

CHAPTER - I

INTRODUCTION

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I Evolution and Growth of Private and co-operative Sector :

Soon after the independence our country was in the grip of vicious circle of poverty. This led to heavy pressure of population on agriculture, unemployment of labour under utilisation of resources, low per capita income and low level of capital formation with less developed industrial sector.

Immediately after independence the All India Congress Committee appointed the Economic Programme Committee with Pandit Jawaharlal Nehru as the Chairman in Nov.1947. The AICC resolution stated "Our aim should be to evolve an economic structure which will yield maximum production without the operation of private monopolies and concentration of Wealth and which will create a proper balance between urban and rural economics.

In March 1950 the Planning Commission was set up by the Govt. of India under the Chairmanship of Pandit Jawaharlal Nehru to prepare a plan for the most effective and balanced utilization of the country's resources.

We discarded the doctrine of laissez - faire (free enterprise) and adopted whole heartedly the mixed economy with active and ever increasing state intervention practically in all the key branches of our economy. Here public and private sector

were expected to operate side by side. A sector based on the principles of Co-operation also exists in a mixed economy. It is usually to be found in farming, dairying, consumer purchases and in small manufacturing. The cooperative sector is organised by the people with the assistance of State Co-operative agencies to reduce exploitative market tendencies and to inculcate spirits of co-operation and self help. The history of the co-operative movement in India began in 1904 with the enactment of co-operative credit societies Act of 1904.

This history of co-operative movement in India before independence can be divided in following five periods.

First stage - (1904-1911) Beginning period of cooperative movement in India. In the first period number of societies came into existence.

Year	No.of societies	No.of members (inthousands)	Working capital (in lakhs)
1906-07	843	90.84	23.72
1907-08	1357	149.16	44.14
1910-11	5321	305.06	203.05
1911-12	8177	403.51	335.74

Second Stage - (1912-1919) Period of Hurried expansion. In 1912 new act was passed which was made simple, clear and more elastic.

Progress in Second Stage -

Year	No.of Societies	Membership	Working Capital
1911-12	8177	4.7 lakhs	335.7 lakhs
1917-18	25192	10.9 lakhs	760.0 lakhs

The Third stage - (1919-29) Period of unplanned expansion. Rapid progress was made during this period.

Year	No of non credit	Membership	Working capital
1918-19	1917	2.62	2.17 core Rs.
1928-29	9776	2.92	13.63 core Rs.

Fourth stage - (1929-39) Period of consolidation. The depression of 1929, hit hard the growth of the co-operative movement in this period.

Fifth Stage - (1939-1947) Period of Recovery

Year	No of societies in thousand	Membership in lakhs	Working capital Rs.in crores
1938-39	122	53.7	106.47
1945-46	172	91.6	164.00

The attainment of independence started a new era in the growth of co-operative movement in India. After independence the Govt. of India has taken some important steps to reorganize and to develop the co-operative movements in terms of the recommendations

of various committee like. All India Credit survey committee report (Gorwala Committee). Co-operative Planning Committee report (1946) and Vaikunth Mehta Committee report in 1960, R.N.Mirdha Committee 1964 etc. Indian planning Commission also expressed that co-operation is an indispensable instrument of planned economic development in India.

a) PRIVATE SECTOR : Private sector operates solely for earning maximum profit for the owners. Private sector refers to all types of individual or corporate enterprises, domestic and foreign in any field of productive activity. The ownership of this sector is in the private hands. The private sector has been assigned an important role in India and is given the right to develop consumer goods industries.

In India the importance of private sector is generally assessed in terms of its contribution to national income and employment. As per 1984-85 statistics private sector contributed 75 percent of the net domestic product and over 90% of the total employment. The share of the private sector is dominant in agriculture, fishing, small scale industry, retail trade, etc.

Table 1.1
Growth of private corporate sector in India is as follows

	No. of companies as on		
	March 1957	March 1971	March 1991
Pvt. Sector undertaking	29283	30147	219542

Table 1.2
Paid up capital as on (Rs.Cores)

	March 1957	March 1971	March 1991
Pvt.sector undertaking	1005	2349	18696

Source - CMIE. Basic statistics relating to the Indian economy
Aug.1992.

Table 1.3
Private sector employment in India (in lakhs)

Years	Private sector
1971	68.0
1976	68.4
1981	73.9
1986	73.7
1989	74.5
1990	75.9
1991(provisional)	78.5

Source - Compiled from Economic Survery 1992-93

In 1991 liberalisation was done in industrialisation for participation of foreign companies in true sence. This opened business opportunities for Indian companies to market their product in global market. 100% export oriented units were defined and lot of concessions in taxes and duties were offered to them. During 1992-93 the private sector has been invited to invest in oil exploration and refining which otherwise was reserved for the public sector. The power sector is made open to both domestic and foreign private investment.

b) CO-OPERATIVE SECTOR : We can find the origin of co-operation in Pandit Vishnu Sharma's "Panchtantra" where it is stated that "Sahati KaryaSadhika" in Sanskrit.

To co-operate means to make joint efforts.

The concept of co-operation was originally started by Rochdale pioneers in 1844, against capitalist exploitation. The objective was to provide gains to its members.

Co-operation is a voluntary democratic economic organization based on equality and equity for promotion of common interests.

Co-operative movement has to cope up with the competition from private and public sectors and the movement has to make a strong footing in India.

A co-operative sector is an association of individuals established for the promotion of the member's economic interests, in accordance with the co-operative principles. This indicates that the co-operative movement is of the people, by the people & for the people.

The founders of planning in India thought co-operation as the best instrument of economic upliftment of the village India and forethought that in co-operation there is a combined advantage of private ownership with public good.

In Indian five year plans co-operation is expected to become the basis of organization in several branches of economic life, notably in agriculture, small industries, marketing, processing, distribution, etc.

The Reserve Bank of India does following helpful activities and important functions to assist the growth of co-operative sector in India from 1954 to 1982. Its important functions towards Co-operative sector were -

- 1) Financing functions
- 2) Promotional, advisory, supervisory functions including training
- 3) Statutory or Regulatory functions.

Thereafter on 12th June 1982 (NABARD) National Bank for Rural and Agricultural Development took over this function. Important functions of NABARD are 1) Financing functions.

2) Co-ordinating and advisory function. NABARD has certainly made significant work in the field of rural credit. It has tried to create strong and self reliant structure of co-operative Banking in India. All these efforts of NABARD will certainly lead to fulfillment of its objectives in future.

Table No. 1.4
Growth and Progress of Co-operatives during (Five year Plans)

	Unit	1951-56	56-61	61-66	69=74	73-74	74-75	75-76	76-77	86-87
No. of Societies	Lakhs	1.81	2.40	3.32	3.20	3.30	3.30	3.10	3.20	3.25
Membership of primary Sectors	Million	13.70	17.60	34.20	58.50	69.20	69.50	74.20	89.60	125
Share Capital	Rs.Crore	455	778	2216	6633	1226	1274	1369	1700	2000
Working Capital	Rs.Crore	2758	4689	13131	44728	9648	11278	12146	14580	200000

Source : S.L.Goel and B.B. Goel, Problem and properties of co-operative administration.

II) COTTON TEXTILE INDUSTRY :

The textile industry is the largest and oldest industry accounting for about 20 percent of the total industrial output, providing employment to about 20 million people and contributing nearly 30 percent of the total value of export. This industry is one of the important agro based, labour intensive and is ranked amongst the seven largest foreign exchange earners in the country as the import content in textile goods is very low :

The first textile mill in India was set up in 1818 in Calcutta. At the end of March 1991 there were 1062 mills in the country (781 - spinning and 281 composite) with 27 million spindles and 108 lakh looms. The industry provided employment to 20 million people accounting for nearabout 25 to 30% of all factory labour in the country.

The structure of the industry is extremely complex with the hand spinning and hand weaving (handloom) sectors at the one end and the modern, sophisticated and highly mechanised mill sector at the other. In between falls the decentralised small scale powerloom sector. Decentralised sector depends exclusively on mills for its yarn requirements. Composite mills produce joint output Yarn and Cloth. The present policy regime will result in more rapid and harmonious growth of the three segments (mill, powerloom and handloom) and will also give a thrust to exports.

Cotton textiles are spread over in India in :

Ahmedabad	:	Gujarat
Coimbtore	:	Tamilnadu
Madras	:	Tamilnadu
Madurai	:	Tamilnadu
Nagpur	:	Maharashtra
Solapur	:	Maharashtra
Bombay	:	Maharashtra
Bangalore	:	Karnataka
Calcutta	:	West Bengal
Kanpur	:	Uttar Pradesh
Ludhiyana	:	Punjab
Amritsar	:	Punjab
Indore	:	Madhya Pradesh.

India's textile industry continues to be predominantly cotton based, 73 percent of fabric consumption in the country being accounted for by cotton. Total fabric production in 1991-92 was 22588 million square metres. The share of the mill, powerloom and the handloom sector in this output were 10.5, 71.2 and 18.3 percent respectively.

The textile sector has been undergoing a major restructuring. The mills are modernising their plant and machinery and devoting attention to exports. A number of 100 percent Export oriented units have also come up which is considered to be a healthy development. This trend is expected to be accelerated and the textile exports are poised for a substantial growth. The number of registered powerlooms increased from 10.44 lakh in 1990 to 12.92 lakh 95 as at the end of August 1992.

Table No. 1.5

Production in Textile Industry

Industry	Unit	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1993-94	1994-95
I) Cloth											
i) Mill (Original Sector)	Million Sq.Mtrs.	3483	3178	2902	2667	2589	2376	2000	1990	1937	1225
ii) Powerlooms Decentralised	$\frac{1}{2}$	14454	14799	13123	14007	16044	16089	19631	17826	12892	13055
iii) Handloom	$\frac{1}{2}$	17937	17977	20018	20598	22928	22588	25045	5851	3826	3706
	Total								27472	18055	17986
a) Cotton Cloth											
i) Mill Sector	Million Sq.Mtrs.	2594	2346	2100	1957	1859	1657	1453			
ii) Decentralised Sector	Total	10133	10280	11558	11979	13572	12996	11601			
		12727	12626	13638	13936	15431	14647	13054			
b) Mixed/Blended											
i) Mill Sector	Million Sq.Mtrs.	880	827	782	658	689	666	547			
ii) Decentralised Sector	Total	937	988	1539	1460	1682	2046	1932			
		1817	1815	2321	2118	2371	2712	2479			
c) Man made fibre fabrics											
i) Mill Sector	Million Sq.Mtrs.	9	5	20	52	41	59	--			
ii) Decentralised Sector	Total	3384	3531	4019	4492	5085	5170	9512			
		3393	3536	4039	4544	5126	5229	9512			

Industry	Unit	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1993-94	1994-95
II) Spun Yarn											
i) Cotton	Million in	1302	1321	1310	1372	1510	1450	1523	1629	1076	1039
ii) Mixed/blended	Kgs.	144	152	185	173	207	234	247	305	198	223
iii) Looms non cotton yarn		80	82	92	107	107	122	125	140	92	105
	Total	1526	1555	1567	1652	1824	1806	1895	2067	1368	1367
III) Filament Yarn											
a) Viscose	Million in	45	46	44	49	51	53	50			
b) Synthetic	Kgs.	118	145	179	195	225	218	278			
c) Nylon		37	34	36	39	40	31	38			
c) Polyester		81	111	143	156	185	187	210			
IV) Staple Fibre											
a) Cellulestic	Million	96	119	126	148	160	158	159			
i) Visease	in Kgs.	96	119	126	148	160	158	159			
ii) Acetate		-	-	-	-	-	-	-			
b) Synthetic		89	101	138	157	176	183	-			
i) Polyester		66	79	112	127	134	136	-			
ii) Acrylic		23	22	26	30	42	42	-			
Man Made Fibre	Million Kgs.								453.3	177.1	185.6

Table No. 1.6
INDIA'S EXPORTS OF TEXTILE INDUSTRY

	90-91	91-92	92-93	93-94	93-94	94-95
1) Cotton Yarn Fabrics made etc.						
Percent share	6.5%	7.5%	7.5%	6.9%	6.9%	8.6%
US \$ Million	1170	1298	1350.5	1542.3	713.3	1004.9
2) Raw Cotton						
Percent Share	2.6%	1.5%	0.3%	0.9%	1.6%	0.3%
US \$ Million	474	122	62.8	210.2	163.6	30.2
3) Readymade Garments						
Percent Share	12.3%	13.3%	12.9%	11.6%	11.8%	11.6%
US \$ Million	2335	2199	2393	2579.6	1217.4	1325.4

Source : Economic Survey Report 1992-93, 94-95.

Table 1.7
India's Exports of Principle commodities

	1993-94	1994-95
Textiles	4904.1	6519.6
Gems and Jewellery	3995.6	4501.3
Chem and Related producer	2486.7	3226.8
Engg. Goods	2697.6	2999.0
Agri. and Allied producer	2495.8	2381.3
Leather and Mfrs.	1299.5	1557.2
Marine Products	813.6	1121.7
Ores and Minerals	888.2	998.4
Plantutuins (Tea & Coffee)	511.6	635.0
Carpets	568.2	555.3
Electronic goods	326.3	457.5
Petroleum Products	397.8	416.9
Handicrafts	318.5	382.5
Unclassified Exports	266.8	342.7

(Source - Ministry of commerce Published in Business times Sept.
1995)

Maharashtra occupies a place of pride in cotton Textile industry in India. Maharashtra is ideally suited for the the installation of more spinning mills due to availability of cotton and having a captive market for yarn from as many as twelve lakh

powerlooms and nearabout 60000 handlooms. Maharashtra State is having 38% of total area under cotton in the country producing on an average 10.5 million tonnes of cotton every year.

There are textile centres such as Bombay, Solapur, Ichalkaranji, Malegaon, etc. in Maharashtra Powerloom and handloom sectors in Maharashtra are working on synthetic fabrics, cotton and blended fabrics. Maharashtra has also been a pioneer in the co-operative movement. The co-operative sector plays important role in the development of spinning co-operatives, handloom co-operatives and powerloom co-operatives.

In 1988 there were 32 spinning co-operative mills in Maharashtra.

Solapur is one of the major textile towns in Maharashtra. The origin of textile industries in Solapur could be traced by migration of weavers community from and then Hyderabad State areas nearly a century ago. Favourable climatic condition and cheap labour force contributed fast development of textile in Solapur.

Textile industry in Solapur consists of

1. Three Composite mills - Laxmi Vishnu Mills, Narsing Girji Mills and Jam Shri Ranjit Singji Spg. and wvg. Mill employing more than 18000 workers together
- 2) Two co-operative Spg. Mills - i.e. Yeshwant Sahakari Soot Girani & Solapur Sahakari Soot Girani- employing 3500 workers.
- 3) Nearly 10 private Spg. Mills employing 6000 workers.
- 4) Decentralised sector of handlooms and powerlooms employing 40000 workers.

THE PROBLEM OF ABSENTEEISM :

Absenteeism is a condition that exists when an employee fails to come to work even though he is properly scheduled to work.

Normally the rate of absenteeism is around 5 percent. But in many industries in India we came across excessive absenteeism which constitutes considerable loss to the business unit even when worker may not receive pay. The absenteeism in industry in India is at a high rate and even reaching the abnormal level of 40 percent in some seasons in certain occupations.

On one side our country is facing a severe problem of unemployment and on another side industries are facing problems of absenteeism. This picture shows us two sides of a coin. On one hand unemployment may be considered as unutilisation of labour force and on the other hand absenteeism can be considered as underutilisation of labour force.

Due to absenteeism work schedules are upset or delayed, it results in confusion, it may lead to hasty transfers, overtime or even failure to meet delivery date or orders of production. When for ill workers sick pay is authorised, the costs of absenteeism mount up more rapidly. This situation is most harmful in longrun for the industries or business units.

Indian Industries are leading towards technological advancement and developing very fastly to see prosperous dawn of 21st century.

But for improvement of productivity and productions, good industrial relations should be maintained by the Industry and the labour force both.

Absenteeism is quite common in every industry. The problem of absenteeism in textile industry is very complicated in nature and it shows higher rates of absenteeism compared to other industries.

Table No. 1.8
Absenteeism Rate in Selected Industries
(Percent)

Industry	1971	1976	1981	1982	1983	1984
Cotton Textiles	19.3	20.1	21.8	N.A.	22.9	15.8
Iron & Steel	11.0	14.9	15.9	18.0	16.8	16.1
Ordinance factory	13.8	9.8	14.1	14.1	13.7	14.0
Cement	13.0	13.1	10.8	14.8	12.2	12.7
Match.	14.7	14.1	16.6	17.4	19.3	18.6
Telegraph Workshops	16.7	14.7	15.8	17.4	17.9	17.3

Source : India Economic Information Year book 1981-88 by A.N. Agrawal, H.O.Verma, R.C. Gupta.

Compared to textile towns such as Bombay, Solapur, Ahmedabad, Kanpur. Solapur is having highest absenteeism rate in India.

CAUSES OF ABSENTEEISM :

There are many causes of Absenteeism. When we study Absenteeism, we have to study human behaviour also which is related to Absenteeism. Here different opinions arise due to complex nature of human psychology.

In the Indian context, D.H. Bhutani found that Absenteeism is really complex socio economic phenomenon born out of attitudes circumstances and compulsions.

A survey made by the American Management Absenteeism of 120 chronic absentees indicated the following causes of Absenteeism :

1. Personal maladjustments
2. Lack of interest and satisfaction in the job.
3. Irresponsibility
4. Difficulties like transportation, housing problems and
5. Sickness :

Dr. Baldeo Sharma in his article on Absenteeism : "A search for correlates" has examined many causes of Absenteeism and presented the various causes at two levels i.e. a) Macro level and b) Micro level:

a) MACRO LEVEL FACTORS

1. Lack of commitment
2. Calculation by employee of economic consequences of absence.
- 3, Rural bias and lack of adjustment to industrial way of life.

4. Behaviour pattern of worker affecting by social cultural and economic background.

b) MICRO LEVEL FACTORS :

1. Organisational factors

a) managerial style

b) technological environment.

2. Personal factors (individual attitudes, factual circumstances and compulsions)

3. External factors.

The systematic analysis made by Dr. Sharma is very useful for study of absenteeism in Indian conditions. According to Dr. Sharma the behaviour pattern of workers is the root cause of absenteeism.

The various causes coming under organisation factors, personal factors and External factors are as follows :

a. Managerial Style :

1. Quality and Style of supervision.

2. Selection, induction and placement

3. Recognition, communication and morale

4. Job satisfaction and challenges

5. Wages and incentives

6. Overtime

7. Leave rules and procedures

8. Role of unions.

- b. Technological Environment :
 - 1. Condition of work and hours of work
 - 2. Accidents
 - 3. Occupational disease and medical care
 - 4. Recreational facilities
 - 5. Work group.
- c. Personal Factors :
 - 1. Matril harmony
 - 2. Family size
 - 3. Work orientation
 - 4. Bad habits
 - 5. Emotional health
 - 6. Community obligation
 - 7. Educational level
 - 8. Standard of living
 - 9. Transport
 - 10. Housing
 - 11. Indebtedness.
- d. External Factors :
 - 1. Level of unemployment
 - 2. Social religious and cultural aspects
 - 3. Time of the year and day of the week
 - 4. Climatic and related conditions
 - 5. Recreational facilities (local)
 - 6. Transport facilities (local)
 - 7. Housing (local)

Various causes of Absenteeism can be explained as follows :

1. Migration from rural to urban areas :

Majority of the Labour force in industry comes from rural areas. They are unable to adjust with the urban style of living and industrial way of working. These workers main aim is to earn money to lead life. These workers come from poor families. But in towns also they have to face the problems of accommodation and costly and poor living condition. According to Myers " It is poor living condition that is more disliked than the factory job".

It is seen that the Absenteeism of such workers is due to their inability to adjust with new way of life.

Sometimes this poor living condition drive the workers back to their native villages and these workers use to engage themselves in family farms.

But some researcher do not agree with this cause. According to them new generation of workers largely has an urban background with only a few sentimental ties with the village. And these rural workers are also interested in working and living in the urban area. We can take the example of Bombay city where the workers came from various parts of India and never wish to return back.

2. FINANCIAL GAIN :

10 to 20 percent of the total number of employees are absence prone persons. Such persons require counselling, a few warning and ultimately dismissals.

Each and every person works or sell his or her labour to earn money. But when the necessity of money is fulfilled by other way the person gives lesser interest towards the work.

Sometimes the workers remain absent for a day or two. He feels better and due to laziness & good rest he tries to avoid work.

But in practice every person poor or rich has some burden or responsibility over his head and he must earn money to fulfill the basic necessities of life for him and his family.

3. SIZE OF FAMILY ;

Workers having large family size or more family members have to remain absent more times due to ceremonies sickness or other problems. This type of worker has to pay attention to each member as a karta of the family.

On the other hand we can also say that large family holder workers have more responsibility of earning so they do not keep themselves away from work as they know very well the importance of one days earnings.

Here a worker having small family and due to less responsibility can also remain more absent and vice versa.

4. COMMUNITY OBLIGATION :

A worker being a social animal may have to remain absent to attend ceremonies, marriages, funerals etc.

5. BAD HABITS :

A worker may develop some bad habits like drinking alcoholic

liquers, consumption of drugs etc. such an unhealthy development may be because of individual maladjustment, personality difficulties, dispair, desire for pleasure and recreation etc. such bad habits compel him away from the work.

Drinking has become a major cause of absenteeism in many countries 22 days per year Absenteeism is attributed to alcoholism. Due to alcoholism and drugs the worker could not work properly even if he remains present.

6. SICKNESS :

It accounts for more than 50 percent of all absences. A worker remains absent due to his or his family members sickness. Bad habits, lack of nutritious fund, improper eating and sleeping habits, occupational hazards, accidents. Sometime sickness may be due to pollution in industry.

Workers are poor and they are living in unhealthy conditions, which makes the worker sick and he has to remain absent.

7. INDEBTEDNESS :

Worker is illeterate and untrained. He can get the job which requires less skill. For unskilled work the pay scale is also less. With this less income the worker can't meet his family's basic necessities and he takes help of private money lenders friends or releaitves where sometimes he has to pay higher rate of interest for borrowed money. But the worker face the shortage of money due to high cost of living & other necessities of life. And his amount

of borrowed money and interest goes on increasing. The money lender demand for the lent money wish increased interest (Double of the original amount) In this situation the worker avoid coming across the money lender & avoid coming out of home. As a result he remains absent.

The money borrowed may be due to bad habits also.

8. EDUCATION :

Human behaviour cannot be understood in certain situation due to its two aspects. Educated worker may think better and understand importance of money, efficiency and producting. But sometiems it may happen that educated worker due to his modern angle of looking towards job, he might expect less work and more money. He could not be satisfied with his job which results Absenteeism.

Another aspects of this cause is that uneducated worker can work better and hard. Because he cannot find another way of earning money and he will worship his work.

But the fact is that educated worker behave more responsibly towards his work and he knows adverse effects of Absenteeism comparing to uneducated worker.

9. ATMOSPHERE IN THE ORGANISATION :

Excessive hours of work, natural fatigue, monotonus job, poor supervision, adverse working conditions, poor production control all these reasons contribute to Absenteeism indicating the feelings of irresponsibility among employees. These causes of Absenteeism,

of course, can be removed by the management which is responsible for providing favourable working conditions and particularly providing preventive measures of industrial fatigue.

10. MANAGEMENT'S POLICY :

If management adopt liberal policy regarding leave and offer or grant leaves without any strict policy then the worker may take undue advantage of this policy and habituate himself to remain absent frequently.

11. OTHER CAUSES :

This includes the factor like distance covered by worker from his home to work place, climatic conditions, means of transport used to reach, non availability of recreational facilities, days especially Monday and Friday these are the days after and before the holidays where worker feel lazy and he remain absent.

EFFECTS :

The list of causes of Absenteeism is very long and these all causes bring loss to an employer & employee both. Absenteeism, results into loss of productin, productivity money, time,& efforts. Firstly the Absenteeism affect severely to the employee's family. Then it affect to the industry where he works. Production is hindered. Transfer of unskilled person in his place results in production of inferior quality product or waste, break down of materials etc. If the production is affected the industry is also affected and finally brings loss to employer,employee,society, industry & nation.