volleyball. Company's cricket and football teams participate in many tournaments.

Under the pressure of the Sangh Management made available all these benefits and facilities to the workers. But the majority workers are not satisfied about pay scales. The Sangh is unable also, convince the management about the benefits of pension scheme to the workers. It was at this time that the Mechanical and Engineering Kamgar Union came into picture again and enhance the demands of the workers. The majority of workers joined Mechanical and Engineering Kamgar Union again. As a result the Sangh went into minority since 1983.

B) MECHANICAL AND ENGINEERING KAMGAR UNION

Mechanical and Engineering Kamgar Union was established on 28th September, 1957. The founder members of the Union are Shri Santaram Patil, Shri Anandrao Haldkar and Shri R.G. Kulkarni. These members nursed and

nurtured the union in Kolhapur city and the district. This union is working for the workers, employed in Mechanical and Engineering Industry in Kolhapur City and district. The total membership was around 1500 workers in the year 1988.

Mechanical and Engineering Kamgar Union is affiliated to "Serva Shramik Sangh". The "Red Flag Block" regulates this Serva Shramik Sangh all over Maharashtra. The founder member and leaders of the Red Flag Block (Lal Nishan Gat) are Shri Yashavant Chavan, Shri Datta Deshmukh and Shri Santaram Patil. This Red Flag Block is working under the ideology of Karl-Marx. It aims to establish a socialist state in India. It believes in the nationalisation of means of production and abolition of wage slavery.

The Sarva Shramik Sangh is working for the workers employed in Mechanical and Engineering Industry, Printing, Cinema, Hand and Power Loom, Chemicals, Oil Mills, Saw Mills, Hotel and Restaurants, Bakeries, Road Construction and Building, Operations, Leather and Tobacco manufacturings i.e. 38 industries in Kolhapur district.

OBJECTIVES OF THE UNION :

The objectives of this Union are -

- 1) to organise and unite the workers employed in the Mechanical and Engineering Industry in Kolhapur City as well as district.
- 2) to secure to the members fair conditions of life and service.
- 3) to try to redress their grievances.

- 4) to try to prevent reduction of wages.
- 5) to endeavour to provide against sickness, unemployment, infirmity, old-age and death.
- 6) to endeavour to secure compensation for members in respect of matters arising out of or incidental to their employment.
- 7) to provide legal assistance to members in respect of matters arising out of or incidental to, their employment.
- 8) to endeavour to render aid to the members in during any strike brought about with the sanction of the union or lock-out.
- 9) to obtain information regarding the service conditions in the other small industries in India and outside.
- 10) to co-operate and federate with organisations (of labour) particularly having similar objects, in India and outside.
- 11) to help, in accordance with the Indian Trade Unions Act.
- 12) generally, to take such other steps as may be necessary to ameliorate the social, economic, civic and political conditions of the members.

These objectives are mentioned in the constitution of the Union.

ACTIVITIES :

This Union has been working since 1965 for the workers employed in Menon and Menon Pvt.Ltd. During 1965 to 1970 this Union was the only union working for these workers. During the period (1965 to 1970) this union was in initial stage but still was very active for the welfare of the workers. This Union was busy in the following activities :

1) To unionise the workers and to promote zeal in the workers for organisation and to train their minds for unity and to bring in the spirit of integrity.

2) The Union compelled the management of the company to implement some provisions regarding the safety of the workers.

3) The Union has been successful in securing following arrangements for the workers :

- a) Regular payment of wages.
- b) Weekly rest day.
- c) Supply of cool drinking water at the place of work.
- d) Reduction ⁱⁿ /daily working hours.

Thus the organization **rightly claims the** credit for unionization of engineering workers in Kolhapur area. Moreover, it has successfully sustained the interest of the workers in union activity.

In 1969, with the recession in the Indian economy demand for many products severely decreased. The demand for engineering goods also collapsed and the company was badly affected by this recession.

To overcome this situation, the company took a decision to reduce production. Naturally, it became necessary for the company, either to follow 5 days week, or to retrench some workers. The company had consultation with the union and decided to work 5 days a week for the period of 6 months, Due to this decision workers lost one day's wages in every week.

In 1970, the recessionary pressure started declining but the ^{company} the _/ did not revert back to 6 day's though the workers insisted for the change. But unfortunately neither the management nor the Union leadership paid any serious attention to this burning problem of the workers. So the workers joined the newly formed union namely, "Mechanical Va Engineering Kamgar Sangh." The strength of the union reduced and during 1970 to 1983 the union did not participate in any active programme for the workers.

"Mechanical Va Engineering Kamgar Sangh" is affiliated to AITUC and working under Communist Party of India (CPI). During the period 1970 to 1983 this new union undertook many activities for these workers. This union succeeded in getting revision of pay two times. It succeeded in obtaining schemes of Bonus, Gratuity and Pension for the workers from the management. It also persuaded, the management to provide like canteen, uniform, shoes, casual and sick leaves, earned leave etc. for the workers. However, this union failed to achieve linking of pay-scales with gradation of workers by the quality of work done by them. Most of the workers were dissatisfied with the revision of pay scales.

In this situation, the demand for the revision of pay scales once again arose from the workers. The workers also demanded a change in the existing agreement about, dearness allowance and other facilities according to change in the price index. These demands of the workers were strongly argued by this union. So this union (Mechanical and Engineering Kamgar Union) again came into majority since 1983. The majority of workers joined to this union.

The 38.88 percent of the total workers were members of this union in 1988.

Since 1983, this union has been demanding 20% bonus to the workers but the management was totally and consistently adverse to this demand. In 1984, this union gave a strike-call for workers on the issue of 20% bonus. After a strike of 45 days, the management granted 20% bonus to the workers for the year 1983-84.

Then the President of this union submitted a charter of demands to the management of the company. The charter of demand related to, revision of pay-scales, dearness allowance, casual, earned and sick leave, paid holidays, rest room, canteen facilities, provident fund, gratuity, house rent allowance, incentive and special increments and welfare schemes etc.

The management in turn proposed to the union its need for improvement in time discipline, revision of certain practices, abolition of incentive schemes, increase in production capacity and production norms, improvement in the quality of production etc. The management also suggested new production norms for machine shop and foundry workers.

The negotiation could not be concluded as the union and workmen did not agree to the enhanced norms of production. Hence the management gave a lock-out notice to the union. The union thereafter approached the Conciliation Officer, Kolhapur for intervention. In the mean time the parties had continued the bilateral negotiations. The disputed points were settled

in conciliation proceedings and the parties arrived at an amicable settlement on the following terms :

1) Wage Scales :

The following revised pay scales fixed at pont 350 of the Sholapur cost of living Index for the permanent workers with effect from 1.10.1985.

<u>Grade</u>	<u>Pay Scales</u>
I	500-17-585-19-680-23-795-25-920 (500-16-580-18-670-EB-21-775)
II	475-13-540-14-610-16-690-18-780 (475-12-535-14-605-16-685)
III	450-10-500-11-555-12-615-13-680 (430-10-480-11-535-12-595)
IV	425-8-465-9-510-560-11-615 (385-8-425-9-470-11-520)
V	400-5-425-6-455-7-490-8-530 (345-4-355-5-380-6-410)

The old pay scales are given in the brasckets.

2) Grade :

The workers in various grades as on 30-9-1985 will be putin the revised grades as under from 1-10-1985.

<u>Old Grade</u>	<u>Revised Grade</u>
I,II and III	I
IV	II
V	III
VI and VII	IV
VIII	V

3) The temporary workmen, who are in the employment of the company at present will be deemed to be permanent workmen after having completed two years of continuous service and will be entitled to the benefits under this settlement.

4) Dearness Allowance

All the workmen will be paid dearness allowance at the rate of Rs. 0.05 per point per-day for the rise of every point above 350 of the Sholapur Cost of Living Index.

5) All the workmen will be entitled to enjoy privilege leave as per the provisions of the Factory Act, 1948.

6) The previous facilities of 7 days casual leave and 7 paid holidays in a year will be continued.

7) Uniforms and Shoes :

The company agrees to supply, uniforms and shoes to those workmen, for whom it is necessary from safety point of view. The decision of the supply of uniforms and shoes to the rest of workmen will be deferred by six months.

8) Washing Allowance :

All the workers who are eligible for uniforms will be paid a washing allowance of Rs. 10/- per month.

9) House Rent Allowance :

All the permanent workers shall be entitled to Rs. 52/- per month as house rent allowance.

10) Education Allowance :

All the permanent workers will be paid an amount of Rs. 20/- per month as an education allowance.

11) Conveyance Allowance :

All the permanent workers will be paid conveyance allowance of Rs. 45/- per month.

12) Provident Fund and Gratuity :

All the permanent workers are eligible for the payment of Provident Fund and Gratuity as per the provisions of law in force.

13) Company agreed that the wages shall be paid upto 10th of every month and will be paid through the bank.

14) Bonus :

The management and union will discuss and finalise the quantum of bonus and the date of payment there of every year.

15) Employment to the Heirs of Workmen :

The management **agreed** to employ either the spouse or dependent son or daughter of a workman, who succumbs to death, or who is unable to work due to permanent disablement, as a result of an accident during the course of employment.

16) Grievances Redressal Committee :

Management agreed to form a Grievances Redressal Committee with five representatives each from the union and management. The workers representatives will be nominated by the union. The Committee will discuss the workers' grievances with a view to find out a solution. The legal rights of both the parties are protected if no solution is found. The Committee will meet once in a week and if necessary frequently.

The intention of this agreement is to, secure prompt and fair disposition of grievances and to maintain harmonious relationship between the workmen and the management, to prevent strikes and lock-outs, go-slow and other unfair practices by both the parties and to improve overall productivity and prosperity of the company for benefits of all those who are working with it.

The union agreed not to raise any new demands except bonus, which will place any financial burden on the company either directly or indirectly. The union agreed to withdraw all other demands, which are not mentioned above.

According to this settlement every worker shall get Rs. 200/- to Rs. 250/- monthly. The Engine Division Workers had to give up their conveyance allowance. Quantum of bonus also was reduced.

After this settlement the relations between management and workmen improved. The union thus become successful in establishing good relations between workers and management. The average monthly production also increased. But unexpectedly the management issued a notice of lock-out, and the lock-out continued for seventeen months.