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INTRODUCTION AND METHODOLOGY

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Chapter – 1

INTRODUCTION AND METHODOLOGY

1.1 Introduction

The new economic policy in India introduced in 1991 was the fall out of the foreign exchange crisis. This policy is known as 'U' turn in the economic policy of India as it is diametrically opposite to the previous policies of controlled and planned growth policy. The main components of the new policy are liberalisation, privatization and globalization. This policy is based on the market mechanism and its efficiency in solving various socio-economic problems. This policy is the logical fall out of the influence of world funding agencies like World Bank and IMF. This was initially called structural adjustment programme. The transition of the planned and controlled economy to market economy involves socio-economic costs and benefits.

The experience of the economic reforms of the last decade has shown an improvement in the growth rate of the economy and an increase in the foreign direct investment and foreign reserves of the country. However, it has created some negative results such as slow down in the rate of poverty reduction as compared to the eighties. There is an increase in the inequality both at inter personal and inter regional levels. The employment scenario has turned bad to worse blacken due to zero to negative growth in employment.

During the planning era, India adopted a various policy measures to enhance the welfare of the workers. The acceptance of the objectives of socialistic pattern of the society has resulted into liberal attitude toward labour. The democratic setup has also played an important role in providing more facilities and concessions to labour. Various labour laws like Minimum Wages Act (1948), Industrial Disputes act (1947); Bonus Act (1972) has resulted into protection of labour from different types of exploitation. The workers enjoyed these benefits since independence. However, these benefits were restricted to worker in the organised sector only. The over security of job also resulted some lethargy in workers. The planning and controlled era upto 1990 benefited the workers in general and organised workers in particular. The labours in the unorganised sector faced various problems and insecurity in employment.

The new economic policy, which initiated with strong faith in market mechanism as a substitute for state intervention has resulted into various changes both in factor market and in product market. The protection provided to the labour it's effectively reduced under the name of privatization and liberalization and globalization. The workers in the organised sector received some marginal benefits in the controlled era. But adverse impact of reforms is largely borne by workers. The intensity of these agricultural market effects needs to be studied in detail for different region and market. Hence, we have made an attempt in this regard to study of labour in Shahu Market Yard, Kolhapur

The Agricultural Produce Market Committee, Kolhapur was established on 15th October 1945 according to the Agricultural Produce Market Act, 1945 of the erstwhile Kolhapur State. For the development of Kolhapur market a committee was appointed under the presidentship of Narayanrao Sardesai, a committee was appointed to expose the possibility of introducing market regulation.

Shahu Market Yard is the principle Market Yard under the control of the Agricultural Produce Market Committee, Kolhapur. However, the market are of the APMC is spread over six and a half talukas of Kolhapur district.

There are 3 other Market Committees functioning within Kolhapur district. They are Vadgaon, Jaysingpur and Gadhinglaj. The jurisdiction of each of these Market Committees in the district that of APMC, Kolhapur is considerably widens and principle market Shahu Market Yard is the biggest one.

The labour plays an important role in the overall development of any organizational structure. Their active participation and support requires for its smooth and successful functioning. Hence, the present study is an attempt to study socio-economic condition, their income level; saving and investment level, indebtedness as well as problem of labours and measures to remove those problems are mentioned in it.

1.2 Objectives of the Study

The following are the objectives of the present study.

1. To study the marketing operations and labour use of the Shahu Market Yard.
2. To study the profile of labour in Shahu Market Yard.
3. To study the economic status of labours.
4. To suggest appropriate measures to improve the labours economics positive.

1.3 Chapter Scheme

The following is the chapter scheme of the study.

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|-------------|---|---|
| Chapter - 1 | : | Introduction and Methodology |
| Chapter - 2 | : | Working and Employment Structure of Shahu Market Yard |
| Chapter - 3 | : | Income Expenditure and Saving of Labour |
| Chapter - 4 | : | Working Condition and Social Security of Labour |
| Chapter - 5 | : | Summary and Conclusion |

1.4 Research Methodology

The present study is based on primary as well as secondary data.

i) Primary Data

The primary data includes the study of the labours and their employment, wages, service conditions, work conditions, industrial relations, hours of work etc. collected through interviews and questionnaire etc.

ii) Secondary Data

The secondary data which is available through annual reports and other office records collected from office of the Shahu Market Yard, Kolhapur and Kolhapur District Unorganized Labour Board.

iii) Data Analysis

The collected data was tabulated in the light of objectives and chapter scheme of the present study and interpreted with necessary statistical tools like average, percentage change ratio and compound growth rate (CGR). We have used the method of deflator in order to study the changes in real wage, real income, real expenditure, saving and borrowing of labours.

1.5 Limitations of the Study

Following are the limitations of the study.

1. This study is related only to Shahu Market Yard, Kolhapur
2. This study is only unorganized labour study.

1.6 Meaning of Labour and its Features

The term labour is used in various senses in the broader sense of the term, it may refer to any hand or brain work, and it can be performed for money income or for love and personal satisfaction. In Economics, any work, whether manual or mental, which is undertaken for a monetary consideration is called labour.

Definitions

↳ Marshall has defined labour as –

“Exertion of mind or body undergone partly or wholly, with a view to some good other than the pleasure derived directly from the work.”¹

In the discussion on labour problems in the terms ‘labourer’, ‘worker’, ‘workmen’ and ‘employee’ are practically synonymous, meaning thereby wage labour which may be defined as workers who do not have any other adequate source of livelihood except the sale of their labour power in return of which they get wages. The qualifying word adequate implies that a major part or say more than half of the income of the worker concerned is derived from wages or remuneration for the services

¹ Marshall Alfred, Principle of Economics, 1961. p.54

rendered. Thus, labour includes workers, both manual and mental, who work for others for a given payment in cash or kind. So highly trained or skilled technicians, supervisors, clerical and salaried staff are as much a part of labour as the unskilled or semi skilled manual workers.

Labour is different from other factors of production. It is a living human being whereas land and capital are non living things. This makes all the difference. There are certain characteristics of labour which distinguish it from other factors of production. These characteristics may rightly be regarded as the peculiarities of labour which give rise to various labour problems in all countries.

Hence mention may be made of the following characteristics of labour.

Characteristics of Labours

1. Labour is inseparable from the labourer himself to the goods. He has to go to the place of work or the premise of the factory in which he is employed. Hence, the environment in which labour has to work is of almost importance.
2. The worker sells his work only but he himself retains his own property. Hence, the investments in labour i. e. his training and efficiency are of great significance.

3. Labour is perishable. If a worker does not work for particular day, he loses that very day which would never come back to him in future. One day labour lost is lost for ever. Labour cannot be stored up like other commodities.
4. The workers have no reverse fund. Hence, they cannot wait. They have to work on the terms and conditions as laid down by their employer or they cannot easily withhold it from the labour market. So labour has a very weak bargaining power as compared to employers.
5. The supply of labour cannot be curtailed immediately even if wages fall and it also takes time for children to grow up or for people to get trained in order to increase the supply of labour. Hence, there can be no rapid quick and immediate adjustment of the labour supply to its demand.
6. Capital is more productive than labour itself. A man stands in no comparison with the productive capacity of modern machine. That is why under the competitive economy the owners of capital claim and take away a greater share of the national dividend than what goes to the labourers.
7. Labour is not so mobile as capital. The differences in environments languages, habits, customs and traditions to religions etc. at different places put a great hindrance to the mobility of labour from one place to another.

These differences make workers prefer to remain at the known, accustomed and homely places rather than move from place to place.

8. Labour is not only a factor of production but it is also the ultimate goal or ends of production. What is being produced by the co-operation of all the factors of production is ultimately meant for the consumption of the people, including the workers who have actively contributed to its production. Hence, the socio-economic problems of labour, e. g. standard of living, cost of living, social security and labour welfare, poverty, constitute the subject matter of labour economics.
9. Labour is a human factor. It is not an article of commerce to be purchased and sold like other commodities. So the handling of labour issues requires human touch.

1.7 Mathadi Labours

Mathadi Board in Maharashtra has been successful in decasualising the head load workers to a great extent. A Mathadi is a worker who carries a load on his head, back neck and/or shoulders. His work is mainly physical labour and he is expected to be strong and to withstand heavy weights for stacking all this work is performed in a gang of toli system. All the workers in a toli belong to the same village and are often related to each other. According to their convenience when

some of them go to their native places, others mostly their relatives come and take their place in the toli. The toli workers work under a headman known as Mukadam, who actually arranges the work is responsible to the employer gets labour charges from the employers and distributes the wages among the workers. However, there is no single fixed employer and the situation is one of one employee multiple employers. We have been Mukadam, sometimes exploits toli workers by convincing with the employer. Since the availability of the work depends on the arrival, availability and departure of ships trans goods trucks, etc. it is extremely difficult to predict the time and volume of work. As a result, there are no fixed hours of work, no overtime and any paid holidays or leave. The location of work also spread all over Greater Mumbai.

Annasaheb Patil who has had a long experience of working with dock labour during the dock workers struggle to decasualise themselves in the early 1950s started organising Mathadis in the late 1950 in Mumbai. Efforts on similar lines were also made in Pune by Baba Adhav and in Dhule by Paranjape to organise Mathadis committees were appointed. The recommendation of the three committees paved the way for the Maharashtra Mathadi, Hamal and other Manual Worker (Regulation of Employment and Welfare) Act, 1969. Since 1969 the Mathadi Tripartite Boards regulate the Mathadi labour market. Today there are around 50,000 registered employers with almost 1.5 lakh workers registered under 30 different boards in Maharashtra. A chairperson, appointed by the

Government of Maharashtra, heads each of these Boards. There are an equal number of representatives from the unions and the employees association. Each Board has its own staff including Secretary, Personnel Officer, Chief Accountant, Inspectors and Clerks. The staff gets paid out of the levy, which is negotiated every 3-4 years and charged to the employers.

We have been informed that there are some Mathadis who earn enough to pay Income Tax. They pay professional tax as well their dearness allowance is linked to the CPI. The PF contribution of workers is 8.33%. Their hospital contribution is Rs. 20- per month. They receive medical benefits and HRA. Wage variations are still sharp and wages fluctuate from less than Rs. 1000 to Rs. 10,000 per month. Besides better health facilities, social security also gives importance to housing and education with the help of the Mathadi Boards, 4000 Mathadi workers have been able to get housing facilities on an ownership basis. For this purpose, they have taken loans from the GIC and HDFC and also draw from their own provident fund. The boards are also trying to promote formal education among Mathadi families. Since 1992 they have instituted quite a few scholarships for the children of Mathadi workers. More than 100 children have been given scholarships till 1997.²

² Report of National Commission on Labour, 2002, pp. 726-727

1.8 Unorganized Sector

The first National Commission on labour, under the chairmanship of Justice Gajendragadkar, defined the unorganized sector as that part of the workforce who have not been able to organize in pursuit of a common objective because of constraints such as (a) casual nature of employment, (b) ignorance and illiteracy, (c) small size of establishments with low capital investment per person employed, (d) scattered nature of establishments, (e) superior strength of the employer operating singly or combination the commission listed illustrative categories of unorganized labour. They are –

- 1) Contract labour including construction worker
- 2) Casual labour
- 3) Labour employed in small scale industry
- 4) Handloom/powerloom worker
- 5) Beedi and cigar worker
- 6) Employees in shops and commercial establishment
- 7) Sweepers and scavengers
- 8) Workers in tanneries
- 9) Tribal labour
- 10) Other unprotected labour

The term informal per se denotes the informal nature of work in the activity concerned irrespective of the actual number of workers employed and irrespective of whether it is within the purview of the requirements for registration. Some studies done in India restrict the informal sector to enterprises employing less than 10 persons. These tend to set an upper limit of employment at 9 persons and also identified other criteria for identifying informal sector activities.

The unorganized sector is very diverse. Many efforts have been made to identify the characteristics of employment or undertakings the sector. but none of the characteristics can be termed as crucial in defining the sector. However, it will be useful to list some these characteristics.

- a) Low scale of organization
- b) Operation of labour relations on a casual basis, or on the basis of kinship or personal relations.
- c) Small own account (household) or family owned enterprises of micro enterprises.
- d) Ownership of fixed and other assets by self
- e) Risking of finance capital by self
- f) Involvement of family labourers
- g) Production expenditure indistinguishable from household expenditures and use of capital goods
- h) Easy entry and exit

- i) Free mobility within the sector
- j) Use of indigenous resources and technology
- k) Unregulated or unprotected nature
- l) Absence of fixed working hours
- m) Lack of security of employment and other social security benefits
- n) Use of labour intensive technology
- o) Lack of support from government
- p) Workers living in slums and squatter areas
- q) Lack of housing and access to urban services
- r) High percentage of migrant labour

1.9 Growth of Labour Force

'Unemployment is a normal feature of market economies and India's is no exception. During the last four decades upto 1980s the population of the country has grown at the rate of 2.2 percent. But the employment opportunities have failed to increase in line with the growth of population. During 1951 to 1987 the average rate of growth of labour force is 2.5 percent whereas growth rate of employment during the same period is 2.1 percent. Despite an expected reduction in the growth rate of population to 1.58 percent per annum by the end of the Ninth Plan, in the early years of the next millennium i. e. between 1997 to 2002.

Labour force growth will reach a peak level of 2.5 percent per annum the highest it has ever been and is ever likely to attain i. e. in 2002 the total labour force in India 478.8 millions.³

1.10 Selection of the Sample

In the Shahu Market Yard various types of labours are working such as hamal, weightmans, assistant, warehouseman, hotel worker etc. table 1.1 shows that the maximum labour are hamal. In the year 2005 Hamal are 608 these labour is licensed. The total percentage is 76.47 percent. Hamal labour and 134 (16.86) is weightmans, 52 (6.54) is assistant and 1 (0.12) warehousemans.

Table 1.1
Sample Profile

Sr. No.	Types of Labour	No. of labour	Percentage
1	Hamal	71	88.75
2	Weightman	2	2.5
3	Assistant	4	5
4	Warehouseman	1	1.25
5	Hotel workers	2	2.5

The above table reveals that the sample of total 80 labours out of 71 (88.75) is hamal labour and weightman is 2(2.5) as well as assistant 4 (5) and warehouseman is 1(1.5) and hotel worker are 2(2.5).

The table shows that maximum (88.75) hamal (Mathadi) workers.

³ Economic Reforms and Employment, Impact of Economic Reforms on Employment in India, Mukta S., ADI

1.11 Reason of Selection Hamal/Mathadi Labour

The reasons why we have selected Hamal (Mathadi) labour are as follows –

The prices of agricultural goods are influenced by rates of hamali. Therefore there is need of study hamal labour. Most important fact is that out of total working force of our country 90 percent working force is engaged in unorganized sector. Hamal labours are come under unorganized sector and in this Shahu Market Yard most of labours are Hamal (Mathadi) labour. In the agricultural marketing labour plays significant role but government and other related authority ignore this important factor. Therefore we have selected study of labour in Shahu Market Yard, Kolhapur.